

Full Year Financial Statements And Dividend Announcement for the Period Ended 31/03/2008
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 2008 (S\$'000)	FY 2007 (S\$'000)	Change in %
Turnover	72,399	77,168	-6.18%
Cost of Sales	<u>(62,777)</u>	<u>(70,188)</u>	-10.56%
Gross Profit	9,622	6,980	37.85%
Other operating income	1,154	270	NM
Distribution and selling expenses	(8,561)	(8,168)	4.81%
Administrative expenses	(3,616)	(3,619)	-0.08%
Other operating expenses	<u>(662)</u>	<u>(448)</u>	47.77%
Loss from operations	(2,063)	(4,985)	-58.62%
Finance income	24	29	-17.24%
Finance expenses	(709)	(936)	-24.25%
Share of associate's result	<u>63</u>	<u>(37)</u>	NM
Loss before tax	(2,685)	(5,929)	-54.71%
Taxation	<u>(25)</u>	<u>(2)</u>	NM
Loss after tax	<u>(2,710)</u>	<u>(5,931)</u>	-54.31%
Attributable to :			
Minority interest	7	13	-46.15%
Equity holders of the Company	<u>(2,717)</u>	<u>(5,944)</u>	-54.29%
	<u>(2,710)</u>	<u>(5,931)</u>	-54.31%

1(a) (ii) Other information

	Group		
	FY 2008 (S\$'000)	FY 2007 (S\$'000)	Change in %
Depreciation of property, plant and equipment	(2,609)	(3,254)	-19.82%
Foreign exchange (loss)	(180)	(283)	-36.40%
Gain on disposal of property, plant and equipment	185	4	NM
Allowance for stock obsolescence	(259)	(180)	43.89%
Impairment of property, plant and equipment	-	(125)	100.00%
Allowance for doubtful debts	(338)	(3)	NM
Impairment of deposit paid	(140)	-	NM
Property, plant and equipment written off	(193)	(2)	NM

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 2008

	Group 31 Mar 2008 S\$ '000	Group 31 Mar 2007 S\$ '000	Change in %	Company 31 Mar 2008 S\$ '000	Company 31 Mar 2007 S\$ '000	Change in %
Equity attributable to equity holders of the company						
Share capital	18,332	18,332	-	18,332	18,332	-
Reserves	(16,369)	(13,679)	19.67%	(14,910)	(13,421)	11.09%
	1,963	4,653	-57.81%	3,422	4,911	-30.32%
Minority interests	232	234	-0.85%	-	-	-
Total equity	2,195	4,887	-55.08%	3,422	4,911	-30.32%
Represented by:						
Property, plant and equipment	8,730	9,760	-10.55%	771	2,057	-62.52%
Subsidiary companies	-	-	-	5,561	5,561	-
Associated company	204	140	45.71%	60	60	-
Goodwill on consolidation	112	112	0.00%	-	-	-
Other investments	-	70	-100.00%	-	70	-100.00%
Due from subsidiaries (non-trade)	-	-	-	5,954	5,001	19.06%
Current assets	9,046	10,082	-10.28%	12,346	12,749	-3.16%
Inventories	6,646	7,747	-14.21%	4,171	5,269	-20.84%
Trade receivables	10,038	12,646	-20.62%	4,775	8,305	-42.50%
Other receivables and deposits	496	684	-27.49%	178	359	-50.42%
Prepayment	171	149	14.77%	98	93	5.38%
Due from subsidiary companies (trade)	-	-	NM	1,014	381	NM
Fixed deposits	234	803	-70.86%	-	-	NM
Cash and bank balances	3,705	1,724	NM	1,883	750	NM
	21,290	23,753	-10.37%	12,119	15,157	-20.04%
Current liabilities						
Trade payables	8,691	10,495	-17.19%	4,369	6,508	-32.87%
Other payables and accruals	5,150	5,447	-5.45%	3,105	4,336	-28.39%
Due to associated company (trade)	3	98	-96.94%	3	98	-96.94%
Due to subsidiary companies (trade)	-	-	NM	574	605	-5.12%
Provision for tax	69	58	18.97%	58	58	0.00%
Lease obligations, current portion	2,823	2,801	0.79%	2,761	2,740	0.77%
Long-term bank loans	-	26	100.00%	-	-	-
Short-term bank loans	9,182	9,262	-0.86%	8,000	8,000	-
Short-term loan - non-financial institution	1,500	-	NM	1,500	-	NM
Bank overdraft - secured	211	198	6.57%	211	198	6.57%
	27,629	28,385	-2.66%	20,581	22,543	-8.70%
Net current liabilities	(6,339)	(4,632)	36.85%	(8,462)	(7,386)	14.57%
Non current liabilities						
Lease obligations, Non current portion	(50)	(111)	-54.95%	-	-	NM
Other payables and accruals	(398)	(388)	2.58%	(398)	(388)	2.58%
Deferred tax	(64)	(64)	-	(64)	(64)	-
Net assets	2,195	4,887	-55.08%	3,422	4,911	-30.32%

