
Full Year Financial Statement Announcement For The Year Ended 31 December 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year
**1(a)(i) Consolidated Profit and Loss Account
For the financial year ended 31 December 2008**

	Group (S\$'000)		%
	31.12.08	31.12.07	
Turnover	157,239	102,892	52.8
Cost of Sales	(113,095)	(73,203)	54.5
Gross profit	44,144	29,689	48.7
Other income including interest income	2,378	1,318	80.4
Distribution costs	(17,233)	(12,487)	38.0
Administrative costs	(8,961)	(5,796)	54.6
Other costs	(4,548)	(3,532)	28.8
Negative goodwill arising from consolidation	810	-	N.M.
Profit from operation	16,590	9,192	80.5
Finance costs	(1,138)	(937)	21.5
Share of profit in associated companies	1,349	415	225.1
Share of profit in joint venture companies	(1)	66	N.M.
Profit before taxation	16,800	8,736	92.3
Taxation	(3,218)	(2,133)	50.9
Profit after taxation	13,582	6,603	105.7
Attributable to:			
Equity holders of the Company	10,385	6,549	58.6
Minority interest	3,197	54	N.M.
	13,582	6,603	105.7

N.M. – Not meaningful

1(a)(ii) Notes to income statement:-**Profit after tax is arrived at after charging/(crediting) the following significant items:**

	Group (S\$'000)		% Change
	31.12.08	31.12.07	
Depreciation of property, plant and equipment	2,849	1,491	91.1
Salaries and related costs	15,147	10,047	50.8
Defined contribution schemes	1,494	691	116.2
Expenses on share-based payments	823	214	284.6
Foreign currency exchange (gains)/losses			
- realised	(57)	(803)	-92.9
- unrealised	463	502	-7.8
Other Income:			
Interest income	340	117	190.6
Gain on disposal of assets held for sale	453	-	N.M.
Rental income	250	659	-62.1
Repair and servicing	149	131	13.7
Sale of water treatment products	-	205	N.M.
Sales rebates	446	-	N.M.
Gain on disposal of property, plant & equipment	158	-	N.M.
Administrative fees charged to an associated company	197	-	N.M.
Other Costs:			
Allowance for stocks obsolescence	512	253	102.4
Allowance for doubtful debts (trade)	1,351	25	N.M.
(Write back)/ allowance for doubtful debts (other)	(2)	107	N.M.
Allowance for doubtful debts (associated company)	1,659	1,819	-8.8
Amortisation of intangible assets	102	-	N.M.
Bad debts written (back)/ off	(109)	163	N.M.
Stocks written off	216	19	N.M.
Impairment loss in property, plant and equipment	-	705	N.M.
Impairment loss in investment in associated company	-	418	N.M.
Loss/(Gain) on fair value change of assets held at fair value through P & L	83	(83)	N.M.
Impairment loss in intangible assets	-	13	N.M.
Gain on disposal of other investment	-	(88)	N.M.
Fair value losses on derivatives (unrealised)	747	-	N.M.
Fair value gains on derivatives (unrealised)	(4)	-	N.M.
Fair value gains on derivatives (realised)	(55)	-	N.M.
Fair value losses on derivatives (realised)	9	-	N.M.
Loss on sale of property, plant and equipment	-	147	N.M.
Loss on disposal of intangible assets	4	22	-81.8
(Over)/ under provision of prior years' current taxation	(68)	45	N.M.
(Over)/ under provision of prior years' deferred taxation	(14)	-	N.M.

