

Full Year Financial Statements And Dividend Announcement for the Period Ended 31/03/2009
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 2009 (S\$'000)	FY 2008 (S\$'000)	Change in %
Turnover	73,024	72,399	0.86%
Cost of Sales	<u>(57,672)</u>	<u>(62,777)</u>	-8.13%
Gross Profit	15,352	9,622	59.55%
Other operating income	818	1,361	-39.90%
Distribution and selling expenses	(8,801)	(8,561)	2.80%
Administrative expenses	(3,881)	(3,616)	7.33%
Other operating expenses	<u>(239)</u>	<u>(869)</u>	-72.50%
Profit/(loss) from operations	3,249	(2,063)	NM
Finance income	17	24	-29.17%
Finance expenses	(692)	(709)	-2.40%
Share of associate's result	<u>(70)</u>	<u>63</u>	NM
Profit/(loss) before tax	2,504	(2,685)	NM
Taxation	<u>38</u>	<u>(25)</u>	NM
Profit/(loss) after tax	<u><u>2,542</u></u>	<u><u>(2,710)</u></u>	NM
<u>Attributable to :</u>			
Minority interests	10	7	42.86%
Equity holders of the Company	<u>2,532</u>	<u>(2,717)</u>	NM
	<u><u>2,542</u></u>	<u><u>(2,710)</u></u>	NM

1(a) (ii) Other information

	Group		
	FY 2009 (S\$'000)	FY 2008 (S\$'000)	Change in %
Depreciation of property, plant and equipment	(2,362)	(2,647)	-10.77%
Foreign exchange gain/(loss)	405	(180)	NM
(Loss)/gain on disposal of property, plant and equipment	(11)	213	NM
Allowance for inventory obsolescence	(30)	(123)	-75.61%
Allowance for doubtful trade receivables	(213)	(338)	-36.98%
Impairment of deposit paid	-	(140)	100.00%
Property, plant and equipment written off	(136)	(207)	-34.30%
NM-Not Meaningful			
NA-Not Applicable			

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

Amount repayable in one year or less, or on demand

As at 31.03.2009		As at 31.03.2008	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
3,573	372	13,291	425

Amount repayable after one year

As at 31.03.2009		As at 31.03.2008	
Secured	Unsecured	Secured	Unsecured
S\$ ' 000	S\$ ' 000	S\$ ' 000	S\$ ' 000
8,333	-	50	-

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 additional loan of S\$1.5 million drawn-down during the financial year.

(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.

(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 2009

	Group 31 Mar 2009 S\$ '000	Group 31 Mar 2008 S\$ '000	Change in %	Company 31 Mar 2009 S\$ '000	Company 31 Mar 2008 S\$ '000	Change in %
Equity attributable to equity holders of the company						
Share capital	19,832	18,332	8.18%	19,832	18,332	8.18%
Reserves	(13,298)	(16,369)	-18.76%	(13,946)	(14,910)	-6.46%
	6,534	1,963	NM	5,886	3,422	72.00%
Minority interests	271	232	16.81%	-	-	NM
Total equity	6,805	2,195	NM	5,886	3,422	72.00%
Represented by:						
Non-current assets						
Property, plant and equipment	7,525	8,730	-13.80%	323	771	-58.11%
Investment in subsidiaries	-	-	NM	4,533	5,561	-18.49%
Investment in an associate	133	204	-34.80%	60	60	-
Goodwill on consolidation	112	112	NM	-	-	NM
Due from subsidiaries (non-trade)	-	-	NM	6,096	5,954	2.38%
Current assets	7,770	9,046	-14.11%	11,012	12,346	-10.81%
Inventories	6,937	6,646	4.38%	4,962	4,171	18.96%
Trade receivables	8,367	10,038	-16.65%	3,753	4,775	-21.40%
Other receivables and deposits	317	496	-36.09%	125	178	-29.78%
Prepayments	220	171	28.65%	124	98	26.53%
Due from subsidiaries (trade)	-	-	NM	392	1,014	-61.34%
Due from an associate (trade)	30	-	NM	-	-	NM
Fixed deposits	3,208	234	NM	2,965	-	NM
Cash and bank balances	3,853	3,705	3.99%	1,053	1,883	-44.08%
	22,932	21,290	7.71%	13,374	12,119	10.36%
Current liabilities						
Trade payables	6,866	8,691	-21.00%	3,197	4,369	-26.82%
Other payables and accruals	4,183	5,150	-18.78%	2,767	3,105	-10.89%
Due to an associate (trade)	-	3	-100.00%	-	3	-100.00%
Due to subsidiaries (trade)	-	-	NM	231	574	-59.76%
Due to a corporate shareholder (trade)	26	-	NM	26	-	NM
Income tax payable	32	69	-53.62%	29	58	-50.00%
Lease obligations, current portion	544	2,823	-80.73%	487	2,761	-82.36%
Long-term bank loans, current portion	1,418	-	NM	1,418	-	NM
Short-term bank loans	483	9,182	-94.74%	-	8,000	-100.00%
Loan from non-financial institution	1,500	1,500	-	1,500	1,500	-
Bank overdrafts - secured	-	211	-100.00%	-	211	-100.00%
	15,052	27,629	-45.52%	9,655	20,581	-53.09%
Net current assets/(liabilities)	7,880	(6,339)	NM	3,719	(8,462)	NM
Non-current liabilities						
Lease obligations, non-current portion	(2,070)	(50)	NM	(2,070)	-	NM
Long-term bank loans, non-current portion	(6,263)	-	NM	(6,263)	-	NM
Other payables and accruals	(512)	(398)	28.64%	(512)	(398)	28.64%
Deferred tax liabilities	-	(64)	-100.00%	-	(64)	-100.00%
Net assets	6,805	2,195	NM	5,886	3,422	72.00%

