

JUKEN
Technology

ANNUAL REPORT 2009

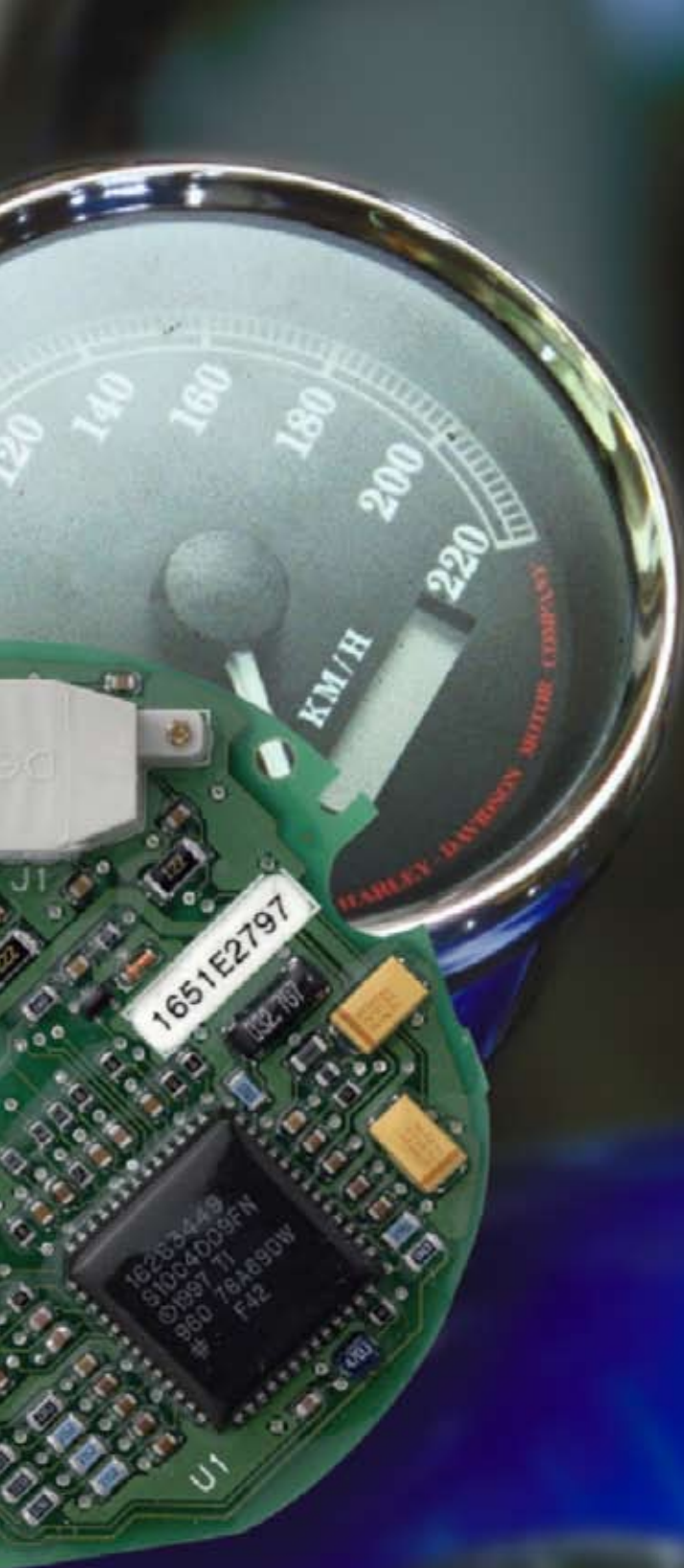
Seizing Opportunities



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Our Vision

JUKEN AIMS TO BE A GLOBAL
PLAYER IN PRECISION ENGINEERING
PLASTIC COMPONENTS AND ITS
RELATED INDUSTRIES

Our Mission

JUKEN PROVIDES PRACTICAL AND
EFFECTIVE SOLUTIONS LED BY A
TEAM DEDICATED TO SATISFYING
OUR CUSTOMERS' NEEDS

Our Milestones



2009

- Entered into conditional sale and purchase agreement on 18 December 2009 to acquire the machineries and equipment, inventories and intangible assets of Microcomponents Ltd and Zhuhai SMH Watchmaking Co., Ltd, two subsidiaries of the Swatch Group of Switzerland (subsequently approved by shareholders at an EGM on 15 March 2010).
- Acquisition of 60% of the shareholding in Micro-Air (Tianjin) Co., Ltd. ("Micro-Air Tianjin"), a company engaged in the business of providing vacuum coating, thermal treatment and other related services for plastic component. Following the completion on January 10, 2009, Micro-Air Tianjin become a subsidiary of Juken Technology Group.
- Disposal of 49% interest in associates, Pretech & Ewon (H.K.) Co., Limited and Juken Technology (Huizhou) Co., Ltd (P&E Group) on March 5, 2009.

2005

- Incorporated Juken Uniproducts Pte Ltd in new Delhi India in December 2005 with Juken Technology holding 55%

2003

- Listed on mainboard of the Singapore Exchange on 4th July 2003
- Incorporated Juken Technology Engineering Sdn Bhd on 18th March 2003
- Disposal of Juken Huizhou on October 2003 in exchange for 49% stake in Pretech & Ewon Co., Ltd and acquire 5% stake in K.J Pretech Co., Ltd in December 2003
- Acquire remaining 40% in Inplas Engineering Sdn Bhd through Juken Technology Malaysia Completed in January 2004
- Announcement of JV with Hishiya Seiko in December 2003 to assemble plastic injection machines in China

2002

- Restructuring – Juken Technology became Group's holding company.
- Set Up Juken Suzhou to tap the automotive business in PRC
- Established presence in Huizhou to service LG, Samsung, Brother

2000

- Developed capabilities for larger plastic components
- Channeled part of Singapore's operations to Juken Johor to leverage on the lower land and labour costs there

1998

- Juken Malaysia was incorporated in Kuala Lumpur, Malaysia as a subsidiary of Juken

1997

- Expansion into Thailand

1994-1995

- Expansion of operations into Hong Kong and Zhuhai, PRC

1992

- Juken Technology was formed by Juken Mecplas and Juken Kogyo and Kegin Enterprise

1984

- Juken Mecplas was founded by David Wong, our chairman and CEO

Acquisition of Stepper Motor Technology – Positioning Juken As A World Leader



On 15 March 2010 shareholders of Juken approved the acquisition of manufacturing facilities including machineries and equipment, inventories and intangible assets of Microcomponents Ltd of Switzerland (“Microcomponents”) and Zhuhai SMH Watchmaking Co., Ltd of China.

These two companies were subsidiaries of The Swatch Group of Switzerland (“Swatch”) prior to the transaction – valued at approximately \$6.2 million – which will propel Juken into a leading global producer of stepper motors and car clocks found in the instrumental cluster of cars.

Stepper motors are tiny little motors with plastic gears which drive the odometer, the speedometer and even the clock on the dashboard of most cars. Until now, this technology had resided largely with major European players such as Microcomponents and some Japanese players.

Microcomponents had produced and sold more than 300 million stepper motors since inception in the early 1990s and has set global standards for automotive instrument cluster motors, which has recently been marketed to major auto manufacturers under the X25 series.

Microcomponents’ products have already received the necessary auto industry certification and the company counted among its customers leading names such as Delphi Automotive System, Chrysler, Visteon, Robert Bosch, Stoneridge AB, Pollak TED, Preh, Continental, Shanghai Hayou and Avtpribor. It had developed and mass-produced three generations of M-S Motor.



Following the acquisition, Juken’s strategy is to market Swiss-standard engineering under the Juken brand worldwide, with focus on the high-growth auto markets of China and India. Juken already has manufacturing presence in these two markets. Backed by senior managers and researchers based in Switzerland, Juken will continue to develop new stepper motors for more advanced applications.

Juken – which has manufacturing presence in China, India, Malaysia, Thailand and Indonesia and a research and development center in Switzerland, will produce and market the motors under the “JST” (Juken Swiss Technology) brand.

Chairman's Statement



“Beyond the operational challenges, the crisis also allowed us to seize a significant opportunity to grow via acquisition.”

Dear Shareholders,

FY2009 will be remembered as probably one of the most challenging and significant periods in the history of Juken Technology Limited (“Juken” or “the Group”). To quote Shakespeare, “it was the best of times; it was the worst of times”.

BUSINESS REVIEW

For the year under review, particularly the first half, the Group still felt the shocks from the global economic and financial crisis triggered initially by the U.S. sub-prime crisis. Credit lines tightened, leading to a slowdown of orders by our customers and delays of production programmes. Despite these challenges, Juken was able to report a net profit of \$66,000 on turnover of \$18.6 million in 1HFY09.

It is during times of adversity that corporations are able to implement change and improve efficiency. For Juken it was a time in which we undertook efforts to reduce staff and material costs, lower operating expenses, even while finance charges declined due to lower interest rates.

This streamlining, begun in FY2008, accelerated in FY2009, such that with pent-up demand in 2HFY09, we were able to reap the fruits of our success. Accordingly, net profit attributable to shareholders for FY2009 rose 25-fold to \$1.17 million from \$46,000 a year earlier even though revenue declined 8.3% to \$45.4 million from \$49.5 million over the comparative periods.



I am pleased to report that our business recovery in 2HFY09 was broad-based, led by the auto division, our main revenue and profit contributor. Our business units in other regions in non-auto divisions including office automation and cameras also witnessed strong recovery.

SIGNIFICANT ACQUISITION

Beyond the operational challenges, the crisis also allowed us to seize a significant opportunity to grow via acquisition. During the year under review we announced plans to acquire the manufacturing facilities including machineries and equipment, inventories and intangible assets from Microcomponents Ltd of Switzerland and Zhuhai SMH Watchmaking Co., Ltd of China, two subsidiaries of the Swatch Group Ltd of Switzerland. The transaction, valued at 4.6 million Swiss francs, was approved by shareholders on 15 March 2010.

DIVIDEND

Group has proposed a first and final dividend of 0.13 cent per share, representing a payout ratio of approximately 24% of the net profit of FY2009.

OUTLOOK AND FORWARD STRATEGY

The growth in the PRC auto market – now the largest in the world – and the recovery of the U.S. and European markets since 2HFY09 are expected to continue through FY2010.

Juken now has a manufacturing footprint spanning Northern PRC (Tianjin) and Southern PRC (Zhuhai, Hong Kong and Macau), positioning us to benefit from the growth in the PRC auto sector, especially after the acquisitions of the facilities and assets involved in stepper

motors. The acquisitions will provide strong R&D and production capabilities which will transform Juken into a world leader for this product. Moving forward we will leverage on our manufacturing network in the PRC and Indian auto markets to produce stepper motors and car clocks for car manufacturers.

Beyond China and India the Group will continue to explore opportunities in other markets and other industries to accelerate future growth.

Subsequent to the end of FY2009, the Group completed a renounceable rights issue of approximately 82.4 million new shares which raised net proceeds of approximately \$3.0 million, to be used for general working capital, largely to tap the huge potential in PRC.

