

LEEDEN LIMITED
Registration No. : 196400172G

Financial Statement Announcement For The Twelve Months Ended 31 December 2009

SUMMARY OF RESULTS

S\$'000	Year-To-Date 12 Months ended 31 December						% Change
	2009			2008			
	Industrial	Property & Others	Group	Industrial	Property & Others	Group	Group
Turnover	168,998	17,150	186,148	140,549	16,690	157,239	18.4
Gross profit	48,060	5,911	53,971	37,341	6,023	43,364	24.5
GP margin %	28.4%	34.5%	29.0%	26.6%	36.1%	27.6%	1.4 ppt
Profit before taxation	12,968	4,260	17,228	13,478	4,052	17,530	(1.7)
Profit after taxation	10,639	3,254	13,894	11,331	3,206	14,537	(4.4)

- Turnover of the Group registered a satisfactory growth rate of 18.4% for the year ended 31 December 2009 (“FY 2009”) supported by growth of the Industrial Division. Turnover of the Industrial Division grew by 20.2% to S\$168.9 million as a result of full year consolidation of the Gas business, which became a subsidiary of the Group from 1 September 2008.
- Gross profit margin of the Group inched up 1.4 percentage points to 29.0% driven by higher gross profit margin achieved in the Industrial Division. Gross profit margin of the Industrial Division improved from 26.6% in FY 2008 to 28.4% in FY 2009 as the Gas business generates a higher gross profit margin.
- Due to higher finance cost incurred with increased borrowings mainly as a result of consolidation of the Gas business, lower share of profit in associated companies coupled with absence of S\$ 2.5 million of negative goodwill recorded in FY 2008, profit before taxation of the Group was relatively flat at S\$ 17.2 million in FY 2009 compared with S\$ 17.5 million in FY 2008. If we exclude the S\$ 2.5 million of negative goodwill which was non-recurring in FY 2009, profit before taxation would have increased by 14.8%.
- Profit after taxation of the Group declined by 4.4% to S\$ 13.9 million. If we exclude the S\$ 2.3 million of negative goodwill (net of tax) which was non-recurring in FY 2009, profit after taxation would have increased by 13.5%.

LEEDEN LIMITED
Registration No. : 196400172G

Financial Statement Announcement For The Twelve Months Ended 31 December 2009

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF TWELVE MONTH 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 Income Statement

	Group 12 months (S\$'000)		%
	31.12.09	31.12.08 (restated)	
Turnover	186,148	157,239	18.4
Cost of Sales	(132,177)	(113,875)	16.1
Gross profit	53,971	43,364	24.5
Other income including interest income	4,349	2,378	82.9
Distribution costs	(24,885)	(17,441)	42.7
Administrative costs	(11,073)	(8,961)	23.6
Other costs	(3,336)	(4,548)	(26.6)
Negative goodwill arising from consolidation	-	2,528	(100.0)
Profit from operation	19,026	17,320	9.8
Finance costs	(2,016)	(1,138)	77.2
Share of profit in associated companies	218	1,349	(83.8)
Share of profit in joint venture companies	-	(1)	(100.0)
Profit before taxation	17,228	17,530	(1.7)
Taxation	(3,334)	(2,993)	11.4
Profit after taxation	13,894	14,537	(4.4)
Profit attributable to:			
Owners of the parent	8,898	11,715	(24.0)
Minority interests	4,996	2,822	77.0
	13,894	14,537	(4.4)

1(a)(ii) Consolidated Statement of Comprehensive Income

Profit after taxation	13,894	14,537	(4.4)
Other comprehensive income:			
Foreign currency translation	(123)	(313)	(60.7)
Other comprehensive income for the period, net of tax	(123)	(313)	(60.7)
Total comprehensive income for the period	13,771	14,224	(3.2)
Total comprehensive income attributable to:			
Owners of the parent	8,775	11,402	(23.0)
Minority interests	4,996	2,822	77.0
	13,771	14,224	(3.2)