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 2009

	31 Mar 2009 S\$'000	31 Mar 2008 S\$'000
Cash flows from operating activities		
Profit/(loss) before taxation	2,504	(2,685)
Adjustments:		
Depreciation of property, plant and equipment	2,362	2,647
Currency realignment	327	54
Property, plant and equipment written off	136	207
Loss/(gain) on disposal of property, plant and equipment	11	(213)
Loss on disposal of other investments	-	28
Interest expense	692	709
Interest income	(17)	(24)
Share of associate's results	71	(63)
Allowance for inventory obsolescence	30	123
Allowance for doubtful trade receivables	213	338
Impairment of deposit paid	-	140
Operating profit before working capital changes	6,329	1,261
(Increase)/decrease in:		
Inventories	(321)	978
Trade receivables	1,458	2,270
Due from an associate	(30)	-
Other receivables and deposits	179	48
Prepayments	(49)	(22)
(Decrease)/increase in:		
Trade payables	(1,825)	(1,804)
Other payables and accruals	(514)	(589)
Due to an associate	(3)	(95)
Due to a corporate shareholder	26	-
Cash generated from operations	5,250	2,047
Interest received	17	24
Interest paid	(650)	(300)
Tax paid	(63)	(14)
Net cash generated from operating activities	4,554	1,757
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	280	311
Proceeds from disposal of other investments	-	42
Purchase of property, plant and equipment	(1,181)	(1,918)
Net cash used in investing activities	(901)	(1,565)
Cash flows from financing activities		
Dividends paid	-	(9)
Bank balances pledged	(15)	98
Proceeds from bank loans	405	173
Proceeds from non-financial institution loan	1,500	1,500
Repayment of bank loans	(1,864)	(311)
Repayment of finance lease obligations	(361)	(146)
Net cash (used in)/generated from financing activities	(335)	1,305
Net increase in cash and cash equivalents	3,318	1,497
Cash and cash equivalents at beginning of year	3,612	2,115
Cash and cash equivalents at end of year	6,930	3,612
Reconciliation of cash and cash equivalents		
Cash and bank balances	3,853	3,705
Fixed deposits	3,208	234
Less: Bank overdrafts	-	(211)
Bank balances pledged	(131)	(116)
	6,930	3,612

- 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 2009

	Share Capital	Translation reserves	Accumulated 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 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 1 April 2008	18,332	362	(16,731)	1,963	232	2,195
Foreign currency translation differences	-	539	-	539	29	568
Net profit for the year	-	-	2,532	2,532	10	2,542
Conversion of short-term loan from non-financial institution to share capital	1,500	-	-	1,500	-	1,500
Balance at 31 March 2009	19,832	901	(14,199)	6,534	271	6,805

The Company

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 1 April 2008	18,332	-	(14,910)	3,422	-	3,422
Net profit for the year	-	-	964	964	-	964
Conversion of short-term loan from non-financial institution to share capital	1,500	-	-	1,500	-	1,500
Balance at 31 March 2009	19,832	-	(13,946)	5,886	-	5,886

- 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 financial year, 23,529,411 ordinary shares were issued to Miyoshi Precision Limited on the conversion of a S\$1.5 million convertible loan granted to the Company in the last financial year.

- 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 year compared with the audited financial statements for the year ended 31 March 2008.

- 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 2009 Cents	31 March 2008 Cents
Based on the No. of shares in issue during the year	3.40	(4.41)
On fully diluted basis	3.40	(4.41)

"Item 6: The earnings per share for the year ended 31 March 2009 is calculated based on the weighted average share capital in issue during the period of 74,361,956 ordinary shares (2008: 61,598,057 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 2009 Cents	31 Mar 2008 Cents	31 Mar 2009 Cents	31 Mar 2008 Cents
Net assets valued per ordinary share based on issued share of the company at the end of the financial year (cents)	7.67	3.19	6.91	5.56

"Item 7: The net assets value per share for the year ended 31 March 2009 is calculated based on the share capital in issue at the end of the year of 85,127,468 ordinary shares (2008: 61,598,057 ordinary shares)"

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.