APPRECIATION

It has been a challenging period for all of us at Juken. We would not have been able to brave the storms had it not been for the diligence and dedication of the management and staff. Nor could we have sailed through the rough waters without the support of our loyal customers, business partners, shareholders and our Directors. To all of you, we say a big “thank you” and look forward to your continued support as we chart a new era of growth for Juken.

WONG KENG YIN

Executive Chairman
April 2010

Corporate Information

BOARD OF DIRECTORS

Executive:

Wong Keng Yin (Executive Chairman)
Wong Lai Huat (Chief Executive Officer)

Non-Executive:

Bernard Tay Ah Kong
Tan Gim Soo
Goh Yeow Tin

Secretaries

Lawrence Wong Chee Meng
Koh Ing Chin

AUDIT COMMITTEE

Bernard Tay Ah Kong (Chairman)
Tan Gim Soo
Goh Yeow Tin

NOMINATING COMMITTEE

Goh Yeow Tin (Chairman)
Bernard Tay Ah Kong
Tan Gim Soo
Wong Keng Yin

REMUNERATION COMMITTEE

Tan Gim Soo (Chairman)
Bernard Tay Ah Kong
Goh Yeow Tin

REGISTERED OFFICE

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SHARE REGISTRAR

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50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
Tel No: (65) 6536 5355
Fax No: (65) 6536 1360

AUDITORS

Deloitte & Touche LLP
6 Shenton Way
#32-00 DBS Building Tower Two
Singapore 068809
Partner-in-charge: Rankin Yeo
Appointed on April 28, 2006

PRINCIPAL BANKERS

DBS Bank Limited
The Hong Kong and Shanghai Banking Corporation Limited
Malayan Banking Berhad



Corporate Profile

With more than 20 years of track record, Juken Technology specialises in manufacturing a wide variety of precision moulded plastic components that require a high degree of accuracy and durability which are used in automotive, utilities meters, medical, audio/video and office equipment, as well as cameras and wrist watches.

In addition, Juken Technology has in-house capabilities for designing and fabricating precision plastic injection moulds. The Group enjoys access to the advanced technology of its major shareholder, Juken Kogyo Co., Ltd, a specialist precision plastic component designer and manufacturer in Japan.

Juken Technology has a diversified, global customer base comprising of original equipment manufacturers (OEMs) like Continental, Stanley Group, Magna Group, Itron and Visteon as well as multinational brands such as Brother, Nikon, Sony and Olympus.

One of Juken Technology's key strengths lies in the quality of its products and services. The Group's 8 production facilities in Singapore, Malaysia (Johor Bahru and Kuala Lumpur), Thailand (Bangkok), the PRC (Zhuhai and Tianjin), India (New Delhi) and Indonesia (Jakarta) are located close to its customers to reduce turnaround time. Adhering to stringent quality standards, most of our manufacturing entities are ISO-certified.



Board of Directors



Wong Keng Yin, David
Executive Chairman

Mr Wong Keng Yin, David is the Executive Chairman and founder of the Juken Technology Group. In 1984, he set up Juken Mecplas, and subsequently established Juken Technology, a joint venture with Juken Kogyo and Kengin Enterprise, in 1992.

Mr David Wong has been instrumental in spearheading the strategic development and growth of the Group – from a single rented factory in Bedok Reservoir Industrial Park with 3 employees and 3 machines, to its present network of 8 production facilities in Singapore, Malaysia, Thailand, India, Indonesia and the PRC, servicing multinational brands such as Brother, Continental and others.

With his knowledge of the precision plastic injection moulding and mould fabrication industry spanning 30 years, Mr David Wong is well positioned to develop and execute strategies, as well as oversee the overall management, strategic planning, business development and financial supervision of the Group. The fostering and strengthening of long-standing relationships with key customers and suppliers are testament to Mr Wong's business insight and expertise.

Prior to starting Mecplas Engineering, Mr David Wong was a Production Manager at Enplas Company (Singapore) Private Limited from 1975 to 1984, supervising the production and assembly department.

Mr David Wong holds a Certificate in Manufacturing Management from the Sanno Institute of Business Administration, Japan.

Board of Directors



Wong Lai Huat, William
Chief Executive Officer

Mr Wong Lai Huat, William has been the Chief Executive Officer of Juken Technology Group since 1 September 2007. With his technical knowledge in the plastic injection moulding and management knowledge in the Group, he is well-positioned to jointly develop and execute strategies with Mr David Wong, the Executive Chairman.

In 1998, Mr William Wong co-founded Juken Malaysia together with Mr David Wong. Prior to that, he was a Project Manager of a German MNC company in Malaysia specializing in automotive equipment where he had worked since 1992.

Having been in the plastic injection moulding industry for more than 20 years, Mr William Wong's grasp of the technicalities and his know-how of the plastic injection moulding discipline and processes has been vital to the Group's business endeavours.

Mr William Wong holds a Bachelor's degree in Mechanical Engineering from Strathclyde University, United Kingdom, and a Diploma in Mechanical Engineering from University Technology Malaysia.

Board of Directors



Bernard Tay Ah Kong
Independent Director

Mr Bernard Tay Ah Kong is currently the Non-Executive Chairman of Horwath First Trust, which is a Certified Public Accountants firm and Chairman of the Risk Management Committee of KW Capital Pte Ltd, an approved SGX Continuing Sponsor. Mr Bernard Tay is also an Independent Director of several public companies listed on the SGX Mainboard and Catalist. He is the Senior Advisor to the Government of Huzhou City, Zhejiang Province of the People's Republic of China. He is also the President of the Federation Internationale de l'Automobile – Asia Pacific Region 2, the Automobile Association of Singapore and Chairman of Singapore Road Safety Council. Mr Bernard Tay is also the Vice-President of the Singapore Productivity Association and a sub-committee member of the Singapore Institute of Directors. He is a recipient of the Service to Education Award and Community Service Medal and was conferred the Pingat Bakti Masyarakat (Public Service Medal) by the President of Singapore. In addition, he is a former member

of the Resource Panel of the Government Parliamentary Committees for Home Affairs and Communications. He had also sat on several committees under the Accounting and Corporate Regulatory Authority which includes the Complaints and Disciplinary Panel - Public Accountants Oversight Committee, Standing Law Review Focus Group and Directors' Duties Study Team. He was a member of the Singapore Corporate Awards Judging Panel for the Best Annual Report Award.

Mr Bernard Tay is a Fellow of the Association of Chartered Certified Accountants (U.K.), the Institute of Certified Public Accountants of Singapore, the Taxation Institute of Australia and the Singapore Institute of Directors. He is also a Chartered Accountant of Malaysia.

Mr Bernard Tay has a wide range of experience, from having worked in public accounting firms in the United Kingdom and Singapore, the Inland Revenue Authority of Singapore and companies in commerce, industry and management consulting for a period over 30 years.

Board of Directors



Tan Gim Soo
Independent Director

Mr Tan Gim Soo has more than 30 years of experience in accounting, auditing and taxation work, and is the proprietor of his own public accounting firm, G.S.Tan & Co., which he set up in 1976. Prior to setting up his practice, Mr Tan was an executive director of a group of trading companies between 1974 and 1976. Mr Tan is a Fellow of the Institute of Chartered Accountants in England & Wales, and Fellow of the Institute of Certified Public Accountants of Singapore (“ICPAS”), and a member of the Singapore Institute of Directors. He is also an independent director of two other listed companies, namely China Yongsheng Limited and Enviro-Hub Holding Ltd.

Mr Tan has sat on various committees including ICPAS’ Practice Review Committee, Advisory Committee of Nanyang Technological University’s School of Accountancy & Business (now known as Nanyang Business School) and the Asset Realisation Committee formed by the Ministry of Law to advise the Insolvency & Public Trustee’s Office.



Goh Yeow Tin
Independent Director

Mr Goh Yeow Tin is currently the Chief Executive Officer of Seacare Education Pte Ltd which specialises in providing educational services and consultancy in Singapore and China. Mr Goh holds a Bachelor Degree in Mechanical Engineering (Hons) and a Masters Degree in Industrial Engineering and Management. Mr Goh started his career with the Economic Development Board (“EDB”) where he headed the Local Industries Unit. He was subsequently appointed the Director of EDB’s Automation Applications Centre located in the Singapore Science Park.

Mr Goh was the founding member of the Association of Small and Medium Enterprise (“ASME”) and founded International Franchise Pte Ltd, a pioneer in franchising business in Singapore. Mr Goh was previously the Deputy Managing Director of Tonhow Industries Ltd, the first SESDAQ listed plastic injection moulding company. Prior to his present business, Mr Goh was the Vice-President of Times Publishing Ltd and was in charge of the group’s Retail and Distribution business. Mr Goh is a member of the Singapore Institute of Directors and an Independent Director of Oakwell Engineering Limited and Lereno Bio-Chem Ltd.

Mr. Goh was appointed to our Board on 31 December 2005.

Raising funds via
rights issue to tap
future growth in PRC
auto market



Key Management

Koh Ing Chin

Chief Financial Officer

Mr Koh Ing Chin, the Chief Financial Officer of the Juken Technology Group ("the Group"), is primarily responsible for the formulation and implementation of the Group's financial policies and budgeting. He also takes charge of the co-ordination and maintenance of the Group's accounting and internal control systems, cash flow management, project financing and compliance with audit and statutory requirements.

Mr Koh has more than 11 years of experience in the accounting profession. He was an auditor with Ernst & Young and PricewaterhouseCoopers from 1996 to 2002, before taking up a group accountant position with the Group in December 2002. He held the same position until December 2004. He was tasked to head the internal audit function of the Group from January to December 2005. In January 2006, he was promoted to Financial Controller of the Group and held the same position until May 2007. He was promoted to Chief Financial Officer of the Group on 28 May 2007.

Mr Koh is a non-practising member of the Institute of Certified Public Accountants of Singapore ("ICPAS") and the Malaysian Institute of Accountants ("MIA").

Cheong Lye Yong

Chief Operating Officer

Ms Cheong Lye Yong joined the Group in 1984 and was a key member in helping to establish the growth of our operations in Singapore and Malaysia. With more than 20 years of operations and management experiences in the plastic injection moulding industry, her experience has been vital to the Group's business endeavours.

Ms Cheong is responsible for integrating, streamlining and standardising the Group's production process and services. She is also responsible for the overall management of projects, day-to-day operations and business development for Singapore and Malaysia.

She holds a diploma in marketing and sales from the National Productivity Board, now known as SPRING Singapore.

Neo Sey Kian

General Manager, China

Mr Neo Sey Kian is responsible for the day-to-day operations of our production facilities in Zhuhai, China. He joined Juken Mecplas in 1986 as a production supervisor and was posted to Juken Zhuhai in 1995 as the factory manager. He was promoted to General Manager of China operations in November 2004. Prior to joining the Group, he worked in Enplas Company (Singapore) Private Limited as the production supervisor from 1982 to 1986.

Wong Loy Hin

General Manager, Juken Malaysia

Mr Wong Loy Hin manages projects and day-to-day operations of Juken Malaysia. Prior to joining the Group in 2000, he was a manager at UOL Insurance Agencies Sdn Bhd, involved in the setting up and management of its operations in Malaysia. From 1990 to 1995, he was a senior officer at United Orix Leasing Bhd, responsible for marketing financial products such as machinery and equipment leasing, hire purchase and factoring.