N.M. – Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

1(b)(i) Balance Sheet as at 31 December 2008

	Group (S\$'000)		Company (S\$'000)	
	31.12.08	31.12.07	31.12.08	31.12.07
Non-current assets				
Property, plant and equipment	48,010	9,492	441	16
Intangible assets	5,355	90	-	-
Subsidiary companies	-	-	53,994	39,408
Associated companies	4,811	9,233	-	-
Joint venture companies	-	97	-	-
Other investments	338	150	-	-
Goodwill	1,487	-	-	-
	60,001	19,062	54,435	39,424
Current Assets				
Asset held for sale	-	960	-	-
Gross amount due from customers for contract work in progress	4,628	-	-	-
Amount due from subsidiary companies	-	-	3,371	-
Amount due from related parties	901	-	141	-
Stocks	46,216	17,688	4,202	208
Trade debtors	48,479	28,807	3,463	267
Other debtors and prepayments	3,999	869	301	153
Derivative	4	-	-	-
Fixed deposits	1,669	7,176	-	-
Cash and bank balances	14,893	8,034	3,681	452
	120,789	63,534	15,159	1,080
Current liabilities				
Amount due to bankers	44,426	9,206	9,678	348
Gross amount due to customers for contract work in progress	-	1,241	-	-
Trade creditors	19,226	14,785	2,953	321
Other creditors and accruals	10,348	5,290	2,311	307
Hire purchase creditors	811	86	57	-
Amount due to related parties	3,232	-	-	-
Provision for taxation	2,230	2,683	130	-
Derivative	747	-	-	-
	81,020	33,291	15,129	976
Net current assets	39,769	30,243	30	104
Non-current liabilities				
Long-term loans	7,503	1,957	2,930	121
Hire purchase creditors	2,395	199	185	-
Amount due to a related party	887	908	-	-
Deferred tax liabilities	5,731	404	5	-
	(16,516)	(3,468)	(3,120)	(121)
Net assets	83,254	45,837	51,345	39,407
Equity				
Share capital	52,900	45,237	52,900	45,237
Treasury share	(1,217)	-	(1,217)	-
Asset revaluation reserve	2,070	2,070	-	-
Capital reserve	763	689	170	96
Employee share option reserve	1,091	374	1,091	374
Accumulated profits/(losses)	6,985	(1,653)	(1,599)	(6,300)
Foreign currency translation reserve	(1,561)	(1,248)	-	-
	61,031	45,469	51,345	39,407
Minority interest	22,223	368	-	-
Total equity	83,254	45,837	51,345	39,407

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31.12.08 (S\$'000)		As at 31.12.07 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,303	41,123	45	9,161

Amount repayable after one year

As at 31.12.08 (S\$'000)		As at 31.12.07 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
4,574	2,930	1,836	121

Details of any collateral

	Group (S\$'000)	
	31.12.08	31.12.07
Property loans	1,300	1,881
Term loans	5,692	-
Bank overdraft	155	-
Banker acceptance	730	-
	7,877	1,881

The property loans are secured by the development property situated at 20 Paterson Road and the investment property at Flamingo Valley, Singapore; the latter property was sold in 2008.

The term loans, bank overdraft and bank acceptance are secured by legal charges over fixed deposits of certain subsidiary companies and the land and building of certain subsidiary companies in Malaysia.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group (S\$'000)	
	31.12.08	31.12.07
Cash flow from operating activities:		
Profit before taxation and minority interests	16,800	8,736
Adjustments for:		
Share of associated companies' profits	(1,349)	(415)
Share of joint venture companies' losses/(profits)	1	(66)
Depreciation of property, plant and equipment	2,849	1,491
Expenses on share-based payments	823	214
(Gain)/ loss on sale of property, plant and equipment	(158)	147
Gain on disposal of assets held for sale	(453)	-
Write-off of property, plant and equipment	12	3
Gain on disposal of a subsidiary company	(7)	-
Gain on disposal of other investment	-	(88)
Loss on disposal of intangible assets	4	22
Loss/(Gain) on fair value change of assets held at fair value through profit and loss	83	(83)
Allowance for doubtful debts	3,008	1,951
Bad debts written (back)/ off	(109)	163
Allowance for stock obsolescence	512	253
Stocks written off	216	19
Impairment loss in property, plant and equipment	-	705
Impairment loss in investment in associated company	-	418
Impairment loss in intangible assets	-	13
Amortisation of intangible assets	102	-
Impairment loss in goodwill	-	5
Negative goodwill arising from consolidation	(810)	-
Impairment loss in assets held for sale	-	12
Interest income	(340)	(117)
Interest expense	1,138	937
Net fair value loss on derivatives	743	-
Translation adjustments arising on consolidation	(548)	(25)
Operating profit before working capital changes	22,517	14,295
Decrease/ (increase) in debtors	7,913	(5,056)
Decrease in development property completed for sale	-	3,395
(Increase)/ decrease in stocks	(17,680)	864
(Decrease)/ increase in creditors	(5,145)	4,500
Increase in amounts due from associated companies (net)	(3,536)	(2,472)
Increase in amount due to related parties	1,351	635
Cash generated from operations	5,420	16,161
Interest received	340	117
Interest paid	(1,138)	(937)
Income tax paid	(3,805)	(1,001)
Net cash provided by operating activities	817	14,340