N.M. – Not meaningful

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

	31.12.09	Group 12 months (S\$'000) 31.12.08 (restated)	% Change
Depreciation of property, plant and equipment	6,166	3,057	101.7
Salaries and related costs	22,478	15,147	48.4
Defined contribution schemes	1,993	1,494	33.4
Expenses on share-based payments	785	823	(4.6)
Foreign currency exchange losses/(gains)			
- realized	(253)	(57)	343.9
- unrealized	157	463	(66.1)
Interest on borrowings	2,016	1,138	77.1
Other Income:			
Interest income	(858)	(340)	152.4
Gain on disposal of assets held for sale	-	(453)	(100.0)
Gain on disposal of property, plant and equipment	(1,134)	(158)	617.7
Bad debts written back	(460)	(7)	6,471.4
Other Costs:			
Allowance for stocks obsolescence	1,547	512	202.1
Allowance for doubtful debts (trade)	783	1,247	(37.2)
Allowance for doubtful debts (associated company)	1,200	1,659	(27.7)
Amortisation of intangible assets	176	102	72.5
Stocks written-off	-	216	(100.0)
Loss on fair value change of assets held at fair value through profit and loss	-	83	(100.0)
Fair value losses on derivatives- unrealized, net	-	743	(100.0)
Fair value gains on derivatives- unrealized, net	(576)	-	100.0
Fair value gains on derivatives- realized, net	(45)	(55)	(19.6)
Loss on disposal of intangible assets	-	4	(100.0)

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

	GROUP			COMPANY		
	(\$'000)			(\$'000)		
	31.12.09	31.12.08 (restated)	01.01.08	31.12.09	31.12.08 (restated)	01.01.08
Non-current assets						
Property, plant and equipment	59,217	54,701	9,492	550	441	16
Subsidiary companies	-	-	-	58,073	53,994	39,408
Associated companies	8,803	4,811	9,233	-	-	-
Joint venture companies	-	-	97	-	-	-
Other investments	267	338	150	-	-	-
Intangible assets	5,179	5,355	90	-	-	-
Goodwill	176	152	-	-	-	-
	73,642	65,357	19,062	58,623	54,435	39,424
Current Assets						
Assets held for sale	-	-	960	-	-	-
Development property	9,316	4,628	-	-	-	-
Amount due from subsidiary companies	-	-	-	7,927	3,371	-
Amount due from related parties	783	901	-	170	141	-
Stocks	38,943	46,216	17,688	3,231	4,202	208
Trade debtors	51,846	48,479	28,807	2,848	3,463	267
Other debtors and prepayments	4,691	3,999	869	376	301	153
Derivatives	-	4	-	-	-	-
Fixed deposits	308	1,669	7,176	-	-	-
Cash and bank balances	20,629	14,893	8,034	4,686	3,681	452
	126,516	120,789	63,534	19,238	15,159	1,080
Current liabilities						
Amount due to bankers	51,450	44,426	9,206	14,629	9,678	348
Gross amount due to customers for contract work in progress	-	-	1,241	-	-	-
Trade creditors	14,794	20,223	14,785	1,979	2,953	321
Other creditors and accruals	8,564	9,351	5,290	1,618	2,311	307
Hire purchase creditors	1,282	811	86	66	57	-
Amount due to related parties	2,380	3,232	-	-	-	-
Provision for taxation	723	2,230	2,683	21	130	-
Derivatives	167	747	-	-	-	-
	79,360	81,020	33,291	18,313	15,129	976
Net current assets	47,156	39,769	30,243	925	30	104