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

Amount repayable in one year or less, or on demand

As at 31.03.2008		As at 31.03.2007	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
13,291	425	11,852	435

Amount repayable after one year

As at 31.03.2008		As at 31.03.2007	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
50	-	111	-

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) A fixed and floating charge was also created on the assets and properties of the Company in favour of Miyoshi Precision Limited, for an initial loan of S\$1.5 million drawn-down during the financial year and an additional loan of S\$1.5 million if drawn-down. The additional loan has yet to be drawn-down.

(c) The secured debts include fixed term lease by the Company and the short-term bank loans of a subsidiary company, which are secured by its office buildings 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 2008

	31 Mar 2008 S\$'000	31 Mar 2007 S\$'000
Cash flows from operating activities		
Loss before taxation	(2,685)	(5,929)
Adjustments:		
Depreciation of property, plant and equipment	2,609	3,254
Currency realignment	78	(314)
Property, plant and equipment written off	193	2
Gain on disposal of property, plant and equipment	(185)	(4)
Loss on disposal of other investments	28	-
Interest expense	709	653
Interest income	(24)	(29)
Share of associated company's (gain)/loss	(64)	38
Allowance for inventory obsolescence	259	180
Allowance for doubtful debts	338	3
Impairment of deposit paid	140	-
Impairment loss of property, plant and equipment	-	125
Operating profit/(loss) before working capital changes	1,396	(2,021)
Decrease/(increase) in:		
Inventories	842	(1,734)
Trade receivables	2,270	(1,065)
Other receivables and deposits	48	(148)
Prepayments	(22)	164
(Decrease)/increase in:		
Trade payables	(1,804)	2,588
Other payables and accruals	(589)	1,115
Due to an associated company (trade)	(95)	47
Cash generated from/(used in) operations	2,046	(1,054)
Interest received	24	29
Interest paid	(300)	(653)
Tax paid	(14)	(223)
Net cash generated from/(used in) operating activities	1,756	(1,901)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	311	4
Proceeds from sale of other investments	42	-
Purchase of property, plant and equipment	(1,917)	(971)
Net cash used in investing activities	(1,564)	(967)
Cash flows from financing activities		
Dividends paid	(9)	(6)
Bank balances pledged	98	6
Proceeds from bank loans	173	3,391
Proceeds from non-financial institution loans	1,500	-
Repayment of bank loans	(311)	(328)
Repayment of finance lease obligations	(146)	(1,429)
Net cash generated from financing activities	1,305	1,634
<i>Net increase/(decrease) in cash and cash equivalents</i>	1,497	(1,234)
<i>Cash and cash equivalents at beginning of year</i>	2,115	3,349
Cash and cash equivalents at end of year	3,612	2,115
Reconciliation of cash and cash equivalents		
Cash and bank balances	3,705	1,724
Fixed deposits	234	803
Less: Bank overdraft	(211)	(198)
Bank balances pledged	(116)	(214)
	3,612	2,115

- 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 2008

	Share Capital	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
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 1 April 2007	18,332	335	(14,014)	4,653	234	4,887
Foreign currency translation differences	-	27	-	27	-	27
Net loss for the year	-	-	(2,717)	(2,717)	7	(2,710)
Dividends paid	-	-	-	-	(9)	(9)
Balance at 31 March 2008	18,332	362	(16,731)	1,963	232	2,195
The Company						
Balance at 1 April 2006	18,143	-	(1,136)	17,007	-	17,007
Net loss for the year	-	-	(12,165)	(12,165)	-	(12,165)
Dividends paid	-	-	(120)	(120)	-	(120)
Conversion of gratuity to ordinary shares	189	-	-	189	-	189
Balance at 1 April 2007	18,332	-	(13,421)	4,911	-	4,911
Net loss for the year	-	-	(1,489)	(1,489)	-	(1,489)
Balance at 31 March 2008	18,332	-	(14,910)	3,422	-	3,422

- 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.

There were no changes to the company's share capital during the financial year.

- 2 Whether 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 compared with the audited financial statements for the year ended 31 March 2007 as well as applicable Financial Reporting Standards (FRS) which became effective for financial years beginning on or after 1 April 2007.