He holds a diploma in sales management from the Institute of Marketing, Malaysia.

Iwao Tateiwa

General Manager, Juken Thailand

Mr Iwao Tateiwa is the General Manager and a director of Juken Thailand. Seconded by our substantial shareholder in Japan, Juken Kogyo, Mr Tateiwa has more than 15 years experience in the plastic injection moulding industry, particularly in the area of sales and technical management.

Before joining the Group, he was a director of sales and a technical manager in Accuromm P&E GmbH, a German plastic injection moulding corporation. Mr Tateiwa graduated from an electrical course in Toyohashi Technical High School in Japan in 1976.

Risk Factors and Management

BUSINESS RISK

Dependence on Consumer Electronics Industry

The plastic components that we manufacture are used in the production and assembly of consumer electronic products such as audio and video equipment, optical equipment, office automation equipment and computer data storage equipment. For the financial year ended 31 December 2009, the consumer electronics sector contributed to about 39% of the Group's turnover. A significant decline in demand for any of these consumer electronic products would translate into a material fall in demand for our plastic components, and may also result in several of our major customers reducing or cancelling their orders for our plastic components, thereby adversely affecting our financial position and results of operations.

To mitigate such risks, we have diversified our product range to include automotive, medical and industrial supplies industries that are less susceptible to changes in consumer spending trends.

Dependence on Juken Kogyo and its Group of Companies

We purchase a substantial number of our precision plastic injection moulding machines and moulds from Juken Kogyo, our substantial shareholder, and its group of companies. Juken Kogyo and its group of companies specialise in the manufacture of small tonnage plastic injection moulding machines which are capable of moulding fine plastic components. Should they stop supplying us with such small tonnage plastic injection moulding machines, we may not be able to purchase these machines at the same cost and on comparable credit terms. Juken Kogyo and its group of companies also supply us with moulds which enable us to manufacture very fine precision plastic components. Should they stop supplying us with such moulds, we may not be able to manufacture certain plastic components, thereby adversely affecting our productivity and our business.

To reduce our dependence on Juken Kogyo and its group of companies, we have diversified our product range

to include plastic parts which require higher tonnage machines. To date, about 42% of our machines are of higher tonnage and they are not purchased from Juken Kogyo and its group of companies. In addition, more research and development efforts are spent in Singapore to study and analyse the fabrication of moulds used for manufacturing of very fine precision plastic components. We hope we can be self-sufficient in producing all moulds required by our customers in the years to come.

PRODUCT RISK

Some of our products are used as components in various industries. Should our products malfunction, our customers may seek compensation from us.

OPERATIONAL RISK

Operational risk is the potential loss caused by a breakdown in internal processes, deficiencies in people and management, or operational failure arising from external events. We currently operate in 6 countries with assets and activities spreading across Asia.

In view of our expansion plans, the percentage of our overseas assets and activities will continue to increase. This will reduce our risk of concentration in a single operation.

INVESTMENT RISK

We grow our businesses through organic growth of our existing activities, joint ventures with strategic partners in related industries, and share acquisitions in strategic partners. Major investment activities are evaluated through performing due diligence exercises and are supported by independent professional advice. All business proposals are reviewed by the senior management and the Board before approvals are granted.

LIQUIDITY RISK

The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations. To manage liquidity risk, we

monitor our net operating cashflow and maintain a level of cash and cash equivalents deemed adequate by the management for working capital purposes.

FOREIGN EXCHANGE RISK

Foreign exchange risk arises from sales, purchases and borrowings that are denominated in foreign currencies. The currencies giving rise to this risk are mainly the US dollar and Japanese Yen.

We do not have any formal hedging policy against foreign exchange fluctuations. However, we will continue to monitor the exchange rates of these major currencies and enter into hedging contracts whenever the needs arise.

CREDIT RISK

Credit risk is managed through the setting of credit limits and monitoring procedures.

None of our customers contributes to more than 8% of the Group's turnover for the financial year ended 31 December

2009. It is our policy to sell to creditworthy customers who are mainly overseas multinational companies.

MATERIAL PRICE RISK

Our raw materials are mainly plastic resins. Plastic resin price has a close correlation with crude oil price. Any major fluctuation in crude oil price will affect our profitability.

We will continue to monitor the material price fluctuation and seek continuous improvements in minimising material wastage to reduce the impact of material price risk.

INTEREST RATE RISK

We are exposed to market risk for changes in interest rates relating primarily to the long-term debt obligations of bank borrowings and finance leases.

We do not have any hedging policy against interest rate fluctuations. However, we will continue to monitor the interest rate of the bank and enter into hedging contracts whenever the needs arise.

INTERESTED PERSON TRANSACTIONS

The Group has the following significant interested person transactions which took place at terms agreed between the parties during the financial year under review:

Name of Interested Person	Aggregate value of all interested person transactions (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) \$'000	Nature of Transactions
Juken Kogyo Co., Ltd	-	1,171	Purchase of raw materials, mould, plastic components, spare parts, machine and mould repair services.
Taiwan Juken Co., Ltd	-	22	Purchase of raw materials, mould and plastic components.

5-Year Financial Highlights

	2009	2008	2007	2006	2005
Revenue (S\$'000)	45,417	49,502	44,763	41,100	43,063
Profit before tax (S\$'000)	1,904	1,264	1,067	2,231	781
Profit Attributable to Shareholders (S\$'000)	944	37	490	1,707	123
Revenue Breakdown by Activity					
Plastic Injection Moulding	89%	86%	85%	84%	75%
Mould Design & Fabrication	11%	14%	15%	16%	25%
Revenue Breakdown by Geographical Regions					
Malaysia	38%	45%	49%	47%	40%
Hong Kong/Macau/PRC	29%	25%	28%	26%	23%
Thailand	27%	22%	16%	17%	13%
Singapore	3%	7%	6%	10%	24%
India	3%	1%	1%	-	-

Operations and Financial Review



OPERATIONS & FINANCIAL REVIEW

For the financial year ended 31 December 2009 ("FY2009"), the Group's turnover decreased approximately 8% from \$49.5 million to \$45.4 million. This was mainly due to decrease in customers' orders as global demand weakened under the adverse business climate, particularly in the first half of 2009.

However, overall business conditions improved in the second half, with pent-up demand felt across almost all sectors. Turnover rose from \$18.6 million in 1HFY09 to \$26.8 million in 2HFY09. As a result net profit rose from \$66,000 in 1HFY09 to \$1,107,000 in 2HFY09.

While 2HFY09 recovery was broad-based, the main revenue and profit contributor was the auto sector, which benefited from a recovery in sections of the US and European market, strong growth in the People's Republic of China ("PRC") and a new production programme in Malaysia. The camera business in Thailand also recovered sharply in 2HFY09 after a weak 1HFY09.

Plastic injection moulding and related services

Revenue generated from plastic injection moulding business decreased 6% from \$42.6 million to \$40.2 million. The earnings from plastic injection moulding business decreased by 21% from \$7.7 million to \$6.1 million. The decrease in revenue and the earnings is mainly due to lower sales.

Mould Design & Fabrication

Revenue from mould design and fabrication decreased by 25% from \$6.9 million to \$5.2 million mainly due to decrease in new projects launched by customers during the year.

Costs and Profitability

Since the onset of the global economic and financial crisis, the Group had begun instituting cost and operational improvements since FY2008, which gained further momentum in FY2009.

Material costs and changes in inventories decreased 7% from \$18.4 million to \$17.1 million mainly due to the decrease in production during the year.

Expenses related to employee benefits decreased 3% from \$11.5 million to \$11.2 million due to reduction in headcount within the Group.

Depreciation and amortisation expenses increased 5% from \$4.1 million to \$4.3 million mainly due to consolidation of Micro-Air (Tianjin) Technology Co., Ltd ("Micro-Air Tianjin") which was acquired during the year.

Other operating expenses decreased 18% from \$12.7 million to \$10.4 million is mainly due to lower foreign exchange loss of \$0.2 million (FY2008: \$1.6 million) and lower other operating expenses such as transportation costs.

Operations and Financial Review

Following the disposal of associated company Pretech & Ewon Co., Ltd to K.J. Pretech Co., Ltd, which was approved at the Extraordinary General Meeting on 5 March 2009, there has been no further recognition of the results of the associated company.

The finance costs decreased 25% from \$0.8 million to \$0.6 million mainly due to lower interest rate charges during the year.

Minority interest represents minority shareholders' share of profit in our subsidiaries in India and China.

As a result of the various cost and operational improvements, the Group recorded a higher net attributable profit despite the lower revenue.

BALANCE SHEET

Property, plant and equipment

Property, plant and equipment increased from \$23.4 million to \$25.4 million mainly due to additions of \$6.4 million during the year, partially offset by depreciation charges and disposal of equipment of \$4.3 million and \$0.1 million, respectively. The addition was mainly due to consolidation of machines from newly acquired subsidiary company, Micro-Air Tianjin during the year.

Intangible assets

Included in intangible assets are development costs of \$1.5 million arising from the consolidation of Zelor Technology Pte Ltd ("Zelor"), a Special Purpose Entity incorporated in Singapore that specialises in the design, development and product validation of stepper motors dedicated to the instrument cluster used in the automotive industry.

Pursuant to the collaboration agreement entered into between Juken Mecplas Technology Pte Ltd ("JMT"), a subsidiary of Juken Technology and Zelor (JMT and Zelor, collectively referred as "Parties"), JMT will provide financing, technical assistance and accounting services to Zelor. In return, Zelor will provide design, development and product validation services relating to stepper motors in accordance with the specifications and requirements stipulated by JMT. The substance of collaboration relationship between the Parties indicates control pursuant to INT FRS-12 Consolidation – Special Purpose



Entities, hence the results of Zelor for the financial year ended 31 December 2009 were consolidated accordingly.

Assets held for sale

On 5 March 2009, shareholders approved the disposal of the Company's associated company, Pretech & Ewon Co., Ltd. to K.J Pretech Co., Ltd. and the assets have been de-recognised accordingly.

Current assets

Current assets mainly comprise inventories, trade receivables, other receivables and prepayments, and cash and bank balances. Our current assets rose marginally from \$31.2 million as at 31 December 2008 to \$31.4 million as at 31 December 2009. Of note:

- Inventories decreased from \$6.4 million to \$4.3 million mainly due to decrease in raw materials purchased during the year;
- Available-for-sale investments increased from \$0.3 million to \$0.9 million mainly due to increase in fair value based on market price as at year-end. During the year, the available-for-sale investments recognised in non-current assets in previous year were re-classified to current assets following management's decision to dispose the investments in the near future;
- Trade receivables increased from \$12.1 million to \$13.2 million mainly due to receivables of Micro-Air Tianjin which was acquired and consolidated during the year.

Current liabilities

Current liabilities comprise trade payables, other payables and accruals, current portion of bank borrowings, current

Operations and Financial Review

portion of finance leases and income tax payable.

Our current liabilities increased from \$19.2 million to \$19.8 million. This was mainly due to increase in trade and other payables from \$8.6 million to \$8.9 million and \$4.2 million from \$3.0 million, respectively. The increase in other payables was due to increase in amount payables to machine suppliers.