	GROUP			COMPANY		
	(\$'000)			(\$'000)		
	31.12.09	31.12.08 (restated)	01.01.08	31.12.09	31.12.08 (restated)	01.01.08
Non-current liabilities						
Long-term loans	11,254	7,503	1,957	5,999	2,930	121
Hire purchase creditors	2,484	2,395	199	132	185	-
Amount due to a related party	967	887	908	-	-	-
Deferred tax liabilities	8,321	7,144	404	5	5	-
	(23,026)	(17,929)	(3,468)	(6,136)	(3,120)	(121)
Net assets	97,772	87,197	45,837	53,412	51,345	39,407
Equity						
Share capital	53,822	52,900	45,237	53,822	52,900	45,237
Treasury shares	(2,022)	(1,217)	-	(2,022)	(1,217)	-
Asset revaluation reserve	2,070	2,070	2,070	-	-	-
Capital reserve	857	763	689	264	170	96
Employee share option reserve	1,782	1,091	374	1,782	1,091	374
Accumulated profits/(losses)	15,471	8,315	(1,653)	(434)	(1,599)	(6,300)
Foreign currency translation reserve	(1,684)	(1,561)	(1,248)	-	-	-
	70,296	62,361	45,469	53,412	51,345	39,407
Minority interests	27,476	24,836	368	-	-	-
Total equity	97,772	87,197	45,837	53,412	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 31.12.09 (S\$'000)		As at 31.12.08 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
12,139	39,311	9,303	35,123

Amount repayable after one year

As at 31.12.09 (S\$'000)		As at 31.12.08 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
5,252	6,002	4,574	2,929

Details of any collateral

	Group (S\$'000)	
	31.12.09	31.12.08
Property loan & overdraft	3,014	1,300
Term loans & Money Market Lines	13,371	11,692
Bank overdraft	23	155
Banker acceptance	983	730
	17,391	13,877

The property loan and overdraft are secured by the development property situated at 20 Paterson Road and a fixed deposit. The term loans, money market lines, bank overdraft and bank acceptance are secured by legal charges over the land and building of certain subsidiary companies in Malaysia and a fixed and floating charge over the assets and undertakings of a subsidiary in Singapore.

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)	
	12 months	
	31.12.09	31.12.08
		(restated)
Cash flow from operating activities:		
Profit before taxation	17,228	17,530
Adjustments for:		
Share of profit in associated companies	(218)	(1,349)
Share of joint venture companies loss	-	1
Depreciation of property, plant and equipment	6,166	3,057
Amortisation of intangible assets	176	102
Amortisation of stocks arising from upward revaluation	-	780
Gain on disposal of property, plant and equipment	(1,134)	(158)
Gain on disposal of assets held for sale	-	(453)
Gain on disposal of a subsidiary company	-	(7)
Loss on disposal of other investment	60	4
Write-off of property, plant and equipment	1	12
Allowance for doubtful debts	1,983	2,906
Allowance for stock obsolescence	1,547	512
Doubtful debts written (back) / off	(460)	(7)
Stock written off	-	216
Interest income	(858)	(340)
Interest expense	2,016	1,138
Expenses on share-based payments	785	823
Negative goodwill arising from consolidation	-	(2,528)
Net fair value (gain) / loss on derivatives – unrealised	(576)	743
Loss on fair value change of assets held at fair value through profit and loss	-	83
Translation adjustments arising from consolidation	104	(548)
Operating profit before working capital changes	26,820	22,517
Changes in working capital:		
Increase / (decrease) in debtors	(4,382)	7,913
Decrease / (increase) in stocks	5,726	(17,680)
Increase in creditors	(6,216)	(5,145)
Increase in amounts due from associated companies (trade)	(3,774)	(3,536)
(Decrease) / increase in amount due to related parties	(606)	1,351
Cash generated from operations	17,568	5,420
Interest received	858	340
Interest paid	(2,016)	(1,138)
Income tax paid	(3,663)	(3,805)
Net cash provided by operating activities	12,747	817

	Group (S\$'000)	
	12 months	
	31.12.09	31.12.08 (restated)
Cash flow from investing activities:		
Proceeds from striking off joint venture companies	-	56
Progress billings received from development property	3,419	560
Purchase of property, plant and equipment	(11,003)	(4,726)
Proceeds from sale of property, plant and equipment and assets held for sale	1,386	2,139
Proceeds from sale of other investment	8	4
Net cash outflow from acquisition of a subsidiary company	-	(581)
Net cash outflow from disposal of a subsidiary company	-	(41)
Increase in costs of development property	(8,107)	(6,429)
Fixed deposits released from / (held as) collateral	216	(832)
Increase / (decrease) in amount due to related party	80	(10,577)
Increase in amounts due from associated companies, net	(1,200)	-
Dividend received from joint venture companies	-	40
Net cash used in investing activities	(15,201)	(20,387)
Cash flow from financing activities:		
Dividends paid to shareholders	(1,742)	(1,747)
Dividends paid to Minority Interests	(2,356)	-
Proceeds from issuance of ordinary shares	922	4,733
Proceeds from loan and borrowing	33,262	54,850
Payments of loans and amounts due to bankers (excluding bank overdrafts)	(22,356)	(36,427)
Net increase / (decrease) in hire purchase creditors	560	(227)
Purchase of treasury shares	(805)	(1,217)
Net cash provided by financing activities	7,485	19,965
Net increase in cash and cash equivalents	5,031	395
Cash and cash equivalents at beginning of period	15,575	15,180
Cash and cash equivalents at end of period	20,606	15,575

