

**Full Year Financial Statements And Dividend Announcement for the Period Ended 31/03/2007****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT 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.

	Group		
	FY 2007 (S\$'000)	FY 2006 (S\$'000)	Change in %
Turnover	77,168	126,700	-39.09%
Cost of Sales	(70,188)	(113,443)	-38.13%
Gross Profit	6,980	13,257	-47.35%
Other operating income	270	83	225.10%
Distribution and selling expenses	(8,168)	(9,086)	-10.11%
Administration expenses	(3,618)	(2,849)	26.98%
Other operating expenses	(448)	(202)	121.82%
(Loss)/Profit from operations	(4,984)	1,203	-514.28%
Financial income	29	32	-10.31%
Financial expenses	(936)	(913)	2.51%
Share of associate's result	(37)	60	-162.45%
(Loss)/Profit before tax	(5,929)	382	-1651.97%
Taxation	(2)	60	-103.99%
(Loss)/Profit after tax	(5,931)	442	-1441.84%
<u>Attributable to :</u>			
Minority interest	13	62	-78.83%
Equity holders of the Company	(5,944)	380	-1664.22%
	(5,931)	442	-1441.84%

1(a) (ii) Other information

	Group		
	FY 2007 (S\$'000)	FY 2006 (S\$'000)	Change in %
Interest income	29	32	-10.31%
Interest on borrowing	(653)	(539)	21.13%
Depreciation	(3,254)	(3,305)	-1.54%

Foreign exchange loss	(283)	(375)	-24.51%
Adjustments for over provision of tax in respect of prior year	-	129	-100.00%
Gain on disposal of property, plant & equipment	4	133	-96.99%
Provision for stock obsolescence	(61)	-	NM
Impairment of property, plant & equipment	(125)	-	NM
Write back of provision for stock obsolescence	-	126	-100.00%
Property, plant & equipment written off	(2)	(350)	-99.43%

NM-Not Meaningful

NA-Not Applicable

(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.

Balance Sheets
as at 31 March 2007

	The Group 31 Mar 2007 S\$ '000	The Group 31 Mar 2006 S\$ '000	Change in %	The Company 31 Mar 2007 S\$ '000	The Company 31 Mar 2006 S\$ '000	Change in %
Share capital and reserves						
Share Capital & Reserves						
Share Capital	18,332	18,143	0.01	18,332	18,143	0.01
Reserves	(13,679)	(7,424)	84.25%	(13,421)	(1,136)	1081.42%
	4,653	10,719	-56.59%	4,911	17,007	-71.12%
Minority Interests	234	227	3.08%	-	-	0.00%
Total	4,887	10,946	-55.35%	4,911	17,007	-71.12%
Represented By:						
Property, plant & equipment	9,760	9,929	-1.70%	2,057	1,743	17.99%
Subsidiary Companies	-	-	0.00%	10,562	14,001	-24.56%
Associated Company	140	178	-21.33%	60	60	0.00%
Goodwill on Consolidation	112	112	0.04%	-	-	0.00%
Other Investments	70	70	0.00%	70	70	0.00%
Current Assets						
Stocks	7,747	6,193	25.10%	5,269	3,668	43.64%
Trade Debtors	12,452	11,387	9.35%	8,111	6,863	18.18%
Other Debtors & Deposits & Prepayment	1,027	1,044	-1.62%	646	301	114.48%
Due from Subsidiary Companies (trade)	-	-	0.00%	381	3,099	-87.72%
Fixed Deposits	589	237	148.48%	-	-	0.00%
Cash & Bank Balances	1,938	3,332	-41.82%	750	1,486	-49.52%
	23,754	22,193	7.03%	15,156	15,417	-1.69%
Current Liabilities						
Trade Creditors & Bill Payables	10,495	7,907	32.73%	6,508	3,101	109.86%
Other Creditors and Accruals	5,447	4,591	18.64%	4,336	3,212	34.98%
Due To Associated Company (trade)	98	51	91.49%	98	51	91.49%
Due To Subsidiary Companies (trade)	-	-	0.00%	605	318	90.30%
Provision for Tax	58	281	-79.28%	58	278	-79.05%
Leased Obligations, Current Portion	2,801	1,295	116.33%	2,740	1,295	111.59%
Long Term Loans-Unsecured, Current Portion	26	55	-52.71%	-	-	0.00%
Short Term Loans	9,262	6,197	49.47%	8,000	4,900	63.27%
Bank Overdraft- Secured	198	-	NM	198	-	NM
	28,386	20,377	39.30%	22,543	13,155	71.36%
Net Current (Liabilities)/Assets	(4,632)	1,816	-355%	(7,386)	2,262	-426.55%
Non Current Liabilities						
Leased Obligations, Non Current Portion	(111)	(750)	-85.14%	-	(749)	-100.00%
Long Term Loan	-	(28)	-100.00%	-	-	0.00%
Other Long Term Liability	(388)	(317)	22.41%	(388)	(317)	22.41%
Deferred Tax	(64)	(64)	0.00%	(63)	(63)	0.60%
Total	4,887	10,946	-55.36%	4,911	17,007	-71.12%

Notes:

Please refer to para 8.

