



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

INTERESTED PERSON TRANSACTION INVOLVING GUTHRIE CONSTRUCTION & RETROFITTING (S) PTE LTD, A WHOLLY-OWNED SUBSIDIARY

The Board of Directors of Guthrie GTS Limited (the “**Company**”) wishes to announce that the Company’s wholly-owned subsidiary, Guthrie Construction & Retrofitting (S) Pte Ltd (“**GCR**”), has been awarded a contract to undertake construction works (the “**Main Construction Contract**”) for the redevelopment of the residential property at 15 and 17 Robin Road, Singapore (the “**Property**”) into a proposed block of 17-storey residential building (comprising of 32 units) with basement carpark, swimming pool and communal facilities (the “**Robin Road Project**”) by the owners of the Property at the contract sum of S\$24,280,000 (the “**Transaction**”).

The Transaction falls within the ambit of an interested person transaction under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) as Mr Ben Yeo Chee Seong and his relatives who are considered his associates (as defined under the Listing Manual of the SGX-ST) are the majority owners of the Property. Mr Ben Yeo Chee Seong is the Group Managing Director of the Company and is also a director of GCR.

Terms of the Transaction

The principal activities of GCR are the provision of construction, retrofitting and project management services. The Transaction is entered into in the normal course of business and on normal commercial terms at arm’s length basis. The Main Construction Contract will be based on standard industry contract terms in accordance with the Singapore Institute Of Architects Articles And Conditions Of Building Contract. The construction duration of the Robin Road Project is for a period of 20 months from 1 November 2010 to 30 June 2012.

Prior to the award of the Main Construction Contract, in April 2010, GCR had been appointed as the Project Manager to provide project management services (the “**PM Contract**”) for the Robin Road Project at a fee of S\$364,200. The PM Contract had been reviewed and considered by the Audit Committee to be on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Rationale

In view that GCR is already involved as the Project Manager for the Robin Road Project, the Transaction will be synergistic with the work scope of the PM Contract. GCR would be able to optimise its resources deployed for this project.

The Transaction is expected to be profitable for GCR with a margin that is within the range that is normally generated by its other recent projects.

The Transaction presents an opportunity for GCR to penetrate the upscale residential development segment of the property market and a successful completion of the Robin Road Project would establish a track record for GCR and provide a platform for other similar construction activities in the future.

Statement from the Audit Committee

The Audit Committee of the Company, having reviewed the terms and value of the Transaction, is of the view that the Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders.

Total Value of Interested Person Transactions

For the financial year ending 31 December 2010, the current total of all transactions with the particular interested person (i.e. Mr Ben Yeo Chee Seong) whose transaction is the subject of this announcement as well as the current total of all interested person transactions is S\$24,644,200. This represents 3.75% of the Group's latest audited net tangible assets of S\$657,627,000 as at 31 December 2009.

Financial Effects

The Transaction is not expected to have any material impact on the Group's net tangible assets per share and earnings per share for the financial year ending 31 December 2010.

Interests of Directors and Controlling Shareholders

Save as disclosed in this announcement, none of the Directors or controlling shareholders of the Company has an interest, direct or indirect, in the Transaction other than interests arising by virtue of their shareholdings in the Company.

BY ORDER OF THE BOARD

Jerome Jansen
Company Secretary

22 October 2010