	Group (S\$'000)	
	31.12.08	31.12.07
Cash flow from investing activities:		
Proceeds from striking off JV companies	56	-
Progress billings received from development property	560	9,275
Purchase of property, plant and equipment	(4,726)	(404)
Net cash outflow from acquisition of a subsidiary company (Note A)	(581)	(29)
Proceeds from sale of property, plant and equipment and assets held for sale	2,139	963
Proceeds from sale of intangible assets	4	30
Investment in associated companies	-	(46)
Proceeds from sale of other investment	-	142
Fixed deposits held as collateral	(532)	(30)
Decrease in amount due to related parties	(10,577)	-
Increase in costs of development property	(6,429)	(5,019)
Net cash outflow from disposal of a subsidiary company	(41)	-
Dividend received from associated companies	-	210
Dividend received from joint venture companies	40	-
Net cash (used in)/provided by investing activities	(20,087)	5,092
Cash flow from financing activities:		
Proceed from issuance of ordinary shares	4,733	1,323
Proceeds from loan and borrowing	54,850	37,599
Payments of loans due to bankers (excluding bank overdrafts)	(36,427)	(45,226)
Purchase of treasury shares	(1,217)	(87)
Sale of treasury shares	-	161
Dividends paid	(1,747)	(730)
Net decrease in hire purchase creditors	(227)	(370)
Net cash provided by/ (used in) financing activities	19,965	(7,330)
Net increase in cash and cash equivalents	695	12,102
Cash and cash equivalents at beginning of year	15,180	3,078
Cash and cash equivalents at end of year	15,875	15,180

Note A

On 8/1/2008 and 20/6/2008, the Group acquired two new subsidiary companies. On 1/9/2008, two associated group of companies became subsidiary companies of the Group.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<----- Attributable to equity holders of the Company ----->									
	(\$'000)									
	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Foreign Currency Reserve	Employees Share Option Reserve	Accumulated Profit/ (Losses)	Total Reserves	Minority Interest	Total Equity
Group										
(a) Current year										
Balance at 1 January 2008	45,237	-	2,070	689	(1,248)	374	(1,653)	232	368	45,837
Translation adjustment for the year	-	-	-	-	(313)	-	-	(313)	-	(313)
Total losses recognised directly in equity	-	-	-	-	(313)	-	-	(313)	-	(313)
Net profit for the year	-	-	-	-	-	-	10,385	10,385	3,197	13,582
Total recognised gains and (losses) for the year	-	-	-	-	(313)	-	10,385	10,072	3,197	13,269
Dividends	-	-	-	-	-	-	(1,747)	(1,747)	-	(1,747)
Exercise of employee share options	200	-	-	-	-	(32)	-	(32)	-	168
Expiry of employee share options	-	-	-	74	-	(74)	-	-	-	-
Exercise of bonus warrants	4,565	-	-	-	-	-	-	-	-	4,565
Expenses of share-based payments	-	-	-	-	-	823	-	823	-	823
Purchase of treasury shares	-	(1,217)	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	2,898	-	-	-	-	-	-	-	18,658	21,556
Balance at 31 December 2008	52,900	(1,217)	2,070	763	(1,561)	1,091	6,985	9,348	22,223	83,254
(b) Previous corresponding year										
Balance at 1 January 2007	43,801	-	2,070	614	(1,223)	274	(7,472)	(5,737)	298	38,362
Translation adjustment for the year	-	-	-	-	(25)	-	-	(25)	-	(25)
Total losses recognised directly in equity	-	-	-	-	(25)	-	-	(25)	-	(25)
Net profit for the year	-	-	-	-	-	-	6,549	6,549	54	6,603
Total recognised gains and (losses) for the year	-	-	-	-	(25)	-	6,549	6,524	54	6,578
Dividends	-	-	-	-	-	-	(730)	(730)	-	(730)
Exercise of employee share options	1,431	-	-	-	-	(113)	-	(113)	-	1,318
Expiry of employee share options	-	-	-	1	-	(1)	-	-	-	-
Exercise of bonus warrants	5	-	-	-	-	-	-	-	-	5
Expenses of share-based payments	-	-	-	-	-	214	-	214	-	214
Purchase of treasury shares	-	(87)	-	-	-	-	-	(87)	-	(87)
Disposal of treasury shares	-	87	-	74	-	-	-	161	-	161
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	16	16
Balance at 31 December 2007	45,237	-	2,070	689	(1,248)	374	(1,653)	232	368	45,837