Non-current liabilities

Non-current liabilities consist of the long-term portion of bank borrowings and finance leases and deferred taxation. Deferred taxation is due to temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. These differences arose because the period in which some items of revenue and expense included in taxable income do not coincide with the period in which they are included in the accounting income.

Total non-current liabilities increased to \$6.2 million from \$5.7 million. The long-term portion of bank borrowings increased marginally from \$3.0 million to \$3.1 million while finance leases increased from \$1.3 million to \$1.8 million over the respective periods.

Shareholders' equity

Equity attributable to equity holders of the Company consists of share capital, treasury shares, exchange translation reserve, merger deficit, statutory reserve, share option reserve, fair value change reserve and retained profits.

Equity attributable to equity holders of the Company increased from \$30.8 million to \$32.7 million. This was mainly due to increase in fair value change reserve of \$0.6 million recognised as at year-end.

Liquidity and capital resources

For the financial year under review, our cash was mainly generated from the provision of plastic injection moulding services and the provision of mould design and fabrication services. Our principal usage of cash has been for purchases of raw materials, capital expenditure, repayment of bank loans and finance leases and operating expenses such as selling, administrative and interest expenses. Our capital



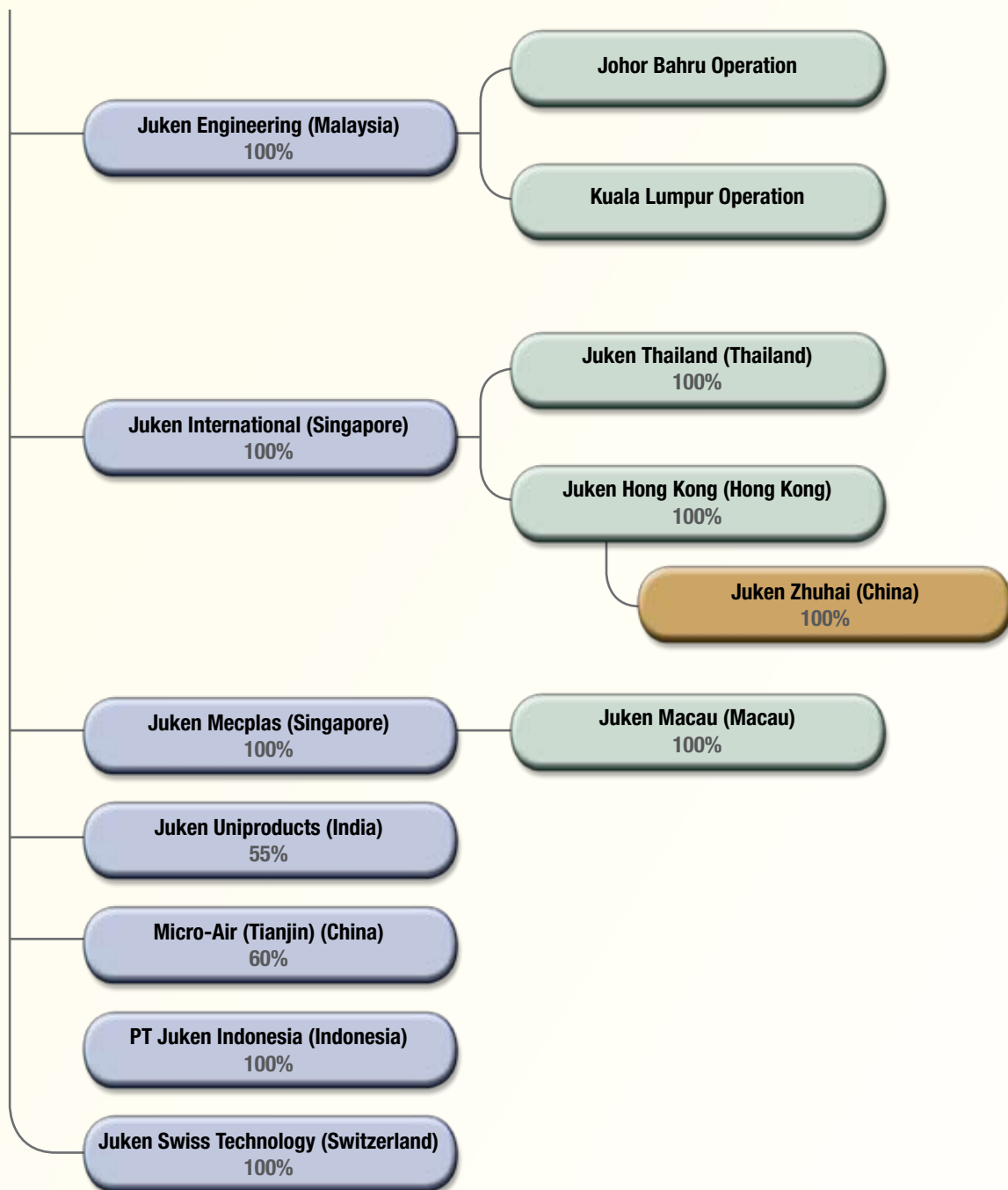
expenditure and working capital requirements have been financed through cash generated from our operations and external borrowings from financial institutions.

For the financial year ended 31 December 2009, the Group generated net cash from operating activities before working capital changes of \$7.3 million. During the year, net cash from operating activities increased from \$2.4 million to \$7.3 million due to lower purchases of inventories for raw materials and sub-modules.

A summary of our consolidated statements of cash flow for the past 3 financial years are as follows:

\$'000	Audited		
	FY2007	FY2008	FY2009
Net cash provided by operating activities	2,657	2,383	7,339
Net cash used in investing activities	(2,252)	(1,731)	(4,037)
Net cash provided / (used) by financing activities	1,111	(315)	(1,625)
Net increase in cash and cash equivalents	1,516	337	1,677
Cash and cash equivalents at beginning of financial year	3,899	5,103	6,383
Currency alignment	(312)	943	71
Cash and cash equivalents at the end of financial year	5,103	6,383	8,131

Group Structure



Corporate Governance Report

Juken Technology Limited (the “Company”) is committed to maintaining high standards of corporate governance so as to ensure greater transparency and protect the interests of its employees, customers and shareholders. The Board’s approach to corporate governance is in compliance with the benchmark set by the Code of Corporate Governance 2005 (the “Code”) issued by the Ministry of Finance on 14 July 2005. This report outlines the Company’s corporate governance framework in place with specific reference to the revised Code.

BOARD MATTERS

Principle 1: Board’s Conduct of its Affairs

Role of the Board of Directors (the “Board”)

The Board’s primary role is to protect and enhance long-term shareholder value. To fulfill this role, the Board is responsible for setting the overall strategy and corporate governance practices of the Group including setting its strategic direction, establishing goals for executive management and monitoring the achievement of these goals.

Board Processes

To assist in the execution of its responsibilities, the Board has established a number of Board Committees including an Audit Committee, a Nominating Committee and a Remuneration Committee. These Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis. The effectiveness of each Committee is also constantly monitored.

The Board currently holds at least 2 scheduled meetings each year. In addition, it holds additional meetings at such other times as may be necessary to address any specific significant matters that may arise. The Company’s Articles of Association has provision for board meetings to be held via telephonic or videoconferencing.

Training for Directors

Apart from keeping the Board informed of all relevant new laws and regulations, the Company has an orientation programme for new Directors, and also has an on-going training budget for existing Directors to attend any training programme in connection with their duties as Directors.

Matters Requiring Board Approval

The Directors have identified a number of areas for which the Board has direct responsibility for decision-making. Matters that are specifically reserved for the Board’s decision and approval include:

- Half-year and full-year results announcements;
- Annual report and accounts;
- Nominations of board Directors and appointment of key personnel;
- Declaration of interim dividends and proposal of final dividends and other returns to shareholders, if any;
- Review the adequacy of internal controls, financial reporting and reporting compliance and resource allocation;
- The Group’s strategy, investment plan and budget and funding proposals;
- Authorisation of interested person transactions;
- Acquisitions and disposal of assets;
- Corporate or financial restructuring, mergers and acquisition; and
- Oversight in the proper conduct of the Company’s business and assuming responsibility for corporate governance.

All other matters, where appropriate, are delegated to Committees whose actions are reported to and monitored by the Board.

Corporate Governance Report

Serious concerns relating to financial reporting, unethical or illegal conduct, can be reported to the Audit Committee directly or to the Company for the attention of the Chairman of the Audit Committee. The Audit Committee shall carry out independent investigations when necessary.

Directors' Meetings Held In 2009

In the course of the year under review, the number of meetings held and attended by each member of the Board is as follow:

Name of Directors	Number of board meetings held during the year	Attendance
Wong Keng Yin (Chairman)	3	3
Wong Lai Huat (Chief Executive Officer)	3	3
Bernard Tay Ah Kong	3	3
Tan Gim Soo	3	3
Goh Yeow Tin	3	3

Principle 2: Board Composition and Balance

Presently, the Board comprises two executive Directors and three Independent Directors. The names and the key information of the Directors of the Company in office at the date of this Statement are set out in pages 8 – 11 of this Annual Report.

The composition of the Board is determined in accordance with the following principles:

- The Board should comprise at least one-third of independent non-executive Directors;
- The Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities; and
- Directors appointed by the Board are subject to election by the Shareholders at the following annual general meeting and thereafter Directors are subject to re-election once every three years.

The Board constantly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what it considers an appropriate size for itself. The composition of the Board is reviewed on an annual basis by the Nominating Committee to ensure that the Board has the appropriate mix of expertise and experience.

The Board consists of high calibre members with a wealth of knowledge, expertise and experience. They contribute valuable direction and insight, drawing from their vast experience in matters relating to accounting, finance, business and general corporate matters.

Independent Members Of The Board Of Directors

The independence of each Director is reviewed annually by the Nominating Committee (the "NC"), which confirms that the independent Directors make up at least one-third of the Board.

Corporate Governance Report

Currently, the Board of Directors has three independent Directors representing 60% of the Board, namely Mr Bernard Tay Ah Kong, Mr Tan Gim Soo and Mr Goh Yeow Tin.

The NC considers an “independent” Director as one who has no relationship with the Company, its related companies or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director’s independent judgment of the conduct of the Group’s affairs and is not a substantial Shareholder, or a partner in (with 5% or more stake) or an executive officer of, any for-profit business organization to which the Company made or from which the Company received significant payments (aggregated in excess of S\$200,000 over any financial year) in the current or immediate past financial year. Moreover, the Chairman of NC is not associated or directly associated with a substantial Shareholder. As a result of the NC’s review of the independence of each Director for FY2009, the NC is of the view that the non-executive independent Directors are independent of the Company’s management as contemplated by the Code, and further, that no individual or small group of individuals dominate the Board’s decision making process.

Principle 3: Chairman and Chief Executive Officer (CEO)

The Company practises a clear division of responsibilities between the Chairman and the Chief Executive Officer (“CEO”) effective from 1 September 2007 to comply with the recommendation of the Code. This ensures an appropriate balance of power and authority between the Chairman and the CEO and thereby allows for increased accountability and greater capacity of the Board for independent decision-making. The Chairman and the CEO are not related to each other.