Cash and cash equivalents

	Group (S\$'000)	
	12 months	
	31.12.09	31.12.08
Fixed deposits	308	1,669
Cash and bank balances	20,629	14,893
Bank overdrafts	(23)	(155)
	<u>20,914</u>	<u>16,407</u>
Less: fixed deposits held as collateral	(308)	(832)
	<u>20,606</u>	<u>15,575</u>

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 owners of the Parent <----->									
	(\$'000)									
	Share Capital	Treasury Shares	Asset Revaluation Reserve	Capital Reserve	Foreign Currency Reserve	Employees Share Option Reserve	Accumulated Profits	Total Reserves	Minority Interest	Total Equity
Group										
(a) Current period										
Balance at 1 January 2009	52,900	(1,217)	2,070	763	(1,561)	1,091	8,315	9,461	24,836	87,197
Total comprehensive income for the year	-	-	-	-	(123)	-	8,898	8,775	4,996	13,771
Dividends	-	-	-	-	-	-	(1,742)	(1,742)	(2,356)	(4,098)
Exercise of employee share options	2	-	-	-	-	-	-	-	-	2
Expiry of employee share options	-	-	-	94	-	(94)	-	-	-	-
Exercise of bonus warrants	920	-	-	-	-	-	-	-	-	920
Expenses of share-based payments	-	-	-	-	-	785	-	785	-	785
Purchase of treasury shares	-	(805)	-	-	-	-	-	(805)	-	(805)
Balance at 31 December 2009	53,822	(2,022)	2,070	857	(1,684)	1,782	15,471	16,474	27,476	97,772
(b) Previous corresponding period										
Balance at 1 January 2008	45,237	-	2,070	689	(1,248)	374	(1,653)	232	368	45,837
Total comprehensive income for the year	-	-	-	-	(313)	-	11,715	11,402	2,822	14,224
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)	-	-	-	-	-	(1,217)	-	(1,217)
Acquisition of subsidiaries	2,898	-	-	-	-	-	-	-	21,646	24,544
Balance at 31 December 2008	52,900	(1,217)	2,070	763	(1,561)	1,091	8,315	9,461	24,836	87,197

<----- Attributable to owners of the Company ----->
(S\$'000)

	Share Capital	Treasury Shares	Capital Reserve	Employees Share Option Reserve	Accumulated Losses	Total Equity
Company						
(a) Current period						
Balance at 1 January 2009	52,900	(1,217)	170	1,091	(1,599)	51,345
Total comprehensive income for the year	-	-	-	-	2,907	2,907
Dividends	-	-	-	-	(1,742)	(1,742)
Exercise of employee share options	2	-	-	-	-	2
Expiry of employee share options	-	-	94	(94)	-	-
Exercise of bonus warrants	920	-	-	-	-	920
Expenses of share-based payments	-	-	-	785	-	785
Purchase of treasury shares	-	(805)	-	-	-	(805)
Balance at 31 December 2009	53,822	(2,022)	264	1,782	(434)	53,412
(b) Previous corresponding period						
Balance at 1 January 2008	45,237	-	96	374	(6,300)	39,407
Total comprehensive income 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)
Acquisition of a subsidiary	2,898	-	-	-	-	2,898
Balance at 31 December 2008	52,900	(1,217)	170	1,091	(1,599)	51,345

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 of 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 2009, 10,000 share options under Ace Dynamics share option scheme ("Scheme I") were exercised.