<----- Attributable to equity holders of the Company ----->

(\$'000)

	Share Capital	Treasury Shares	Capital Reserve	Employees Share Option Reserve	Accumulated Losses	Total Equity
Company						
(a) Current year						
Balance at 1 January 2008	45,237	-	96	374	(6,300)	39,407
Net profit for the year	-	-	-	-	6,448	6,448
Total recognised gains for the year	-	-	-	-	6,448	6,448
Dividends	-	-	-	-	(1,747)	(1,747)
Exercise of employee share options	200	-	-	(32)	-	168
Expiry of employee share options	-	-	74	(74)	-	-
Exercise of bonus warrants	4,565	-	-	-	-	4,565
Expenses of share-based payments	-	-	-	823	-	823
Purchase of treasury shares	-	(1,217)	-	-	-	(1,217)
Disposal of treasury shares	-	-	-	-	-	-
Acquisition of a subsidiary	2,898	-	-	-	-	2,898
Balance at 31 December 2008	52,900	(1,217)	170	1,091	(1,599)	51,345
(b) Previous corresponding year						
Balance at 1 January 2007	43,801	-	21	274	(9,684)	34,412
Net profit for the year	-	-	-	-	4,114	4,114
Total recognised gains for the year	-	-	-	-	4,114	4,114
Dividends	-	-	-	-	(730)	(730)
Exercise of employee share options	1,431	-	-	(113)	-	1,318
Expiry of employee share options	-	-	1	(1)	-	-
Exercise of bonus warrants	5	-	-	-	-	5
Expenses of share-based payments	-	-	-	214	-	214
Purchase of treasury shares	-	(87)	-	-	-	(87)
Disposal of treasury shares	-	87	74	-	-	161
Balance at 31 December 2007	45,237	-	96	374	(6,300)	39,407

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number if issued shares excluding treasury shares of the issuer. As at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

In the financial year ended 31 December 2008 (“FY2008”),

- (i) 6,300,000 ordinary shares were issued to the vendors of Eversafe Extinguisher Sdn Bhd (“EESB”) in consideration for the acquisition of 55% equity interest in EESB by Leeden International Pte Ltd, a wholly-owned subsidiary of the Company; and
- (ii) employees exercised 843,000 share options under the Ace Dynamics Share Option Scheme (“Scheme I”)

During the year, 35,000 share options under Scheme I and 1,325,000 shares options under the Leeden Limited Share Option Scheme 2007 (“Scheme II”) have lapsed.

As at 31 December 2008, 11,150,000 ordinary shares (3,105,000 under Scheme I and 8,045,000 under Scheme II) could be issued on the exercise of the share options (31 December 2007: 13,353,000 ordinary shares with 3,983,000 under Scheme I and 9,370,000 under Scheme II).

In addition, of the 29,150,155 bonus warrants issued in FY2007, 22,552,705 bonus warrants have been exercised in FY2008 (FY2007: 25,600) and 6,571,850 bonus warrants remained unexercised as at 31 December 2008 (31 December 2007: 29,124,555).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at the end of the current financial year was 172,922,183 (31 December 2007: 146,353,478).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has purchased 3,127,000 ordinary shares by way of open market purchase during the financial year. The Company held the shares bought under the share buyback mandate as treasury shares. As at 31 December 2008, the Company holds 3,127,000 treasury shares. (31 December 2007: nil)

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

These figures have not been audited or reviewed by auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has adopted the same accounting policies and method of computations in the financial statements for the current financial year reported as in the last audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share for the period based on net profit attributable to shareholders:-