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

Amount repayable in one year or less, or on demand

As at 31.03.2007		As at 31.03.2006	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
11,852	435	7,102	445

Amount repayable after one year

As at 31.03.2007		As at 31.03.2006	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
111	-	750	28

Details of any collateral

(a) A fixed and floating charge has been created on the assets and properties of the Company and its subsidiary, PT Giken Precision Indonesia, in favour of the existing banks of the company.

(b) The secured debts include fixed term lease by the company and the short term bank loans of a subsidiary company, which are secured by office building and fixed deposits.

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

Statement of cash flows for the year ended 31 March 2007

	31 Mar 2007 S\$'000	31 Mar 2006 S\$'000
Cash flows from operating activities		
(Loss)/Profit before taxation	(5,928)	382
Adjustments:		
Depreciation of property, plant & equipment	3,254	3,305
Exchange difference	(312)	(160)
Property, plant & equipment written off	2	350
Gain on disposal of property, plant & equipment	(4)	(133)
Interest expense	653	539
Interest income	(29)	(32)
Share of associated company's loss/(gain)	38	(60)
Provision for stock obsolescence	61	-
Impairment of property, plant & equipment	125	-
Write back of provision for stock obsolescence	-	(126)
Operating (loss)/profit before working capital changes	(2,140)	4,065
(Increase)/decrease in:		
Stocks	(1,615)	5,048
Trade debtors	(1,065)	5,752
Other debtors, deposits and prepayments	16	1,253
Increase/(decrease) in:		
Trade creditors	2,588	(4,930)
Other creditors and accruals	1,115	(1,848)
Due to an associated company (trade)	47	(141)
Cash (used in)/generated from operations	(1,054)	9,199
Interest received	29	32
Interest paid	(653)	(539)
Tax paid	(223)	(43)
Net cash (used in)/generated from operating activities	(1,901)	8,649
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary company	-	(223)
Proceeds from sale of property, plant & equipment	4	684
Purchase of property, plant & equipment	(971)	(1,394)
Net cash used in investing activities	(967)	(933)
Cash flows from financing activities		
Dividend paid	(6)	-
Proceeds from bank loans	3,391	17,560
Repayment of bank loans	(328)	(21,008)
Repayment of finance lease obligations	(1,429)	(1,499)
Net cash generated from/(used in) financing activities	1,628	(4,947)
<i>Net (decrease)/increase in cash and cash equivalents</i>	<i>(1,240)</i>	<i>2,769</i>
<i>Cash and cash equivalents at beginning of year</i>	<i>3,569</i>	<i>800</i>
Cash and cash equivalents at end of year	2,329	3,569

- 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.

Statements of Changes in Equity

For the year ended 31 March 2007

	Share Capital	Share Premium	Translation reserves	Retained profits(losses)	Total attributable to equity holders of the Company	Minority interests	Total
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2005	14,950	3,193	623	(8,330)	10,436	403	10,839
Foreign currency translation differences	-	-	(97)	-	(97)	-	(97)
Net profit for the year	-	-	-	380	380	62	442
Acquisition of additional interest in a subsidiary company	-	-	-	-	-	(238)	(238)
Transfer of share premium to share capital	3,193	(3,193)	-	-	-	-	-
Balance at 1 April 2006	18,143	-	526	(7,950)	10,719	227	10,946
Foreign currency translation differences	-	-	(191)	-	(191)	(6)	(197)
Net Loss for the year	-	-	-	(5,944)	(5,944)	13	(5,931)
Declared and paid dividend	-	-	-	(120)	(120)	-	(120)
Conversion of gratuity to ordinary shares	189	-	-	-	189	-	189
Balance at 31 March 2007	18,332	-	335	(14,014)	4,653	234	4,887
The Company							
Balance at 1 April 2005	14,950	3,193	-	(1,641)	16,502	-	16,502
Net Profit for the year	-	-	-	505	505	-	505
Transfer of share premium to share capital	3,193	(3,193)	-	-	-	-	-
Balance at 1 April 2006	18,143	-	-	(1,136)	17,007	-	17,007
Net Loss for the year	-	-	-	(12,165)	(12,165)	-	(12,165)
Dividend paid	-	-	-	(120)	(120)	-	(120)
Conversion of gratuity to ordinary shares	189	-	-	-	189	-	189
Balance at 31 March 2007	18,332	-	-	(13,421)	4,911	-	4,911

- 1 (d) (ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy backs, exercise of share options or warrants, conversion of others issues of equity securities, issues of shares for cash or as consideration for acquisition or for any others 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 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.

During the year, the Company issued 1,798,057 Ordinary Shares to a former director of the Company as gratuity for his years of services to the Group.

- 2 Whether are the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagement to review Financial Statement), or an equivalent standard)

The figures have not been audited or reviewed by the external auditor.

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

NA

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period as for the audited financial statements for the year ended 31 March 2006.

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 effects of, the change

No changes.