During the financial year: -

- i. 6,520,000 share options were granted pursuant to the Leeden Share Option Scheme 2007 ("Scheme II")
- ii. 40,000 share options under Scheme I and 515,000 share options under Scheme II have lapsed.

As at 31 December 2009, 17,105,000 ordinary shares (3,055,000 under Scheme I and 14,050,000 under Scheme II) could be issued on the exercise of the share options (31 December 2008: 11,150,000 ordinary shares with 3,105,000 under Scheme I and 8,045,000 under Scheme II).

In addition, 3,680,163 bonus warrants have been exercised during the 12 months ended 31 December 2009 (31 December 2008: 22,552,705) and the balance 2,891,687 bonus warrants have expired during the financial year under review, leaving no bonus warrants unexercised (31 December 2008: 6,571,850).

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 174,225,346 (31 December 2008: 172,922,183).

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 2,387,000 ordinary shares by way of open market purchase during the financial year under review (31 December 2008: 3,127,000). The Company held the shares bought under the share buyback mandate as treasury shares. As at 31 December 2009, the Company holds 5,514,000 treasury shares (31 December 2008: 3,127,000).

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 period reported as in the last audited financial statements, as well as all the applicable Financial Reporting Standards (“FRS”) which became effective for financial years beginning on or after 1 January 2009. The adoption of these new and revised FRSs has no material effect for the current financial period.

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

As at 31 December 2008, the fair value of the identifiable assets and liabilities of NIG Industrial Gases and National Industrial Gasses was determined on a provisional basis.

During the year, the Company has carried out and finalised its Purchase Price Allocation (“PPA”) exercise for the above companies and the effects of which have been adjusted retrospectively as outlined below.

31 December 2008 (Group)

	As previously <u>reported</u> S\$ '000	<u>Adjustments</u> S\$ '000	As <u>Restated</u> S\$ '000
Balance sheet			
<i>Assets</i>			
Property, plant and equipment	48,010	6,691	54,701
Goodwill	1,487	(1,335)	152
<i>Liabilities</i>			
Deferred tax liabilities	(5,731)	(1,413)	(7,144)
<i>Equity</i>			
Minority Interest	(22,223)	(2,613)	(24,836)
Accumulated profits	(6,985)	(1,330)	(8,315)
<u>Profit and loss</u>			
Cost Of Sales	(113,095)	(780)	(113,875)
Gross profit	44,144	(780)	43,364
Administrative costs	(17,233)	(208)	(17,441)
Negative goodwill arising from consolidation	810	1,718	2,528
Profit from operation	16,590	730	17,320
Profit before taxation	16,800	730	17,530
Taxation	(3,218)	225	(2,993)
Profit after taxation	13,582	955	14,537
<i>Minority interests</i>	3,197	(375)	2,822
Profit attributable to owners of the parents	10,385	1,330	11,715
	13,582	955	14,537

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	
	31.12.09	31.12.08
(i) Based on weighted average number of ordinary share in issue	5.12 cents	6.82 cents
Weighted average number of ordinary shares in issue	173,844,884	171,724,461
(ii) On a fully diluted basis	5.05 cents	6.65 cents
Diluted weighted average number of ordinary shares in issue	176,202,428	176,217,752

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	
	31.12.09	31.12.08	31.12.09	31.12.08
Net asset value per ordinary share based on existing share capital	40.4 cents	36.1 cents	30.7 cents	29.7 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.

REVIEW OF PERFORMANCE FOR THE PERIOD

The principal activities of the Group are:-

- (i) manufacturing and distribution of industrial welding, welding equipment, welding consumables, safety products, industrial gases and related products; and**
- (ii) property development and investment.**

A) Income Statement

Overview

Despite the challenging environment in 2009, the Group's turnover managed to register 18.4% growth in turnover, supported by 20.2% increase in turnover of the Industrial Division while turnover of Property & Others Division was relatively flat. Growth in the Industrial Division was attributable to full year consolidation of the Gas business which compensated for the slight decline in sale of industrial welding and safety products in line with the weaker demand in the oil and gas industry.

