

PRESS RELEASE

Leeden moves ahead with expansion plans amidst market downturn

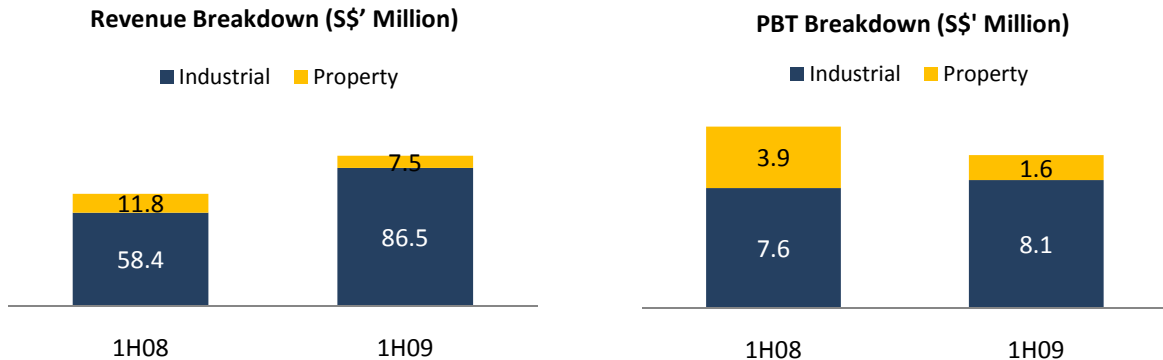
- 1H09 revenue up 34% to S\$93.9 million
- PATMI down 37% to S\$5.0 million mainly due to lower contribution from Property Division
- Leeden continued to expand sales team and set up new Thailand office in the past 6 months
- Interim one-tier tax exempt dividend of 1.0 Singapore cents per ordinary share to reward shareholders

Singapore, 30 July 2009 – Leeden Limited (“Leeden” or the “Group” or “励登”), Asia’s integration specialist for Welding, Gas & Safety (“Industrial Division”) solutions is pleased to announce a 34% growth in 1H09 revenue to S\$93.9 million amidst the global recession.

Financial Highlights

S\$'000	1H09			1H08			%Change Group
	Industrial	Property & Others	Group	Industrial	Property & Others	Group	
Turnover	86,469	7,458	93,927	58,415	11,746	70,161	34
Gross profit	24,293	2,544	26,837	15,679	4,716	20,395	32
GP Margin %	28.1%	34.1%	28.6%	26.8%	40.1%	29.1%	(0.5 ppt)
Profit before taxation	8,143	1,537	9,680	7,600	3,891	11,491	(16)
Profit after taxation	6,496	1,057	7,553	6,209	3,197	9,406	(20)

The better sales performance is on the back of a S\$28.1 million improvement in its Industrial Division as the Group continues to streamline its business and focus on its core competencies in the Industrial Division. Revenue from the Property Division fell by S\$4.3 million as more progress revenue was recognised in 1H08 due to the initial 20% completion of the Paterson Linc Project. This project had been fully sold and is expected to achieve T.O.P. in 1H10 and will be the Group’s last property project.



Overall gross profit margin fell slightly by 0.5 percentage points to 28.6% due to lower contribution from the property division. Within the Industrial Division, however, the Group witnessed an increase in gross profit margin from 26.8% in 1H08 to 28.1% in 1H09.

“This downturn is the best time for Leeden to prepare for its next phase of growth due to the lower costs of expansion involved. Being opportunistic, we are strengthening our sales & marketing force and upgrading our facilities to enhance our market presence during this recession. Over the past 6 months, we have grown our sales force and officially opened our Thailand office. We believe this move would propel Leeden to its next level of growth in the near future.”

Mr Steven Tham, Chairman and CEO of Leeden

Aligned with Leeden’s expansion plans and consolidation of the gas business after the acquisition of NIG Industrial Gases Sdn Bhd on 1 September 2008, the Group saw an increase of S\$5.3 million in the distribution costs, of which S\$5.2 million is attributed to the gas business.

In spite of the strong set of results posted by the Industrial Division, Leeden posted a 16% decline in profit before tax (“PBT”) to S\$9.7 million as a result of significantly lower profit contribution from the Property Division. Taking into account just the Industrial Division alone (excluding property division), PBT would have grown 7% from S\$7.6 million to S\$8.1 million. Overall, profit after tax (“PAT”) for 1H09 fell 20% to S\$7.6 million. Taking into account just the Industrial Division alone (excluding property division), PAT would have grown 5% to S\$6.5 million¹.

Net profit attributable to owners of the parent (PATMI) in 1H09 fell 37% to S\$5.0 million as the Group accounted for S\$2.5 million minority interest as compared to S\$1.4 million in 1H08. The increase in minority interest is due to the acquisition of NIG Industrial Gases Sdn Bhd and Power Weld Sdn Bhd, which have higher percentages of minority interest.

¹ The effective tax rate in 1H09 is higher than the previous corresponding period due to higher corporate tax rate of the gas business in Malaysia.

The Group's gearing level increased slightly to 50% as at 30 June 2009 as compared to 46% as at 31 December 2008. As of 30 June 2009, net cash provided by operating activities was S\$1.4 million, while cash and bank balances and fixed deposits stood at S\$15.4 million

As the management remains positive on the outlook of the Group, Leeden is pleased to declare an interim one-tier tax-exempt dividend of 1.0 Singapore cent per ordinary share.

Moving Forward

The marine, offshore oil & gas sectors' activities remain sustainable with order books for new builds extending into FY2011. This would translate into continued demand for Leeden's welding, gas and safety products of its Industrial Division, which are required for shipbuilding and fabrication projects. Currently, the marine, offshore oil & gas industries account for 50% of the total revenue of Industrial Division.

The Group will continue to grow its market presence through aggressive marketing strategies, leveraging on the sales network of the newly acquired gas business, and the set up of enhanced facilities and showroom.

To differentiate the Group as an integrated solutions provider, Leeden will continue to broaden its product offerings to meet customers' unique needs while continuing to entrench its presence across South East Asia.

--- End ---

About Leeden Limited

Listed on the main-board of Singapore Exchange since 1975, Leeden Limited is The Integration Specialist for Welding, Gas & Safety.

Over the years the Group has progressed from a distributor of welding and safety products and a manufacturer and supplier of industrial gases to become a value-added integration specialist for its customers in the marine and oil & gas industries.

The Group's customers include major oil and gas companies and contractors, shipbuilding and ship repair yards, oil rig, platform, jacket and floating production storage offloading (FPSO) systems as well as steel and pipeline fabricators from across Asia.



The Integration Specialist for Welding, Gas and Safety

Leeden differentiates itself by providing integrated products, services and solutions of welding, gas and safety to its customers. With branches in Malaysia, Thailand, Indonesia and China, and dealers throughout Asia, Leeden aims to be close to its customers to ensure provision of premium quality services at all times.

For more information, please refer to the website, www.leedenlimited.com

Issued for and on behalf of Leeden Limited
By Financial PR Pte Ltd

For more information, please contact:

Ms Kathy Zhang, kathy@financialpr.com.sg

Ms Yudan Pak, yudan@financialpr.com.sg

Tel: (65) 6438 2990

Fax: (65) 6438 0064