	Group	
	31.12.08	31.12.07
(i) Based on weighted average number of ordinary share in issue	6.05 cents	4.51 cents
Weighted average number of ordinary shares in issue	171,724,461	145,336,728
(ii) On a fully diluted basis	5.89 cents	4.01 cents
Diluted weighted average number of ordinary shares in issue	176,217,752	163,458,855

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31.12.08	31.12.07	31.12.08	31.12.07
Net asset value per ordinary share based on existing share capital	35.3 cents	31.1 cents	29.7 cents	26.9 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) Income Statement

Overview

Despite the deteriorating economic climate evident from the second half of FY2008, the Leeden Group has managed to navigate successfully through the road blocks to achieve another year of excellent performance. In fact, the Group's turnover for FY2008 reached a record high of S\$157.2 million. This represented a 53% jump from FY2007's turnover of S\$102.9 million. Similarly, profit before taxation rose by 92% from S\$8.7 million in FY2007 to a record S\$16.8 million in FY2008.

During the year, the Group made several synergistic acquisitions (collectively known as the "New Subsidiaries") which boosted the Group's full year results. Together, they contributed additional S\$2.0 million or 15% of the Group's profit after tax. These new subsidiary companies include National Industrial Gas Pte Ltd ("NIG"), NIG Industrial Gases Sdn Bhd ("NIB"), Power Weld Sdn Bhd ("PWSB") and Eversafe Extinguisher Sdn Bhd ("EESB"). The creditable performance was also aided by the buoyant marine and oil & gas sector, which sustained the demand for the Group's wide range of industrial welding, gas and safety products.

Turnover

The Group's turnover recorded a 53% increase from S\$102.9 million in FY2007 to S\$157.2 million in FY2008. The main contribution came from the Industrial Division, which accounted for 89% of the Group's turnover. The higher turnover was credited to the New Subsidiaries which accounted for S\$45.1 million or 29% of total turnover for FY2008. The Property and Others Division contributed S\$16.7 million (FY2007: S\$6.2 million) of the Group's turnover.

Gross Profit

Gross profit increased to S\$44.1 million in FY2008, which was 49% higher than S\$29.7 million in FY2007. Overall gross profit margin dropped from 29% in FY2007 to 28% in FY2008 due to competitive pressures faced by the Industrial Division.

Other Income

Other income increased by S\$1.1 million from S\$1.3 million in FY2007 to S\$2.4 million in FY2008. This increase was mainly contributed by a gain on disposal of assets held for sale (investment property at Flamingo Valley) of S\$0.5 million and sales rebates of S\$0.4 million.

Distribution Costs

The 38% increase in distribution costs was in line with the increase in turnover in FY2008 compared to FY2007. Distribution costs as a percentage of sales decreased from 12% to 11% as a result of economies of scale.

Administrative Costs

Administrative costs increased by S\$3.2 million from S\$5.8 million in FY2007 to S\$9.0 million in FY2008, mainly due to the New Subsidiaries.

Other Costs

Other costs have increased from S\$3.5 million in FY2007 to S\$4.5 million in FY2008. Higher allowance for doubtful debts (trade) and stock obsolescence were made due to the current economic climate. In addition, unrealised derivative losses of S\$0.7 million were suffered in FY2008 as a result of fair valuation of option

contracts. However, a USD option contract which accounted for S\$0.5 million of the unrealised derivative losses has expired in January 2009 and the unrealised derivative losses have been reversed.

Negative goodwill arising from consolidation

Negative goodwill of S\$0.8 million arose from the acquisition of EESB and PWSB.

Finance Costs

Finance costs increased from S\$0.9 million to S\$1.1 million. The main reason for the increase was due to the New Subsidiaries.

Share of Profit/ (Loss) in Associated Companies

The Group's share of profits from associated companies was S\$0.9 million higher in FY2008 compared to FY2007. Losses in Bondflex were fully accounted for in FY2007 (S\$1.4m) and no share of losses were included in FY2008.

Profit before Taxation

The Group's better performance was reflected in profit before taxation for FY2008 which almost doubled to S\$16.8 million from S\$8.7 million in FY2007.

B) Balance Sheet

Property, Plant and Equipment

Property, plant and equipment increased by S\$38.5 million to S\$48.0 million as at 31 December 2008. The acquisition of New Subsidiaries, which are capital-intensive manufacturing companies accounted for S\$37.9 million of the overall increase.