6 Earning 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.

	31 March 2007 Cents	31 March 2006 Cents
Based on the No. of shares in issue during the year	(9.83)	0.64
On fully diluted basis	(9.83)	0.64

"Item 6: The earnings per share for the year ended 31 March 2007 is calculated based on the weighted average share capital in issue during the period of 60,484,740 ordinary shares (2006: 59,800,000 ordinary shares)"

7 Net asset value (for the issuer and group) per ordinary share based on 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 Mar 2007 Cents	31 Mar 2006 Cents	31 Mar 2007 Cents	31 Mar 2006 Cents
Net assets valued per ordinary share based on issued share of the company at the end of the financial year (cents)	7.55	17.92	7.97	28.40

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that effected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

- (i) The Group's turnover for the period decreased by 39.09% as compared to FY 2006. This is due to reduced orders from existing customers because of the phasing out of some products by a customer and also because of internal changes in other customers.
- (ii) Due to the lower sales turnover and different sales product mix, the Group recorded a gross margin of 9.05%, as compared to a margin of 10.46% for FY 2006. Gross profit for the current period was S\$6.98 million.
- (iii) Distribution & selling expenses for the period was S\$8.168 million. This is a 10.11% reduction from the previous corresponding period, resulting from the lower sales turnover.
- (iv) The lower sales turnover and the corresponding lower gross profit resulted in the Group recording a net loss of S\$5.944 million for the period.
- (v) The Group had a net current deficit of S\$4.632 million as at 31 March 2007. The Group will continue to realize its current assets and repay its current liabilities. The Group has also appointed a Special Consultant to review its financial position and help the Company liaise with its financiers with a view to restructure its loan facilities.
- (vi) The Company is also looking for other potential financiers (including potential investors). An announcement will be made once a confirmed arrangement has been agreed.

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

The results for the financial year was in line with that disclosed to shareholders on 27 October 2006 when the Group announced its FY2007 half year results.

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

The Group continues to face a competitive and challenging operating environment. The Group has been aggressively sourcing for new projects, including projects relating to medical products & sensory devices. The Group is likely to see an improvement in sales turnover in the next financial year. The group continues with its cost rationalisation activities.

However, the Group's operations may be affected by its net current deficit position. The Company is discussing with its financiers to restructure its loan facilities. The Company is also looking for other potential financiers (including potential investors).

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes.; 0.25 cents per share less tax of 20%**

(c) Date payable

NA

(d) Books closure date

NA

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

No dividend has been declared or recommended

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.

GIKEN GROUP

BUSINESS SEGMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Mechanism MC S\$'000	Microshaft MS S\$'000	Others S\$'000	Inter Segment Transactions S\$'000	Group S\$'000
Turnover	60,448	13,485	3,882	(648)	77,168
Results					
Operating (loss)/profit from segment	(5,297)	1,050	(736)	-	(4,984)
Financial expenses					(907)
Operating loss after financial expenses					<u>(5,891)</u>
Share of result from an associated company					(37)
Tax					(2)
Minority interest					(13)
Net Loss					<u>(5,944)</u>

BUSINESS SEGMENTS FOR THE YEAR ENDED 31 MARCH 2006

	Mechanism MC S\$'000	Microshaft MS S\$'000	Other S\$'000	Inter Segment Transactions S\$'000	Group S\$'000
Turnover	110,965	13,530	2,844	(640)	126,700
Results					
Operating profit from segments	(16)	1,203	16	-	1,203
Financial expenses					(881)
Operating profit after financial expenses					<u>322</u>
Share of result from an associated company					60
Tax					60
Minority interest					(62)
Net Profit					<u>380</u>

Geographical Segments

	Group Turnover		Group Assets		Group Capital Expenditure	
	FY 2007 S\$'000	FY 2006 S\$'000	FY 2007 S\$'000	FY 2006 S\$'000	FY 2007 S\$'000	FY 2006 S\$'000
Singapore	64,475	106,585	16,962	14,191	1,718	414
Other Asian Countries	12,693	20,115	16,874	18,289	1,564	2,244
Total	77,168	126,700	33,836	32,480	3,282	2,658

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

- (a) The Mechanism Division recorded a sales turnover of S\$60.45 million for the year, a decrease of 45.53% from the previous year. This is due to reduced orders from its customers because of the phasing out of some products by a customer and also because of internal changes in other customers.
- (b) The Microshaft Division achieved a sales turnover of S\$13.5 million, a decrease of 0.33% over the previous year.

15 A breakdown of sales

	Group		Increase /(Decrease) %
	Latest Full Year S\$'000	Previous Full Year S\$'000	
(a) Revenue reported for first half year	36,670	74,497	-50.78%
(b) (Loss)/Profit after income tax but before minority interest reported for first half year	(2,866)	1,029	-378.52%
(c) Revenue reported for second half year	40,498	52,203	-22.42%
(d) (Loss)/Profit after income tax but before minority interest reported for second half year	(3,065)	(587)	-422.15%

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

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	0	120
Preference	0	0
Total :	0	120

NA

17 Interested Person Transactions

There were no interested person transactions during the year.

18 Confirmation

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the FY2007 financial results to be false or misleading.

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary
30th May 2007