Income Statement

- (i) The Group's turnover for FY 2009 was S\$73.0 million, approximating the turnover for FY 2008.
- (ii) Due to the changes in sales product mix and discontinuation of certain lower-margin projects, the Group achieved a gross margin of 21.0%, or S\$15.4 million. This is an increase over the 13.3% gross margin for FY 2008.
- (iii) Other operating income and other operating expenses consist mainly of foreign exchange gains and foreign exchange losses, classified accordingly.
- (iv) The higher gross margin resulted in a net profit after tax of S\$2.5 million for the year.

Balance Sheets

- (v) The reduction in trade receivables and trade payables at 31 March 2009 as compared to 31 March 2008 is due to lower turnover for the months of January to March 2009 as compared to the corresponding period in FY 2008.
- (vi) During the financial year, the Company signed a debt restructuring agreement with the existing bank lenders and leasing companies whereby the short-term bank debts and leasing debts were restructured into a 72 month term-debt with monthly repayment commencing in September 2008. This resulted in a reduced current bank loans and lease obligations and an increase in the non-current bank-loans and lease-obligations, as compared to 31 March 2008.
- (vii) The net profit position for the financial year and the debt restructuring resulted in the Group achieving a net current asset position of S\$7.9 million at 31 March 2009 as compared to the net current deficit position of S\$6.3 million at 31 March 2008.
- (viii) During the financial year, the Company issued 23,529,411 ordinary shares to Miyoshi Precision Limited on the conversion of a S\$1.5 million convertible loan granted to the Company in the last financial year.
- (vix) The increase in share capital and the profit position of the Group for the financial year resulted in a net asset value of S\$6.8 million as at 31 March 2009, as compared to S\$2.2 million at 31 March 2008.

Cashflow Statement

- (x) The Group generated a net cash inflow of S\$4.6 million from its operating activities during the year. After utilisation for investing and financing activities, the group had a net cash and cash equivalent position at S\$6.9 million as at 31 March 2009.

Others

- (xi) During the financial year, the Company put its wholly-owned subsidiary, Giken Japan Corporation ("GJC"), into members' voluntary liquidation. GJC's financial results for FY 2009 has been consolidated into the Group's results for FY 2009 and the Group does not expect further material impact arising from the liquidation.

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.

The Group continues to operate under challenging conditions, especially with the current economic uncertainties which may affect demands for our products.

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 2009

Mechanism	Microshaft	Others	Eliminations	Group
MC	MS			
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Turnover

Sales to external customers	56,710	13,268	3,046	-	73,024
Inter-segment sales	54	-	20	(74)	-
Total revenue					<u>73,024</u>

Results

Operating profit/(loss) from segment	2,815	487	(53)	-	3,249
Net finance expenses					(675)
Operating profit after finance expenses					<u>2,574</u>
Share of associate's results					(70)
Tax					38
Minority interests					(10)
Net profit					<u>2,532</u>

BUSINESS SEGMENTS FOR THE YEAR ENDED 31 MARCH 2008

Mechanism	Microshaft	Other	Eliminations	Group
MC	MS			
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Turnover

Sales to external customers	55,716	12,613	4,070	-	72,399
Inter-segment sales	54	-	265	(319)	-
Total revenue					<u>72,399</u>

Results

Operating (loss)/profit from segment	(1,305)	193	(951)	-	(2,063)
Net finance expenses					(685)
Operating loss after finance expenses					<u>(2,748)</u>
Share of associate's results					63
Tax					(25)
Minority interests					(7)
Net loss					<u>(2,717)</u>

Geographical Segments

	Group Turnover		Group Assets		Group Capital Expenditure	
	FY 2009	FY 2008	FY 2009	FY 2008	FY 2009	FY 2008
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	36,739	37,110	13,438	12,081	12	45
Japan	16,516	17,007	954	2,439	-	-
Indonesia	2,481	5,624	9,698	9,486	1,020	1,566
China	5,323	4,124	6,610	6,330	149	307
Other Countries	11,965	8,534	2	-	-	-
Total	<u>73,024</u>	<u>72,399</u>	<u>30,702</u>	<u>30,336</u>	<u>1,181</u>	<u>1,918</u>

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 turnover of S\$56.76 million for FY 2009, an increase of 1.78% from FY 2008. Higher sales of better margin products and cost restructuring exercise enabled the Division to achieve operating profit of S\$2.82 million from operating loss of S\$1.31 million in FY 2008.
- (b) The Microshaft Division achieved a turnover of S\$13.27 million for FY 2009, which is 5.19% higher than FY2008. The Division recorded operating profit of S\$0.49 million for FY 2009.

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	39,940	39,306	1.61%
(b) Profit/(loss) after income tax but before minority interest reported for first half year	463	(1,830)	NM
(c) Revenue reported for second half year	33,084	33,093	-0.03%
(d) Profit/(loss) after income tax but before minority interest reported for second half year	2,079	(880)	NM

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

During the financial year, there is no interested person transactions with aggregate value in excess of S\$100,000 conducted under review or under shareholders' mandate pursuant to Rule 920.

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 FY2009 financial results to be false or misleading.

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary
27 May 2009