Group's profit before taxation decreased by 1.7% to S\$ 17.2 million in FY 2009 from S\$ 17.5 million in FY 2008 due to higher operating cost, lower share of profit in associated companies and the absence of S\$2.5 million of negative goodwill recorded in FY 2008. If we exclude the S\$ 2.5 million of negative goodwill which was non-recurring in FY 2009, profit before taxation would have increased by 14.8%.

Profit after taxation of the Group declined by 4.4% to S\$ 13.9 million. If we exclude the S\$ 2.3 million of negative goodwill (net of tax) which was non-recurring in FY 2009, profit after taxation would have increased by 13.5%.

Turnover

The Group's turnover grew 18.4% from S\$157.2 million in FY 2008 to S\$186.1 million in FY 2009. The increase was mainly attributable to S\$ 28.4 million improvement in turnover of the Industrial Division, driven by 12 month consolidation of the Gas Business which became a subsidiary on 1 September 2008. Turnover of Property and Others Division increased by 2.8% to S\$17.2 million in FY 2009 with progressive recognition of the fully sold Paterson Linc Project.

Gross Profit

The Group's gross profit increased 24.5% from S\$ 43.4 million in FY 2008 to S\$ 54 million in FY 2009. The increase was mainly attributable to consolidation of the Gas business which generated a higher gross profit margin. The Group's gross profit margin improved to 29.0% from 27.6% in the previous year.

Other Income

Other income increased by S\$2.0 million from S\$2.4 million in FY 2008 to S\$4.4 million in FY 2009. The increase was mainly contributed by increase in job credit grant of S\$0.66 million and gain on disposal of fixed assets of S\$ 1.0 million.

Distribution Costs

Distribution costs increased by S\$7.4 million from S\$17.4 million in FY 2008 to S\$24.9 million in FY 2009. This was primarily due to the Gas business which accounted for bulk of the increase in distribution costs.

Administrative Costs

Administrative costs increased by S\$2.1 million from S\$9.0 million in FY 2008 to S\$11.1 million in FY 2009. This was mainly due to consolidation of the Gas business which contributed to the increase. In addition, personnel cost for the rest of the Group has also increased as the Group's business activities expanded.

Finance Costs

Finance costs rose from S\$1.1 million in FY 2008 to S\$2 million in FY 2009. This was mainly due to consolidation of the Gas business which constituted S\$0.9 million of Group's finance costs.

Share of Profit in Associated Companies

Share of profit in associated companies was reduced from S\$1.3million in FY 2008 to S\$0.2 million in FY 2009 as the Gas business, which was the main contributor to the associates' profit, is no longer part of the associated companies of the Group but has become subsidiary companies with effect from 1 September 2008.

B) Balance Sheet

Property, Plant and Equipment

Property, Plant and Equipment increased by S\$4.5 million to S\$59.2 million due to purchase of fixed assets and expansion of production capacity of its Gas business as well as the setting up of a new production plant to manufacture fire fighting equipment in Jiangyan, China.

Associated Companies

Investment in associated companies increased from S\$4.8 million as at 31 December 2008 to S\$8.8 million as at 31 December 2009. This was mainly due to additional S\$3.4 million shareholder's loans to Henglong Water Pte Ltd. The associated company, Henglong Water Pte Ltd, is the parent company of a wholly owned subsidiary, Lianyungang Heng Long Water Co Ltd which is the owner and operator of a wastewater treatment plant which has commenced operations in 2009.

Development Property

The S\$4.7 million increase in development property is related to performance of progress work of the Paterson Linc Project.

Stocks

Stocks decreased from S\$46.2 million as at 31 December 2008 to S\$38.9 million as at 31 December 2009. The Group's stock turnover for the current 12 month period was 116 days.

Trade Debtors

Trade debtors increased from S\$48.5 million as at 31 December 2008 to S\$51.8 million as at 31 December 2009. This increase was in line with the increase in sales. The Group's collection cycle remains healthy at 107 days for the current 12 month period.