The Executive Chairman’s responsibilities include the following:

- Scheduling and setting the agenda for meetings;
- Reviewing key proposals for the Board’s considerations;
- Exercise control over quality, quantity and timeliness of the flow of information between management and the Board; and
- Assist in ensuring compliance with the Company’s corporate governance guidelines.

The CEO has executive responsibility for the day-to-day operations of the Group.

All major decisions made by the Executive Chairman and CEO are reviewed by the Board. Their performance and appointment to the Board are reviewed periodically by the Nominating Committee and their remuneration packages are reviewed periodically by the Remuneration Committee.

Adhering to the Code, the Board has appointed Mr Bernard Tay Ah Kong as the Lead Independent Director who would avail himself to shareholders when their concerns, raised through the normal channels of the Executive Chairman, CEO or Chief Financial Officer have failed to be resolved or for which such contact is inappropriate.

Principle 4: Board Membership

Principle 5: Board Performance

The Nominating Committee comprises three independent Directors and an executive Director. The Chairman of the Nominating Committee is Mr Goh Yeow Tin, an independent Director and is not associated with a substantial Shareholder.

Corporate Governance Report

The Nominating Committee has written terms of reference that describes the responsibilities of its members. The responsibilities of the Nominating Committee are to determine the criteria for identifying candidates and reviewing nominations for the appointment of Directors to the Board and also to decide how the Board's performance may be evaluated and propose objective performance criteria for the Board's approval. In reviewing nominations for the appointment of new Directors, it sets up a process for the selection of candidates for such appointments and recommends all appointments of Directors to the board and board committees.

In addition, the Nominating Committee also performs the following functions:

- Annual review of skills required by the Board, and the size and composition of the Board;
- Assess the performance of the Board as a whole. Although the Directors are not evaluated individually, the factors taken into consideration for the re-nomination of the Directors for the year are based on the contribution of each individual director to the effectiveness of the Board;
- Re-nominate any Director for re-appointment, having regard to the Director's contribution and performance;
- Determine on an annual basis whether a Director is independent in accordance with the guidelines of the Code and ensures that the Board comprises at least one-third independent Directors;
- Decide whether a Director is able to and has been adequately carrying out his or her duties as a Director of the Company, particularly when the Director has multiple board representations;
- Identify gaps in the mix of skills, experience and other qualities required in an effective board so as to better nominate or recommend suitable candidates to fill the gaps;
- Decide how the Board's performance may be evaluated, and propose objective performance criteria to assess effectiveness of the Board as a whole; and
- Formulate succession plan for the Executive Chairman and the CEO.

By virtue of any vacancy in the membership of the Nominating Committee for any reason, the number of members of the Nominating Committee is reduced to less than three, the Board shall appoint a number of new members to the Nominating Committee.

The number of meetings held and attendance during the last financial year were as follow:

Name of Committee member	Appointment	Number of Meetings held	Attendance
Goh Yeow Tin (Chairman)	Independent	1	1
Tan Gim Soo	Independent	1	1
Bernard Tay Ah Kong	Independent	1	1
Wong Keng Yin	Executive	1	1
Wong Lai Huat	Executive	1*	1*

* By invitation

The Directors submit themselves for re-nomination and re-election as Directors at regular intervals of at least once every three years. Pursuant to Article 95 of the Company's Articles of Association, one-third of the Directors are to retire from office by rotation at the Company's Annual General Meeting ("AGM"). In addition, a Director appointed during the year will hold office only until the next AGM and will be eligible for re-election. Mr Tan Gim Soo and Mr Goh Yeow Tin have offered themselves for re-election. The Nominating Committee has recommended their re-election at the forthcoming AGM. Mr Tan Gim Soo and Mr Goh Yeow Tin, being members of the Nominating Committee who are retiring at the AGM each abstained from the deliberation in respect of their own nomination. The Board has accepted the Nominating Committee's recommendation.

Corporate Governance Report

Mr Tan Gim Soo will, upon re-election as Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committee and is considered independent. Mr Goh Yeow Tin will, upon re-election as Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees and is considered independent.

In reviewing the nomination of the retiring Directors, the Nominating Committee considered the performance and contribution of each of the retiring Directors, having regard not only to their attendance and participation at the board and board committee meetings but also the time and efforts devoted to the Group's business and affairs, especially the operational and technical contributions.

The Nominating Committee has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. Despite some of the Directors having other board representations, the Nominating Committee is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company.

The dates of initial appointment of each Director and Directors who are due for re-election are set out below:

Name of Directors	Board Committee as Chairman or member	Date of first appointment	Date of last re-election	Appointment whether executive or non-executive / independent	Due for re-election at forthcoming AGM
Wong Keng Yin	Board Chairman, Nominating Committee Member	29 January 1992	24 April 2009	Executive	N/A
Wong Lai Huat	Board Member, Chief Executive Officer	31 May 2002	25 April 2008	Executive	N/A
Bernard Tay Ah Kong	Board Member, Nominating Committee Member, Remuneration Committee Member, Audit Committee Chairman	30 May 2003	24 April 2009	Independent	N/A
Tan Gim Soo	Board Member, Nominating Committee Member, Remuneration Committee Chairman, Audit Committee Member	30 May 2003	30 April 2007	Independent	23 April 2010
Goh Yeow Tin	Board Member, Nominating Committee Member, Remuneration Committee Chairman, Audit Committee Member	31 December 2005	25 April 2008	Independent	23 April 2010

Corporate Governance Report

Notes:

Information on Directors' shareholding in the Company and its related companies is set out on page 34 – 35.

The Nominating Committee has established processes and objective performance criteria for evaluating the effectiveness of the Board as a whole. Although the Directors are not evaluated individually, the factors taken into considerations for the re-nomination of the Directors for the current year are based on the Directors' attendance at meetings held during the year and the contribution made by the Directors at the meetings.

It considers a set of qualitative and quantitative performance criteria in evaluating the Board's performance. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes and Board performance in relation to discharging its principal responsibilities. The Board is of the view that the financial parameters recommended by the Code as performance criteria for the evaluation of Directors' performance may not fully measure the long-term success of the Company and is less appropriate for the Non-Executive Directors and Board's performance as a whole.

Each Board member was required to complete a board appraisal form and send it to the Chairman of Nominating Committee before the Nominating Committee meeting. The Chairman prepared a consolidated report and presented it to the Board at the Board meeting held before the Annual General Meeting.

The Remuneration Committee, taking into the account the results of the assessment, decides on the remuneration packages for each Director.

The Board and the Nominating Committee have endeavoured to ensure that Directors appointed to the Board possess the experience, knowledge, and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions.

The Nominating Committee is responsible for identifying and recommending to the Board the new Board members, after considering the necessary and desirable competencies. Accordingly, in selecting potential new Directors, the Nominating Committee will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the Nominating Committee will have regard to the results of the annual appraisal of the Board's performance. The Nominating Committee may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts as it considers necessary to carry out its duties and responsibilities.

Recommendations for new Board members are put to the Board for its consideration.

Principle 6: Access to Information

Directors are from time to time furnished with detailed information concerning the Group to enable them to be fully cognizant of the decisions and actions of the Group's executive management. All Directors have unrestricted access to the Company's records and information and regularly receive management accounts to enable them to constantly keep track of the Group's financial position.

Detailed Board papers are prepared for each meeting of the Board and are normally circulated a week in advance of each meeting. The Board papers include sufficient information from management on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at Board meetings.

Corporate Governance Report

All the independent Directors have access to the Company Secretaries and all levels of senior executives in the Group, and are encouraged to speak to other employees to seek additional information if they so require.

The Directors and the Company Secretaries are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretaries administer, attend and prepare minutes of all board and specialised committee meetings. The Company Secretaries assist the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure effective functioning of the Board, and the Company's Memorandum and Articles of Association and relevant rules and regulations, including requirements of the Companies Act and SGX-ST, are complied with. The Company Secretaries also assist the Chairman and the Board in implementing and strengthening corporate governance practices and processes with a view to enhance long-term shareholder value. The Company Secretaries act as the primary channel of communication between the Company and the SGX-ST.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their duties and responsibilities as Directors.

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

The Remuneration Committee currently comprises entirely of non-executive independent Directors. The Chairman of the Remuneration Committee is Mr Tan Gim Soo.

The Remuneration Committee carried out their duties in accordance with the written terms of reference which include the following:

- ensuring a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, CEO and senior management;
- recommending to the board in consultation with management and the Chairman of the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the Executive Directors and senior executives/division Directors, including those employees related to the Executive Directors and controlling shareholders of the Group;
- recommending to the Board in consultation with the Chairman of the Board, the granting options under the Juken Share Option Scheme or any long term incentive schemes which may be set up from time to time; and
- carrying out duties in the manner deemed expedient, subject to any regulations or restrictions that may be imposed by the board from time to time.

The attendance record of the Remuneration Committee meetings during the last financial year is as follows:

Name of Committee member	Appointment	Number of Meetings held	Attendance
Tan Gim Soo (Chairman)	Independent	2	2
Bernard Tay Ah Kong	Independent	2	2
Goh Yeow Tin	Independent	2	2
Wong Keng Yin	Executive	2*	2*
Wong Lai Huat	Executive	2*	1*

* By invitation

Corporate Governance Report

The Company adopts a formal procedure for the fixing of the remuneration packages of individual Directors. No Director is involved in deciding his own remuneration package. In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors.

Executive Directors do not receive Directors' fees. The remuneration policy for Executive Directors and senior management staff consists of two key components, that is, fixed cash, and an annual variable bonus. The fixed component includes salary, pension fund contributions, other allowances and benefits-in-kind. The variable component comprises a performance based bonus which forms a significant proportion of the total remuneration package of Executive Directors and is payable on the achievement of individual and corporate performance targets. The remuneration policy was recommended by the Remuneration Committee and endorsed by the Board.

Non-executive Directors are paid a basic fee and an additional fee for serving on any of the committees. In determining the quantum of such fees, factors such as frequency of meetings, effort and time spent, responsibilities of Directors and the need to pay competitive fees to retain, attract and motivate the Directors, are taken into account. Directors' fees recommended by the Board are subject to the approval of the Shareholders at the Annual General Meeting.

The Executive Directors are entitled to profit-sharing incentive bonus based on the audited consolidated profit after taxation ("PAT") for the relevant year on the following scale:

PAT	Aggregate Profit-Sharing Incentive Bonus
PAT ≤ \$5 million	Wong Keng Yin: 6% of PAT Wong Lai Huat: 5% of PAT
PAT > \$5 million	Wong Keng Yin: 6% of the first \$5 million of PAT, and 8% of the excess Wong Lai Huat: 5% of the first \$5 million of PAT, and 6% of the excess

The service agreements entered into with the Executive Directors in 2010 will continue for a term of 3 years unless otherwise terminated by either party giving not less than 6 months' notice in writing.

All Directors and employees are entitled to participate in the Company's Share Option Scheme. Details of which are disclosed on page 37 of the annual report.

The annual reviews of the compensation of Directors are carried out by the Remuneration Committee to ensure that the remuneration of the Executive Directors and senior management is commensurate with their performance, giving due regard to the financial and commercial health and business needs of the Group. The performance of the Executive Directors (together with other senior executives) is reviewed periodically by the Remuneration Committee and the full Board.

