



GIKEN SAKATA (S) LIMITED

(Incorporated in the Republic of Singapore)

(Company registration No. 197903879W)

(the "Company")

**CHINA CHANGZHOU GOVERNMENT TO ACQUIRE CURRENT SITE OF
CHANGZHOU GIKEN PRECISION CO LTD**

The Board of Directors of the Company refers to the previous announcement dated 4 April 2013 on the Changzhou Government's intention to acquire the land currently occupied by Changzhou Giken Precision Co Ltd ("CGP") (a subsidiary of the Company).

CGP management has received a formal notice of the acquisition from the Changzhou Government State Land Office. The Notice states that compensation for the acquired land will be between 38 million RMB to 41.2 million RMB, with additional incentive compensation if CGP signs the acquisition agreement before 30 December 2014.

The book value of the land and the building as recorded in the management account of CGP as at 31 August 2014 is 9.7 million RMB.

The Notice also states a new piece of land, totaling 30 mu (Chinese land measurement unit) within Changzhou will be made available to CGP at a cost of 224,000 RMB per mu (totalling 6.72 million RMB).

The Company will continue to provide updates when the acquisition agreement is signed and when more information becomes available.

The business operations of CGP will not be materially affected by the land acquisition and the related move to the new location.

For more information about the Giken Group, please view our website at www.giken.com.sg

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This announcement has been prepared by the Company and its contents have been reviewed by the company's Sponsor, Stamford Corporate Services Pte Ltd, for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

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