Intangible Assets/Goodwill

The value of intangible assets and goodwill increased significantly to S\$5.4 million and S\$1.5 million respectively as at 31 December 2008. These were due to the acquisition of New Subsidiaries which resulted in the independent valuation of trade names and customer relationships of EESB and PWSB. The goodwill arose mainly from the acquisition of NIG and NIB. In accordance with FRS103 Business Combinations, this is a provisional value accounted initially and is subject to adjustments within 12 months of the acquisition date.

Associated Companies

As at 31 December 2008, the value of associated companies decreased to S\$4.8 million, from S\$9.2 million as at 31 December 2007. The main reason being NIG and NIB are no longer associated companies of the Group following the acquisition of additional 1% share in NIB on 1 September 2008, which resulted in both NIG and NIB becoming subsidiaries of Leeden Group.

Gross amount due from/(to) customers for contract work in progress

This balance relates to the cost incurred on the Paterson Linc project as at 31 December 2008.

Stocks

Stocks increased from S\$17.7 million as at 31 December 2007 to S\$46.2 million as at 31 December 2008. The New Subsidiaries contributed to S\$12.2 million stocks as at 31 December 2008. In addition, higher stock holding is also necessary to provide better services and prompt stock deliveries. Stock turnover increased from 93 days in FY2007 to 123 days in FY2008 (adjusted for the period of acquisition of the New Subsidiaries).

Trade Debtors

Trade debtors increased from S\$28.8 million as at 31 December 2007 to S\$48.5 million as at 31 December 2008. The New Subsidiaries had S\$20.7 million trade debts as at 31 December 2008. Trade debtors turnover

improved from 102 days in FY2007 to 86 days in FY2008 (adjusted for the period of acquisition of the New Subsidiaries).

Amount due from/(to) related parties

Amount due from and to related parties stood at S\$0.9 million and S\$3.2 million respectively as at 31 December 2008. Related parties comprise mainly of minority shareholders of non-wholly owned subsidiary companies of Leeden Group. These balances arose from the New Subsidiaries.

Other Debtors and Prepayments

Other debtors and prepayments, consisting of deposits and downpayments to suppliers, increased by S\$3.1 million to S\$4.0 million as at 31 December 2008 mainly due from the New Subsidiaries which accounted for S\$2.3 million of the total increase.

Amount due to Bankers and Long-Term Loans

Amount due to bankers and long-term loans increased by S\$40.8 million to S\$51.9 million as at 31 December 2008. The acquisition of New Subsidiaries contributed to these increases.

Derivative

Derivative liabilities stood at S\$0.7 million as at 31 December 2008 (31 December 2007: S\$ nil). This balance was related to fair valuation of unexpired forex and interest rate contracts as at 31 December 2008.

Company Level Balance Sheet

As a result of the transfer of the Safety Division's business from AD Safety Pte Ltd, a wholly-owned subsidiary of Leeden Group, to Leeden Limited, property, plant and equipment, stocks, trade and other debtors, trade and other creditors and short-term bank loans have increased significantly from 31 December 2007 to 31 December 2008.

C) Cash Flow

The cash position of the Group remains healthy. Cash and cash equivalents for the year ended 31 December 2008 increased 5% to S\$15.9 million. The entire cash provided by profit before taxation of S\$16.8 million in FY2008 was used to increase stocks (by S\$17.7 million) so as to provide better services and more prompt deliveries to customers. S\$20.1 million were used in investing activities in FY2008 mainly to support capital expenditure, payment to related parties arising from the New Subsidiaries and development costs incurred on the Paterson Linc project. This was funded by S\$20.0 million cash provided by financing activities, mainly from proceeds from issuance of new ordinary shares (mainly through shareholders' exercise of bonus warrants) and bank borrowings.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In light of the current economic crisis and challenging business conditions in the marine and offshore sectors, the Group remains cautiously optimistic on its outlook for FY09. Leeden believes there are still opportunities to be found in the offshore, oil & gas and marine industry. We shall exploit such opportunities to our advantage with careful planning and strategic manoeuvres.