Corporate Governance Report

A breakdown, showing the level and mix of each individual Director's remuneration payable for the financial year ended 31 December 2009 as follows:

	Fees(1)	Salary	Bonus	Profit Sharing	Other Benefits(2)	Share Options(3)	Total
Below S\$250,000							
Tan Gim Soo	100%	-	-	-	-	-	100%
Bernard Tay Ah Kong	100%	-	-	-	-	-	100%
Goh Yeow Tin	100%	-	-	-	-	-	100%
S\$250,000 to S\$499,999							
Wong Lai Huat	-	72%	-	21%	-	7%	100%
S\$500,000 to S\$999,999							
Wong Keng Yin	-	75%	-	14%	6%	5%	100%

- (1) Directors' fees for the financial year ended 31 December 2008 approved by shareholders at the annual general meeting held on 24 April 2009;
- (2) other benefits refer to benefits-in-kind such as car, allowances, club membership etc made available to directors as appropriate;
- (3) share options are granted under the Employees' Share Option Scheme. The fair value of share options granted at the date of grant is estimated at the date of grant, taking into consideration the share price at grant date, exercise price, the risk-free interest rate, the expected dividend yield, volatility and life of the option.

Key Executives

The remuneration of the top 5 executives (who are not also directors) of the Company for the financial year ended 31 December 2009 is shown in the following band:

	Salary	Bonus	Profit Sharing	Other Benefits (1)	Share Options (2)	Total
S\$150,000 to S\$250,000						
Koh Ing Chin	61%	16%	-	10%	13%	100%
Wei Min-Chi	89%	-	11%	-	-	100%
Cheong Lye Yong	84%	-	11%	-	5%	100%
Wong Loy Hin	68%	-	14%	13%	5%	100%
Neo Sey Kian	84%	-	10%	-	6%	100%

- (1) Other benefits refer to benefits-in-kind such as car, allowances, club membership etc;
- (2) Share options are granted under the Employees' Share Option Scheme. The fair value of share options granted at the date of grant is estimated at the date of grant, taking into consideration the share price at grant date, exercise price, the risk-free interest rate, the expected dividend yield, volatility and life of the option.

Corporate Governance Report

Immediate Family Member of A Director

For the financial year ended 31 December 2009, Mr Wong Loy Hin, who is immediate family members of our Director, Mr Wong Lai Huat, received remuneration exceeding S\$150,000.

Principle 10: Accountability

In presenting the annual financial statements and half-yearly announcements to Shareholders, it is the aim of the Board to provide the Shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects complying to the requirements set by SGX-ST.

Principle 11: Audit Committee

Principle 12: Internal Controls

Principle 13: Internal Audit

The Audit Committee currently comprises three independent Directors. The Chairman of the Audit Committee is Mr Bernard Tay Ah Kong. The other members are Mr Tan Gim Soo and Mr Goh Yeow Tin.

Both Mr Tay and Mr Tan are Fellows of ICPAS (Institute of Certified Public Accountants of Singapore) while Mr Goh is a Mechanical and Industrial Engineer by training.

The Audit Committee meets with the Group's external and internal auditors and its executive management to review accounting, auditing and financial reporting matters so as to ensure that an effective control environment is maintained in the Group.

The Audit Committee also monitors proposed changes in accounting policies, reviews the internal audit functions and discusses the accounting implications of major transactions. In addition, the Committee advises the Board regarding the adequacy of the Group's internal controls and the contents and presentation of its reports.

The Audit Committee performs the following delegated functions according to its written terms of reference:

- Review the audit plans of the internal and external auditors of the Company and ensure the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the external and internal auditors;
- Review significant financial reporting issues and judgements relating to financial statements for each financial year, interim and annual financial statements and the auditors' report before submission to the Board for approval;
- Review the adequacy and effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meet with the external auditors without the presence of the Company's management;
- Review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Review the cost effectiveness and the independence and objectivity of the external auditors;
- Review the nature and extent of non-audit services provided by the external auditors yearly to determine their independence;
- Recommend to the Board the appointment and re-appointment external auditors, approves the compensation and terms of engagement of the external auditors, and reviews the scope and results of the audit;

Corporate Governance Report

- Report actions and minutes of the audit committee to the Board with such recommendations as the audit committee considers appropriate;
- Review interested person transactions in accordance with the requirements of the SGX-ST's Listing Manual; and
- Review any suspected fraud or irregularity, or suspected infringement of any law, rules or regulations.

On 1 October 2006, the Company implemented the whistle blowing policy which also covers its subsidiaries. The whistle-blowing policy is intended to cover serious concerns that might have a significant impact on the Company, such as actions that may lead to incorrect financial reporting, unlawful and/or otherwise amount to serious improper conduct according to the Company's policy.

The Audit Committee has power to conduct or authorise investigations into any matters within its scope of responsibilities and full access to management. It also full discretion to invite the Chairman of the Board, any Executive Director or executive officer to attend its meetings as well as reasonable resources to enable it to discharge its function properly.

The attendance record of the Audit Committee meetings during the last financial year is as follows:

Name of Committee Members	Appointment	Number of meetings held	Attendance
Bernard Tay Ah Kong (Chairman)	Independent	4	4
Tan Gim Soo	Independent	4	4
Goh Yeow Tin	Independent	4	4
Wong Keng Yin	Executive	4*	4*
Wong Lai Huat	Executive	4*	4*

* By invitation

Internal Controls

The Company's internal and external auditors have conducted an annual review in accordance with their audit plans, of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee has also reviewed the effectiveness of actions taken by the management on the recommendations made by the internal and external auditors in this respect.

The Board believes that, in the absence of any evidence to the contrary, the system of internal control maintained by the Company's management and that was in place throughout the financial year and up to the date of this report, provides reasonable, but not absolute, assurance against material financial misstatements or loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only a reasonable and not absolute assurance against material misstatement or loss, poor judgement in decision-making, human error, losses, fraud or other irregularities. The Directors regularly review the effectiveness of all internal controls, including operational controls.

Corporate Governance Report

Internal Audit

The Company has outsourced its internal audit function to a certified public accountant firm (the "Internal Auditor"), which performs financial, operational and compliance audits.

The Internal Auditor reports to the Audit Committee.

The Audit Committee has reviewed the Company's risk assessment and based on the Internal Audit reports and management controls in place, it is satisfied that there are adequate internal controls in the Group.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Communication with Shareholders

Principle 15: Greater Shareholders Participation

The Board is mindful of the obligation to provide regular, effective and fair communication with Shareholders. Information is communicated to the Shareholders on a timely basis. The Company does not practise selective disclosure. The Board provides Shareholders with an assessment of the Group's performance, position and prospects on a semi-annual basis via announcements of results and other ad hoc announcements as required by the SGX-ST.

The Board welcomes the views of shareholders on matters affecting the Company, whether at Shareholders' meetings or on an ad hoc basis. Shareholders are informed of shareholders' meetings through notices published in the newspapers and reports or circulars sent to all shareholders. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Separate resolutions are proposed for substantially separate issues at the meeting. The Chairmen of Audit, Remuneration and Nominating Committees are normally available at the meeting to answer those questions relating to the work of these committees. The external auditors are also present to assist the Directors in addressing any relevant queries by shareholders.

DEALING IN SECURITIES

The Company has adopted its own internal compliance code on dealing in securities. This has been made known to Directors, officers and staff of the Company and the Group. In particular, it has been highlighted that to deal in the Company's securities as well as securities of other listed companies when the officers (Directors and employees) are in possession of unpublished material price sensitive information in relation to those securities is an offence. The officers are also discouraged from dealing in the Company's securities on short-term consideration. The Company, while having provided the window periods for dealing in the Company's securities, has its own internal compliance code in providing guidance to its officers with regard to dealing in the Company's securities including reminders that the law on insider trading is applicable at all times.

The Company has complied with its Best Practices Guide on Securities Transactions which states that officers of the Company should not deal in the Company's securities on short-term consideration and during the period commencing one month before the announcement of the Company's half-year and full year financial statements.

Corporate Governance Report

USE OF RIGHTS ISSUE PROCEEDS

The Group successfully raised approximately S\$3,295,569 from its rights issue exercise on 26 February 2010. As at 15 March 2010, the total net proceeds of approximately S\$3,173,869 (after deducting the share placement expenses of approximately S\$121,700) were used for the following purposes:

	S\$ '000
Working capital	<u>1,010</u>

Management has confirmed that the above use of proceeds was in line with the Company's planned utilization of funds.

Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2009.

1 DIRECTORS

The Directors of the Company in office at the date of this report are:

Wong Keng Yin	(Executive Chairman)
Wong Lai Huat	(Chief Executive Officer)
Bernard Tay Ah Kong	
Tan Gim Soo	
Goh Yeow Tin	

In accordance with Article 98(2) of the Company's Articles of Association, Tan Gim Soo and Goh Yeow Tin retire and, being eligible, offer themselves for re-election.

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate except for the options mentioned in paragraphs 3 and 5 of the Report of the Directors.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of Directors and Company in which interests are held	Shareholdings registered in the name of Director			Shareholdings in which Director is deemed to have an interest		
	At January 1, 2009	At December 31, 2009	At January 21, 2010	At January 1, 2009	At December 31, 2009	At January 21, 2010

The Company -
Juken Technology Limited
(Ordinary shares)

Wong Keng Yin	12,238,649	12,294,649	12,294,649	2,000,000	2,000,000	2,000,000
Wong Lai Huat	7,892,255	7,892,255	7,892,255	-	-	-
Tan Gim Soo	50,000	50,000	50,000	-	-	-

Report of the Directors

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

The Company – Juken Technology Limited	Options to subscribe for ordinary shares	
	At beginning of year	At end of year
Wong Keng Yin	1,650,000	2,500,000
Wong Lai Huat	1,550,000	2,200,000
Bernard Tay Ah Kong	950,000	1,250,000
Tan Gim Soo	950,000	1,250,000
Goh Yeow Tin	-	1,000,000

Since the beginning of the financial year, no Director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) *Options to take up unissued shares*

The Employee Share Option Scheme (the "Scheme") in respect of unissued ordinary shares in the Company was approved by the shareholders of the Company at an Extraordinary General Meeting held on April 8, 2004.

The Scheme is administered by the Remuneration and Share Options Committee whose present members are:

Tan Gim Soo (Chairman)
Bernard Tay Ah Kong
Goh Yeow Tin

Mr Tan Gim Soo, Mr Bernard Tay Ah Kong and Mr Goh Yeow Tin did not participate in any deliberation or decision in respect of the options granted to them.

Under the Scheme, options granted to the Directors and employees may, except in certain special circumstances, be exercised at any time after five or ten years but no later than the expiry date. The ordinary shares of the Company ("Shares") under option may be exercised in full or in respect of 1,000 Shares or a multiple thereof, on the payment of the exercise price. The exercise price is based on the average of closing prices of the Shares on the Singapore Exchange Securities Trading Limited for the five consecutive trading days immediately preceding the date of grant. The Remuneration and Share Options Committee may at its discretion fix the exercise price at a discount not exceeding 20 percent to the above price. The previous options which were cancelled during the year had been granted at a discount of 20% of the prevailing market price of the Company's shares.

