



**GUTHRIE GTS LIMITED**  
(Incorporated in the Republic of Singapore)  
Company Registration Number 196800390N

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## **FRAMEWORK AGREEMENT IN CONNECTION WITH THE CONVERSION OF ASIAN RETAIL MALL LIMITED INTO A PERPETUAL COMPANY KNOWN AS PRAMERICA ASIARETAIL LIMITED**

### **– Partial Realisation and Retention of Investments**

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The Board of Directors of Guthrie GTS Limited (the “**Company**”) wishes to announce that its wholly-owned subsidiaries, Guthrie International Holdings Pte Ltd (“**GIH**”) and Guthrie Lao Investment Limited (“**Guthrie Lao**”) (GIH together with Guthrie Lao shall be collectively referred to as “**Guthrie**”), have entered into a framework agreement (the “**Framework Agreement**”) with Asian Retail Mall Limited (“**ARML**”), Asian Retail Mall II Limited (“**ARML II**”), other investors of ARML and ARML II and various other investors for the conversion of ARML into a perpetual corporate fund vehicle known as Pramerica AsiaRetail Limited (“**Pramerica AsiaRetail**”) and managed by Pramerica Real Estate Investors.

Pramerica AsiaRetail will retain its existing assets of shopping malls and office tower and acquire the following shopping mall assets owned by ARML II in two stages:

(a) Stage 1 on 10 October 2011:

The assets comprising Kinta City Shopping Centre, Liang Court and Tampines 1.

Tampines 1 is held through ARMF II (Tampines) Pte. Ltd. (“**ARMF II Tampines**”).

(b) Stage 2 on 8 August 2012:

The assets comprising 1st Avenue Mall, Island Plaza and SSTwo Mall.

Pursuant to the terms of the Framework Agreement, Guthrie has partially realised its combined investments in ARML, ARML II and ARMF II Tampines (collectively, “**Guthrie Combined Investments**”) whilst still retaining an investment in the Pramerica AsiaRetail.

### **1. About Pramerica AsiaRetail**

1.1 Pramerica AsiaRetail is a Singapore Dollar denominated perpetual corporate vehicle without a fixed term duration and constituted by the conversion of ARML. Its initial portfolio of assets located in Singapore and Malaysia will consist of six suburban retail malls (with a connected office tower) in Singapore, namely, Tiong Bahru Plaza, Century Square Shopping Centre, Hougang Mall, White Sands Shopping Centre, Tampines 1, Liang Court and Central Plaza and four suburban retail malls in Malaysia, namely, Kinta City Shopping Centre, Island Plaza, SSTwo Mall and 1st Avenue Mall.

- 1.2 The objective of Pramerica AsiaRetail will be to maximise income and value of the assets and grow the asset base of the fund by making additional retail and mixed-use property investments. Pramerica AsiaRetail will grow, hold and actively manage the assets over the medium to long term in a structure which seeks to maximise value for its investors.

## **2. The Guthrie Combined Investments**

- 2.1 The Guthrie Combined Investments comprise a 7.8% stake in ARML at a cost of S\$27.5million, a 1.25% stake in ARML II at a cost of S\$4.54million and a 20% stake in ARMF II Tampines at a cost of S\$30.73million (including shareholders' loans), amounting to an aggregate cost of approximately S\$62.77million. The total value of the Guthrie Combined Investments is approximately S\$156.2million and is based on (i) the property valuations of the underlying assets in ARML and ARML II's assets in Kinta City, Liang Court and Tampines 1 as at 30 June 2011 for the Stage 1 acquisition and (ii) the projected property valuations of ARML II's assets in Island Plaza, SSTwo Mall and 1st Avenue Mall for the Stage 2 acquisition.

The values of the investments in ARML and ARML II have been regularly reviewed and the appreciation in values recorded in the fair value reserve of the Company's consolidated balance sheets. The 20% stake in ARMF II Tampines was held by GIH and the Company has accounted for its proportionate share of the profits of ARMF II Tampines in the Company's consolidated income statements.

- 2.2 Pursuant to the Framework Agreement and the formation of Pramerica AsiaRetail, Guthrie has partially realised the Guthrie Combined Investments of S\$124.4million in cash on 10 October 2011 and has received shares valued at approximately S\$30million in Pramerica AsiaRetail. When the Stage 2 assets are acquired on 8 August 2012, Guthrie will receive additional shares in Pramerica AsiaRetail for value of approximately S\$1.8million.
- 2.3 The retained investment of S\$31.8million represents approximately a 1.89% stake in Pramerica AsiaRetail. The transacted value of the partial realisation and retention of investment has been agreed to between all the various investors and based on (i) the average of property valuations of the underlying assets in ARML and ARML II's assets in Kinta City, Liang Court and Tampines 1 for the Stage 1 acquisition as at 30 June 2011 as valued by two independent third party valuers and (ii) the projected property valuations of ARML II's assets in Island Plaza, SSTwo Mall and 1st Avenue Mall for the Stage 2 acquisition.
- 2.4 With effect from 10 October 2011, GIH ceased to own any investment stake in ARMF II Tampines and accordingly, ARMF II Tampines ceased to be an associated company of the Company.

## **3. Rationale**

- 3.1 The Company continually reviews its investment portfolio. In the normal course of business, it will manage, align and rebalance its various investments as part of its investment portfolio management.

- 3.2 The roll-up of Pramerica AsiaRetail enables the Company to unlock the value of the Guthrie Combined Investments by realising and monetising the investment gains that have been built up over the years. The Company will retain an investment of S\$31.8million in Pramerica AsiaRetail and will continue to have some exposure to this particular real estate segment.
- 3.3 The Company will also continue its involvement in the management of the retail malls owned by Pramerica AsiaRetail through an existing mall management company, AsiaMalls Management Pte. Ltd. (“**AMM**”); which is jointly owned with Pramerica AsiaRetail. AMM had managed the malls owned by ARML and will be appointed as the Retail Mall Manager to manage all the shopping malls owned by Pramerica AsiaRetail in Singapore.
- 3.4 The blended approach to the partial realisation and retention of the Guthrie Combined Investments achieve a good balance of realising investment gains and retaining participation in Pramerica AsiaRetail to optimise its investment portfolio. The proceeds from the partial realisation will be used for working capital requirements.

#### **4. Financial Effects**

- 4.1 For illustrative purposes only, based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2010:
- (i) assuming that the Transaction had been effected at the end of the Group’s financial year ended 31 December 2010, there is no material impact on the net tangible assets per share of the Group of 70.8 cents as at 31 December 2010 as a substantial part of the revaluation surpluses for ARML and ARML II have already been reflected in the fair value reserves; and
  - (ii) assuming that the Transaction had been effected at the beginning of the Group’s financial year ended 31 December 2010 (i.e. on 1 January 2010), the earnings per share of the Group for the financial year ended 31 December 2010 would have increased from 10.8 cents to 17.5 cents. The increase in earnings per share is due mainly to the transfer of the fair value reserve for ARML and ARML II to the income statement upon the realisation.

#### **5. Interests of Directors and Controlling Shareholders**

Save for any interests arising by virtue of their interests in the Company, none of the Directors or controlling shareholders of the Company has an interest, direct or indirect, in the above transactions.

BY ORDER OF THE BOARD

Jerome Jansen  
Company Secretary

11 October 2011