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Giken Sakata FY2014 earnings more than quadruple to S\$2.1 million

- Group achieved significantly improved gross margin of 17.0% due to stronger sales in higher margin products in the precision engineering sector
- Newly acquired oil and gas services business, Cepu Sakti Energy, to begin contributing to Group's earnings from Q1 FY2015
- Management positive on outlook and considering growth opportunities for both businesses

Singapore, 29 October 2014 – The board of directors ("Board") of **Giken Sakata (S) Limited** ("Giken Sakata", and together with its subsidiaries, the "Group"), is pleased to announce that the Group's net profit for the financial year ended 31 August 2014 ("FY2014") surged 474.7% to S\$2.1 million from S\$446 thousand in FY2013. Highlights of the financial results announcement are set out below:

Financial Highlights	FY2014	FY2013	Change
	S\$'000	S\$'000	%
Revenue	69,016	126,753	(45.6)
Gross Profit	11,739	9,486	23.8
<i>Gross Profit Margin</i>	<i>17.0%</i>	<i>7.5%</i>	<i>9.5 ppt ⁽¹⁾</i>
Other Expenses	(374)	(14)	N.M. ⁽²⁾
Financial Expenses	(62)	(160)	(61.3)
Profit before Tax	2,424	504	481.0
Profit After Tax	2,117	446	474.7
Basic Earnings Per Share (cents) ⁽³⁾	0.78	0.34	229.4

Notes:

(1) ppt means percentage points

(2) N.M. means Not Meaningful

(3) Earnings Per Share for FY2014 and FY2013 are calculated based on the weighted average share capital of 268,577,673 and 131,509,657 ordinary shares respectively.

Review of Precision Manufacturing Business

The Group reported revenue of S\$66.0m in FY2014, down from S\$126.8m in FY2013 primarily due to discontinuation of a large project in March 2014.

The resulting change in product mix resulted in 23.8% growth in gross profit to S\$11.7m for FY2014, as compared to S\$9.5m in FY2013. Consequently, the Group's gross profit margin improved from 7.5% for FY2013 to 17.0% for FY2014. Barring any unforeseen circumstances, the Group expects sales of the higher margin products to grow going forward.

The Group's net profit attributable to equity holders rose to S\$2.1m in FY2014 from S\$0.4m in FY2013, an increase of 474%.

Completion of the acquisition of Cepu Sakti Energy Pte Ltd

On 10 September 2014, the Group completed the acquisition of a 53.7% stake in Cepu Sakti Energy ("CSE"), an oil and gas services business with operations based in Indonesia. As of September 2014, CSE was producing 880 barrels of crude oil per day out of 15 oil wells, located in two of the CSE's five oil fields. CSE has access to more than 300 oil wells under its portfolio of operating licences in Indonesia.

CSE is expected to start contributing to the Group's earnings, beginning first quarter of FY2015.

Commenting on the Group's FY2014 performance and outlook, Mr. Sydney Yeung, the Group CEO said,

"Giken Sakata has delivered a stellar FY2014 performance thanks to good order flow and strong client relationships, as well as the full recapitalisation of the company. The outlook for the precision engineering business remains attractive and we are looking positively at FY2015."

"Our acquisition of a majority stake in CSE had been completed in September and we are excited to now participate in the Indonesian oil and gas sector. As CSE already has oil producing in its oil fields, its first financial contribution to the Group will be recorded in the first quarter of FY2015. Going forward, we will continue to increase our average daily oil production levels and build up our reserve portfolio."

- End -

ABOUT GIKEN SAKATA (S) LIMITED (Bloomberg Ticker: GSS SP)

Giken Sakata was established in 1979 and was subsequently listed on the Singapore Stock Exchange in February 1993. The company has manufacturing plants spanning Singapore, Indonesia and China.

Since the 1980s, Giken Sakata has built a name for itself around the world as an integrated contract manufacturer. With a team of passionate leaders, committed staff and sound financial status, the company has continued to grow with its customers, suppliers and business associates.

In 2014, Giken Sakata has diversified into onshore oil and gas services in Indonesia through the acquisition of 53.7% stake in Cepu Sakti Energy Pte Ltd.

For more information, please visit www.giken.com.sg

Issued for and on behalf of Giken Sakata (S) Limited

By Financial PR Pte Ltd

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