Report of the Directors

(b) *Unissued shares under option and options exercised*

The number of shares available under the Scheme shall not exceed 15% of the issued share capital of the Company. The number of outstanding share options under the scheme are as follows:

Number of options to subscribe for ordinary shares of the Company							
Date of grant	Balance at 01.01.2009	Granted	Exercised	Cancelled/ Lapsed	Balance at 31.12.2009	Exercise price per share	Exercisable period
3.5.2004	5,160,000	-	-	(5,160,000)	-	\$0.2768	3.5.2006 to 3.5.2014
3.5.2004	1,000,000	-	-	(1,000,000)	-	\$0.2768	3.5.2006 to 3.5.2009
3.3.2005	4,296,000	-	-	(4,296,000)	-	\$0.1896	3.3.2007 to 3.5.2015
3.3.2005	900,000	-	-	(900,000)	-	\$0.1896	3.3.2007 to 3.5.2010
23.3.2009	-	16,820,000	-	(690,000)	16,130,000	\$0.0671	23.3.2010 to 7.4.2014
23.3.2009	-	3,500,000	-	-	3,500,000	\$0.0671	23.3.2010 to 23.3.2014
Total	11,356,000	20,320,000	-	(12,046,000)	19,630,000		

Particulars of the options granted in 2004 and 2005 under the scheme were set out in the Report of the Directors for the financial year ended December 31, 2004 and 2005 respectively.

On March 23, 2009, the Company granted 20,320,000 new share options under the Scheme. 99 eligible employees including Directors of the Company were selected to participate in the Scheme. The share options under the Scheme are granted for a term of 5 years including 1 vesting period and exercise price of S\$0.0671 per share.

The Company also received unconditional and irrevocable notices from participants holding an aggregate of 13,329,000 unexercised share options issued by the Company under the Scheme, and pursuant thereto the Company cancelled the unexercised share options pursuant to Rule 9(B) of the Rules of the Juken Share Option Scheme. The difference of 1,973,000 share options is due to the resignation of staff in 2008 whom the share options were awarded to.

In respect of options granted to employees of related corporations, a total of 9,180,000 options were granted to employees of related corporations from the commencement of the Scheme to the end of the financial year.

Other than as disclosed in the table below, no employee of the Company or employee of related corporations has received 5% or more of the total options available under this scheme.

There are no options granted to any of the Company's controlling shareholders or their associates (as defined in the Singapore Exchange Securities Trading Listing Manual).

Report of the Directors

The information on Directors and employees of the Company participating in the Scheme is as follows:

Name of participants	Options granted during the financial year	Aggregate options granted since commencement of the Scheme to the end of financial year	Aggregate options exercised since commencement of the Scheme to the end of financial year	Aggregate options cancelled/ lapsed since commencement of the Scheme to the end of financial year	Aggregate options outstanding as at the end of financial year
Directors of the Company					
Wong Keng Yin	2,500,000	4,150,000	-	(1,650,000)	2,500,000
Wong Lai Huat	2,200,000	3,750,000	-	(1,550,000)	2,200,000
Bernard Tay Ah Kong	1,250,000	2,200,000	-	(950,000)	1,250,000
Tan Gim Soo	1,250,000	2,200,000	-	(950,000)	1,250,000
Goh Yeow Tin	1,000,000	1,000,000	-	-	1,000,000
Others granted 5% or more of total options under the plan					
Koh Ing Chin	1,500,000	1,640,000	-	(140,000)	1,500,000
Others	10,620,000	16,736,000	-	(6,806,000)	9,930,000
Total	20,320,000	31,676,000	-	(12,046,000)	19,630,000

On February 25, 2010, the Company allotted 82,389,226 renounceable underwritten rights shares with free detachable and transferable warrants. Pursuant to the allotment, the Company also additionally issued 11,694,000 share options to eligible employees and directors of the Company as disclosed in Note 37 to the financial statements.

6 AUDIT COMMITTEE

The Audit Committee of the Company is chaired by Mr Bernard Tay Ah Kong, an independent Director, and includes Mr Tan Gim Soo and Mr Goh Yeow Tin, independent Directors. The Audit Committee has met three times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive Directors and external and internal auditors of the Company:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;
- the interim and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

Report of the Directors

- e) the co-operation and assistance given by the management to the Group's external auditors; and
- f) the re-appointment of the external auditors of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

7 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

.....
Wong Keng Yin

.....
Wong Lai Huat

March 15, 2010

Statement of Directors

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company set out on pages 42 to 104 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended December 31, 2009 and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

.....
Wong Keng Yin

.....
Wong Lai Huat

March 15, 2010

Independent Auditors' Report

To the Members of Juken Technology Limited

We have audited the accompanying financial statements of Juken Technology Limited (the Company) and its subsidiaries (the Group) which comprise the statements of financial position of the Group and the Company as at December 31, 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 42 to 104.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes: devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report

To the Members of Juken Technology Limited

Opinion

In our opinion,

- (a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2009 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Certified Public Accountants

Singapore
March 15, 2010

Statements of Financial Position

December 31, 2009

	Note	Group		Company	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and bank balances	6	8,194	6,401	478	247
Trade receivables	7	13,240	12,086	14,196	10,077
Other receivables and prepayments	8	4,808	3,429	1,846	367
Inventories	9	4,309	6,440	-	-
		30,551	28,356	16,520	10,691
Available-for-sale investments	15	867	-	867	-
Assets held for sale	10	-	2,850	-	-
Total current assets		31,418	31,206	17,387	10,691
Non-current assets					
Property, plant and equipment	11	25,360	23,412	346	529
Intangible assets	12	2,383	712	270	160
Subsidiaries	13	-	-	15,437	17,722
Associates	14	-	-	-	-
Available-for-sale investments	15	-	302	-	302
Deferred tax assets	16	362	405	-	-
Total non-current assets		28,105	24,831	16,053	18,713
Total assets		59,523	56,037	33,440	29,404
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	17	5,422	5,910	4,112	4,880
Trade payables	18	8,941	8,576	949	652
Other payables and accruals	19	4,171	2,953	2,065	482
Current portion of finance leases	20	1,112	1,226	706	631
Income tax payable		175	575	-	30
Total current liabilities		19,821	19,240	7,832	6,675

Statements of Financial Position

December 31, 2009

	Note	Group		Company	
		2009	2008	2009	2008
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Deferred tax liabilities	16	1,344	1,411	35	63
Bank loans	17	3,101	3,001	1,079	362
Finance leases	20	1,760	1,307	1,474	649
Total non-current liabilities		6,205	5,719	2,588	1,074
Capital, reserves and minority interests					
Share capital	23	18,352	18,352	19,098	19,098
Treasury shares	24	(22)	(22)	(22)	(22)
Reserves		14,374	12,547	3,944	2,579
Equity attributable to owners of the Company		32,704	30,877	23,020	21,655
Minority interests		793	201	-	-
Total equity		33,497	31,078	23,020	21,655
Total liabilities and equity		59,523	56,037	33,440	29,404

See accompanying notes to financial statements.

Consolidated Statement of Comprehensive Income

Year ended December 31, 2009

	Note	Group	
		2009	2008
		\$'000	\$'000
Revenue	25	45,417	49,502
Other operating income	27	135	256
Changes in inventories		(1,936)	1,362
Material costs		(15,211)	(19,760)
Employee benefits expense		(11,172)	(11,491)
Depreciation of property, plant and equipment		(4,311)	(4,122)
Other operating expenses		(10,398)	(12,667)
Investment revenue	28	28	37
Finance costs		(648)	(751)
Impairment of assets held for sale		-	(880)
Share of loss of associates		-	(222)
Profit before income tax		1,904	1,264
Income tax expense	29	(731)	(1,218)
Profit for the year	30	1,173	46
Other comprehensive income			
Available-for-sale investments		565	(441)
Derivative financial instrument		-	4
Exchange difference in translation of foreign operations		29	46
Other comprehensive income for the year, net of tax		594	(391)
Total comprehensive income for the year		1,767	(345)
Profit attributable to:			
Owners of the company		944	37
Minority interests		229	9
		1,173	46
Total comprehensive income attributable to:			
Owners of the company		1,567	(307)
Minority interests		200	(38)
		1,767	(345)
Earnings per share			
Basic	32	0.69 cents	0.03 cents
Diluted	32	0.69 cents	0.03 cents

See accompanying notes to financial statements.

Statements of Changes In Equity

Year ended December 31, 2009

	Share capital \$'000	Treasury shares \$'000	Share option reserve \$'000	Statutory reserve \$'000	Fair value change reserve \$'000	Currency translation reserve \$'000	Merger deficit \$'000	Retained earnings \$'000	Attributable to share -		Total \$'000
									holders of the Company \$'000	Minority interests \$'000	
Balance at January 1, 2008	18,352	-	1,936	334	(4)	(1,543)	(156)	12,287	31,206	239	31,445
Total comprehensive income for the year	-	-	-	-	(437)	93	-	37	(307)	(38)	(345)
Repurchase of shares	-	(22)	-	-	-	-	-	-	(22)	-	(22)
Balance at December 31, 2008	18,352	(22)	1,936	334	(441)	(1,450)	(156)	12,324	30,877	201	31,078
Total comprehensive income for the year	-	-	-	-	565	58	-	944	1,567	200	1,767
Recognition of share-based payments	-	-	260	-	-	-	-	-	260	-	260
Arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	392	392
Balance at December 31, 2009	18,352	(22)	2,196	334	124	(1,392)	(156)	13,268	32,704	793	33,497
<u>Company</u>											
Balance at January 1, 2008	19,098	-	1,936	-	(4)	-	-	818	21,848	-	21,848
Total comprehensive income for the year	-	-	-	-	(437)	-	-	266	(171)	-	(171)
Repurchase of shares	-	(22)	-	-	-	-	-	-	(22)	-	(22)
Balance at December 31, 2008	19,098	(22)	1,936	-	(441)	-	-	1,084	21,655	-	21,655
Total comprehensive income for the year	-	-	-	-	565	-	-	540	1,105	-	1,105
Recognition of share-based payments	-	-	260	-	-	-	-	-	260	-	260
Balance at December 31, 2009	19,098	(22)	2,196	-	124	-	-	1,624	23,020	-	23,020

Group

Company

See accompanying notes to financial statements.