The Group is cautiously expanding its operations and seeking collaboration opportunities to enhance its operational capabilities. We will continue to focus on our core competencies and seek to be Asia's foremost integration specialist of welding, safety and gas.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No. An interim tax-exempt dividend of 1.0 cent per share was paid on 10 September 2008.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By Industry

	Distribution of Industrial and Safety Products		Property and Others		Consolidated	
	2008 Unaudited S\$' 000	2007 Audited S\$' 000	2008 Unaudited S\$' 000	2007 Audited S\$' 000	2008 Unaudited S\$' 000	2007 Audited S\$' 000
	Segment Revenue					
Sales to external customers	140,549	96,706	16,690	6,186	157,239	102,892
Segment Results	12,251	12,321	4,339	(3,129)	16,590	9,192
Interest expense					(1,138)	(937)
Share of profit in associated and joint venture companies					1,348	481
Profit before tax					16,800	8,736
Taxation					(3,218)	(2,133)
Profit after taxation					13,582	6,603
Segment Assets	165,099	71,945	15,691	10,651	180,790	82,596
Segment Liabilities	93,352	31,196	4,184	5,563	97,536	36,759
Other Segment Information						
Capital Expenditure	5,501	263	9	141	5,510	404
Depreciation	2,159	462	690	1,029	2,849	1,491
Impairment in value of investment	-	431	83	(71)	83	360

By geographical

	Singapore		Others		Consolidated	
	2008 Unaudited S\$' 000	2007 Audited S\$' 000	2008 Unaudited S\$' 000	2007 Audited S\$' 000	2008 Unaudited S\$' 000	2007 Audited S\$' 000
Segment Revenue						
Sales to external customers	106,128	89,684	51,111	13,208	157,239	102,892
	<hr/>					
Other geographical information						
Segment assets	121,792	78,095	58,998	4,501	180,790	82,596
Capital expenditure	3,013	396	2,497	8	5,510	404
	<hr/>					

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Industrial Division

The Industrial Division's turnover recorded an increase of 45% from S\$96.7 million to S\$140.5 million. This was due to the acquisition of the New Subsidiaries which contributed to S\$45.1 million of the overall turnover of the Division. Despite the higher turnover, segment results remained consistent due to stiffer competition, which led to lower gross profit margin.

Property & Others Division

The Property & Others Division saw an increase in revenue from S\$6.2 million in FY2007 to S\$16.7 million in FY2008. This was mainly contributed by the Paterson Linc project, which qualified for revenue recognition in FY2008.

Geographical Segment

Revenue from subsidiary companies in Malaysia and other countries improved to S\$51.1 million in FY2008, which is a significant increase from S\$13.2 million in FY2007. This increase arose from the acquisition of companies based in Malaysia and they have contributed substantially to the Group's revenue.

15. A breakdown of sales.

	Group (S\$'000)		%
	31.12.08	31.12.07	Change
Sales reported for first half year	70,161	50,720	38.3
Operating profit after tax before deducting minority interest reported for first half year	9,406	2,746	242.5
Sales reported for second half year	87,078	52,172	66.9
Operating profit after tax before deducting minority interest reported for second half year	4,176	3,857	8.3

Operating profit after tax

Sales reported for 2H2008 improved by 24% from 1H2008. However, operating profit after tax registered in 2H2008 decreased by S\$5.2 million or 56% when compared to 1H2008 mainly due to the following reasons:

- (i) Stiffer competition in 2H2008 saw a reduction in GP margin by 1.8% compared to 1H2008, which translated into a reduction in gross profits by S\$1.6 million.
- (ii) Due to the more challenging economic climate ahead, higher allowance for doubtful debts was made (2H2008: S\$2.1m; 1H2008: S\$0.9m) for prudence reasons.
- (iii) One-off unrealised derivative losses of S\$0.7 million were recorded in 2H2008 (1H2007: S\$ nil).
- (iv) Higher forex losses (net of gains) were suffered in 2H2008 primarily due to the strengthening of USD vis-à-vis SGD (2H2008: S\$0.4m; 1H2007: S\$0.04m)
- (v) Aged stocks of S\$0.2 million were written off in 2H2008 (1H2007: S\$ nil).

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	(S\$'000)	
	31.12.08	31.12.07
Ordinary shares	1,747	730

17. Interested Person Transaction

Nil

BY ORDER OF THE BOARD
Steven Tham Weng Cheong
Chairman and CEO
25 February 2009