Trade Creditors

Trade creditors had declined by S\$5.4 million from S\$20.2 million as at 31 December 2008 to S\$14.8 million as at 31 December 2009. The decline was in line with lower purchases made during the period.

Amount due to Bankers and long-term loans

Total bank borrowings as at 31 December 2009 had increased by S\$10.8 million to S\$ 62.7 million mainly to fund the Group's purchase of fixed assets, business expansion activities and working capital requirements.

C) Cash Flow

The Group's cash and cash equivalents increased by S\$5.0 million to S\$20.6 million as at 31 December 2009, arising from higher net cash inflow from operating activities and lower net cash outflow from investing activities.

Net cash provided by operating activities increased significantly to S\$12.7 million from S\$0.8 million in the previous corresponding year as a result of higher operational profitability and improvement in working capital. Net cash used in investing activities amounted to S\$15.2 million primarily to fund capital expenditure and progressive construction of its property project, Paterson Linc. Net cash provided by financing activities was S\$7.5 million which was raised from additional bank borrowings and proceeds from issuance of ordinary shares after payment of dividends to shareholders and minority shareholders and purchase of treasury shares.

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

The global economies have emerged from recession and are on the pave to recovery. Consumption has improved and oil price has rebounded, surpassing the USD 70 mark. This bodes well for the marine, oil & gas industries which form the largest customer base of the Group. Given that recovery has been driven largely by fiscal stimulus of central governments worldwide, economic recovery is gaining momentum particularly in Asia but still remains uneven.

Under the prevailing economic conditions, the Group remains cautiously optimistic about its outlook, led by co-ordinated efforts to grow the manufacturing capabilities and improve the infrastructure of its recently acquired businesses in industrial gas, welding consumables and fire fighting equipment. With the Paterson Linc Project expecting to obtain TOP in 2010, the Group will also be focusing its resources in expanding the operations and improving the operational efficiency of the Industrial Division.

Barring unforeseen circumstances, the Group expects its performance in 2010 to remain positive.

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 3 September 2009.

(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

N.A.

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

N.A.

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 welding, gas and safety products		Property & Other Divisions		Consolidated	
	2009	2008	2009	2008	2009	2008
	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Segment Revenue						
Sales to external customers	168,998	140,549	17,150	16,690	186,148	157,239
Segment Results	14,590	10,453	4,436	4,339	19,026	14,792
Interest expense					(2,016)	(1,138)
Negative goodwill arising from consolidation					-	2,528
Share of profit in associated companies					218	1,348
Profit before taxation					17,228	17,530
Taxation					(3,334)	(2,993)
Profit after taxation					13,894	14,537
Segment assets	168,406	170,455	31,752	15,691	200,158	186,146
Segment liabilities	92,110	93,386	6,839	5,563	102,386	98,949
Other segment information						
Capital expenditure	10,652	5,501	351	9	11,003	5,510
Depreciation	5,457	2,367	709	690	6,166	3,057
Impairment in value of investment	-	-	-	83	-	83
Amortisation of intangible assets	176	102	-	-	176	102
Other non-cash expenses	3,591	4,379	-	-	4,379	3,591

By geographical

	Singapore		Malaysia		Others		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Segment Revenue								
Sales to external customers	116,095	106,128	70,009	51,111	44	-	186,148	157,239
Other geographical information								
Segment assets	119,172	125,009	77,464	59,916	3,910	1,221	200,158	186,146
Capital expenditure	4,048	3,013	6,897	2,439	699	58	11,003	5,510

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.

Please see Note 8

15. A breakdown of sales

	Half Year January - June		Half Year July - December		Full Year January - December	
	2009	2008	2009	2008	2009	2008
	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Revenue	93,927	70,161	92,221	87,078	186,148	157,239
Profit before taxation	9,680	11,491	7,548	6,039	17,228	17,530
Profit after taxation	7,553	9,406	6,341	5,131	13,894	14,537

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

	2009	2008
	S\$' 000	S\$' 000
Ordinary shares	1,742	1,747

17. Interested Person Transaction.

Nil

BY ORDER OF THE BOARD
Steven Tham Weng Cheong
Chairman and CEO
1 March 2010