- 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

The adoption of the new/revised FRS did not result in any material impact on the Group's results.

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 2008 Cents	31 March 2007 Cents
Based on the No. of shares in issue during the year	(4.41)	(9.83)
On fully diluted basis	(4.41)	(9.83)

"Item 6: The earnings per share for the year ended 31 March 2008 is calculated based on the weighted average share capital in issue during the period of 61,598,057 ordinary shares (2007: 60,484,740 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 2008 Cents	31 Mar 2007 Cents	31 Mar 2008 Cents	31 Mar 2007 Cents
Net assets valued per ordinary share based on issued share of the company at the end of the financial year (cents)	3.19	7.55	5.56	7.97

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 achieved a turnover of S\$72.40 million for FY 2008, a decrease of 6.18% as compared to FY 2007. This is due to the termination of a project during the year. Despite the reduced turnover, gross margin improved from 9.05% in FY 2007 to 13.29% for FY 2008. This is due to higher sales of higher margin products. Gross profit for the FY 2008 was S\$9.62 million.

Other operating income increased to S\$1.15 million in FY 2008 due mainly to compensation by a customer for the termination of the project.

The improved gross margin and higher other operating income resulted in a reduced net loss of S\$2.72 million for FY 2008, as compared to the loss of S\$5.94 million for FY 2007.

- (ii) As previously announced, the Company signed an investment agreement with an investor during the financial year and the Company is also in the final process of signing a debt restructuring agreement with its financiers.

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

The Group did not make any forecast or prospect statement for the current period to shareholders.

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.

- (i) The Group continues to face a competitive and challenging operating environment. The Group may be affected by the economic slowdown in the US and the uncertainty in the global financial markets which may affect demand for our products. The Group may also be affected by higher material prices and other operating cost that may be caused by the increase in oil prices.
- (ii) The Group continues to aggressively source for new projects, including projects relating to medical products, sensory devices & safety products. Some of these projects may result in orders in FY 2009. The Group is also continuing with its cost control exercise.

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? **No**

(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 2008

	Mechanism MC S\$'000	Microshaft MS S\$'000	Others S\$'000	Inter Segment Transactions S\$'000	Group S\$'000
Turnover	55,770	12,613	4,335	(319)	72,399
Results					
Operating (loss)/profit from segment	(1,305)	193	(951)	-	(2,063)
Finance expenses	-	-	-	-	(685)
Operating loss after finance expenses	-	-	-	-	(2,748)
Share of result from an associated company					63
Tax					(25)
Minority interest					(7)
Net Loss					(2,717)

BUSINESS SEGMENTS FOR THE YEAR ENDED 31 MARCH 2007

	Mechanism MC S\$'000	Microshaft MS S\$'000	Other S\$'000	Inter Segment Transactions S\$'000	Group S\$'000
Turnover	60,448	13,485	3,883	(648)	77,168
Results					
Operating (loss)/profit from segment	(5,297)	1,050	(738)	-	(4,985)
Finance expenses					(907)
Operating loss after finance expenses					(5,892)
Share of result from an associated company					(37)
Tax					(2)
Minority interest					(13)
Net Profit					(5,944)

Geographical Segments

	Group Turnover		Group Assets		Group Capital Expenditure	
	FY 2008 S\$'000	FY 2007 S\$'000	FY 2008 S\$'000	FY 2007 S\$'000	FY 2008 S\$'000	FY 2007 S\$'000
Singapore	50,591	64,475	11,936	16,962	45	1,718
Other Asian Countries	21,808	12,693	18,400	16,874	1,872	1,564
Total	72,399	77,168	30,336	33,835	1,917	3,282

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\$55.77 for FY 2008, a decrease of 7.74% from FY 2007. However, higher sales of better margin products reduced the operating loss for the division from S\$5.30 million in FY 2007 to S\$1.31 million in FY 2008.
- (b) The Microshaft Division achieved a sales turnover of S\$12.61 million for FY 2008, which is 6.47% lower than FY 2007. The Division recorded an operating profit of S\$0.19 million for FY 2008.

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	39,306	36,670	7.19%
(b) Loss after income tax but before minority interest reported for first half year	(1,830)	(2,866)	-36.15%
(c) Revenue reported for second half year	33,093	40,498	-18.28%
(d) Loss after income tax but before minority interest reported for second half year	(880)	(3,065)	71.29%

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	0
Preference	0	0
Total :	0	0

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 FY2008 financial results to be false or misleading.

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary
29th May 2008