Consolidated Statement Of Cash Flows

Year ended December 31, 2009

	Group	
	2009	2008
	\$'000	\$'000
Operating activities		
Profit before income tax	1,904	1,264
Adjustments for:		
Depreciation of property, plant and equipment	4,311	4,122
Interest expense	648	751
Interest income	(28)	(37)
Loss (Gain) on disposal of property, plant and equipment	49	(118)
Share of loss of associates	-	222
Impairment loss on assets held for sale	-	880
Allowance for doubtful debts – trade	29	123
Write down of inventories to net realisable values	90	29
Share option expenses	260	-
Loss on fair value changes on derivative financial instrument	-	4
Operating cash flow before movements in working capital	<u>7,263</u>	<u>7,240</u>
Inventories	2,218	(1,402)
Trade and other receivables	(1,428)	(1,545)
Trade and other payables	1,086	(547)
Cash generated from operations	<u>9,139</u>	<u>3,746</u>
Interest received	28	37
Interest paid	(648)	(751)
Income taxes paid	(1,180)	(649)
Net cash from operating activities	<u>7,339</u>	<u>2,383</u>
Investing activities		
Purchase of property, plant and equipment (Note A)	(4,377)	(2,094)
Purchase of intangible assets	(110)	-
Proceeds on disposal of intangible assets	9	-
Proceeds on disposal of property, plant and equipment	99	363
Proceeds on disposal assets held for sale	2,440	-
Expenditure on product development	(1,509)	-
Acquisition of subsidiary (Note 33)	(589)	-
Net cash used in investing activities	<u>(4,037)</u>	<u>(1,731)</u>

Consolidated Statement Of Cash Flows

Year ended December 31, 2009

	Group	
	2009	2008
	\$'000	\$'000
Financing activities		
Repayments of borrowings	(388)	-
Proceeds received from borrowings	-	39
Repayments of obligations under finance leases	(1,192)	(484)
(Increase) Decrease in fixed deposits pledged	(45)	152
Purchase of treasury shares	-	(22)
Net cash used in from financing activities	(1,625)	(315)
Net increase in cash and cash equivalents	1,677	337
Cash and cash equivalents at the beginning of the year	6,383	5,103
Effect of foreign exchange rate changes	71	943
Cash and cash equivalents at the end of the year	8,131	6,383

Cash and cash equivalents consist of:

	Group	
	2009	2008
	\$'000	\$'000
Cash at bank and on hand	7,855	5,648
Fixed deposits	339	753
	8,194	6,401
Less: Fixed deposits pledged	(63)	(18)
	8,131	6,383

Note A

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of \$5,908,000 (2008 : \$2,200,000) of which, \$4,377,000 (2008 : \$2,094,000) was paid by cash, \$1,531,000 (2008 : \$106,000) was acquired by way of finance lease arrangements.

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2009

1 GENERAL

The Company (Registration No. 199200539Z) is incorporated in Singapore with its principal place of business and registered office at 33 Loyang Way, Singapore 508731. The Company is listed on the mainboard of the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore dollars.

The principal activities of the Company is that of an investment holding company and sale of machines.

The principal activities of the subsidiaries and associates are disclosed in Notes 13 and 14 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2009 were authorised for issue by the Board of Directors on March 15 2010.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

ADOPTION OF NEW AND REVISED STANDARDS - In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on or after January 1, 2009. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group’s and Company’s accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 1 – Presentation of Financial Statements (Revised)

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

Amendments to FRS 107 Financial Instruments : Disclosures – Improving Disclosures about Financial Instruments

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 108 – Operating Segments

The Group adopted FRS 108 with effect from January 1, 2009. FRS 108 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (FRS 14 Segment Reporting) required an entity to identify two sets of segments (Business and Geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. As a result, following the adoption of FRS 108, the identification of the Group's reportable segments has not changed significantly (Note 26).

At the date of authorisation of these financial statements, the following FRS, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

FRS 27	-	Consolidated and Separate Financial Statements (Revised)
FRS 103	-	Business Combinations (Revised)

Amendments arising from Improvements to FRSs (issued in June 2009)

Consequential amendments were also made to various standards as a result of these new/revised standards.

Management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial application except for the following:

FRS 27 (Revised) Consolidated and Separate Financial Statements; and FRS 103 (Revised) Business Combinations

FRS 27 (Revised) is effective for annual periods beginning on or after July 1, 2009. FRS 103 (Revised) is effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009.

Apart from matters of presentation, the principal amendments to FRS 27 that will impact the Group concern the accounting treatment for transactions that result in changes in a parent's interest in a subsidiary. It is likely that these amendments will significantly affect the accounting for such transactions in future accounting periods, but the extent of such impact will depend on the detail of the transactions, which cannot be anticipated. The changes will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Similarly, FRS 103 is concerned with accounting for business combination transactions. The changes to the standard are significant, but their impact can only be determined once the detail of future business combination transactions is known. The amendments to FRS 103 will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover its share of those losses.

In the Company's financial statements, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss.

SPECIAL PURPOSE ENTITY – Controlled entities are those entities, including special purpose entities (SPEs), over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. Control rather than ownership interest is the sole criterion for determining a parent entity relationship. SPEs require consolidation in circumstances such as those where the Group has access to the majority of the residual income or is exposed to the majority of the residual risk associated with the SPE. The special purpose entity has been consolidated in the consolidated financial statements under INT FRS 12, Consolidation – Special Purpose Entities.

BUSINESS COMBINATIONS - The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combinations* are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the profit or loss.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

FINANCIAL INSTRUMENT - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Investments are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Available-for-sale investments ("AFS")

Certain shares held by the Group are classified as being available for sale and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised directly in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in the profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the asset is recognised in the profit and loss and other changes are recognised in other comprehensive income. Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably determined are measured at cost less impairment. Impairment loss for such investments is not subsequently reversed.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or loss previously recognised in other comprehensive income are reclassified to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss, is recognised in other comprehensive income.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair values and subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ASSETS HELD FOR SALE - Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Cost of inventories is determined as follows:

- Raw materials - first-in, first-out method;
- Finished goods and work in progress - weighted average method.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Depreciation is charged so as to write off the cost of assets, other than freehold land, over their estimated useful lives, using the straight-line method and on the following bases:

Factory buildings	-	2%
Plant and machinery and equipment	-	10% to 20%
Furniture, fittings and office equipment	-	8% to 100%
Renovation	-	10% to 20%
Motor vehicles	-	16% to 20%

Depreciation is not provided on freehold land and construction in progress.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

GOODWILL - Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate's described under "Associates" below.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

INTANGIBLE ASSETS –

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL - At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

ASSOCIATES - An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in the profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

SHARE-BASED PAYMENTS - The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 22. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest and adjusted for the effect of non market-based vesting conditions.

At the end of each reporting period, the Group revises the estimate on the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised over the remaining vesting period with a corresponding adjustment to the equity-settled employee benefits reserve.

The policy described above is applied to all equity-settled share-based payments that were granted after November 22, 2002 that vested after January 1, 2005. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

Fair value is measured using the Binomial pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of plastic injection moulding products is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from rendering of services of the design and fabrication of moulds is recognised on the percentage of completion method. Percentage of completion is measured by reference to the costs incurred to-date as a percentage of total costs for each project.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Borrowing costs, other than those relating to finance leases which are outlined above, are recognised in the profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

The subsidiary in Hong Kong operates a defined contribution Mandatory Provident Fund retirement benefit scheme under the Mandatory Provident Fund Schemes Ordinance, for employees who are eligible to participate in the scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the scheme. The assets of the scheme are held separately from those of the subsidiary in an independently administered fund. The subsidiary's employer contributions vest fully with the employees when contributed into the scheme except for the entity's employer voluntary contributions which are refunded to the subsidiary in accordance with the rules of the scheme when the employee leaves employment prior to the contributions vesting fully.

Employees of the Group's subsidiaries in the People's Republic of China ("PRC") are members of the pension scheme operated by the PRC local government. The PRC subsidiaries are required to contribute a certain percentage of payroll of these employees to fund benefits under the pension scheme. The only obligation of the PRC subsidiaries in respect of the pension scheme is the required contributions under the pension scheme.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of each reporting period.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to Financial Statements

December 31, 2009

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing on the end of each reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in foreign currency translation reserve (attributed to minority interest, as appropriate).

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash on hand and demand deposits and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Notes to Financial Statements

December 31, 2009

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Special Purpose Entity

A special purpose entity is an entity in which the Group has, in substance, control over the entity. In making its judgment, management has considered the collaboration agreement entered into between Juken Mecplas Technology Pte Ltd ("JMT"), a subsidiary of the Company and Zelor Technology Pte Ltd ("Zelor"), a special purpose entity incorporated in Singapore (JMT and Zelor collectively referred as "Parties"). JMT will provide financing, technical assistance and accounting services to Zelor. In return, Zelor will provide design, development and product validation services relating to stepper motors in accordance with specifications and requirements stipulated by JMT. Management has determined that the substance of the collaboration relationship between the Parties indicates control pursuant to INT FRS 12 – Consolidation – Special Purpose Entities, hence the results of Zelor for the financial year ended December 31, 2009 are consolidated accordingly.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Recoverability of internally-generated intangible asset – research and development expenditure

During the year, management performed a review of the development costs of \$1,509,000 (2008: Nil), capitalised as part of intangible assets for indicators of impairment. Based on the review, no provision for impairment is required. The carrying amount of development costs as at December 31, 2009 is disclosed in Note 12 to the financial statements.

b) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the end of the reporting period was \$576,000 (2008 : \$515,000) and no impairment loss was recognised during the financial year.

c) Useful lives of property, plant and equipment

As described in Note 2, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting date. During the financial year, management determined that the estimated useful lives of property, plant and equipment are appropriate and no revision is required.

The carrying amount of the Group's property, plant and equipment of \$25,360,000 (2008 : \$23,412,000) as disclosed in Note 11 to the financial statements may change in the future due to usage, technological development and demand.

Notes to Financial Statements

December 31, 2009

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

d) Recoverability of receivables

During the financial year, management performed a review of the Group's receivables balance for irrecoverable amounts or likely irrecoverable amounts. As a result, an allowance of \$137,000 (2008 : \$157,000) for doubtful receivables was made. The carrying amount of trade and other receivables as at December 31, 2009 are as disclosed in Notes 7 and 8 to the financial statements.

In the event of a deterioration in credit worthiness of the customers of the Group, there may be a further allowance for doubtful receivables required on the financial statements of the Group.

e) Allowance for inventory obsolescence

In determining the net realisable value of the inventories, an estimation of the recoverable amount of inventories on hand is performed by management based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration the historical trend in the usability of these inventories. However, if the actual use differs from these estimates, there may be a material impact on the financial statements of the Group. The carrying amount of inventories as at December 31, 2009 is disclosed in Note 9 to the financial statements.

f) Assessment of impairment for investment in subsidiaries

During the year, the Company performed an assessment for impairment of the investment in subsidiaries. Based on the assessment, management had determined that the recoverable amount of the investment exceeds the carrying amount. Accordingly, no impairment loss was charge to the profit or loss. The carrying amount of the investment in subsidiaries as at December 31, 2009 is as disclosed in Note 13 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Loans and receivables (including cash and cash equivalents)	25,667	21,372	16,471	10,574
Available-for-sale investments	867	302	867	302
Financial Liabilities				
Amortised cost	24,507	22,973	10,385	7,656

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives*

The Group has documented risk management policies. These policies set out the Group's overall business strategies and its risk management philosophy. The Group's overall risk management programme seeks to minimise potential adverse effects of financial performance of the Group.

The Group's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including the United States dollar, Euro, Korean Won, Japanese Yen and Hong Kong dollar and therefore is exposed to foreign exchange risk.

The significant carrying amounts of monetary assets, monetary liabilities and available-for-sale investments denominated in currencies other than the respective Group entities' functional currencies at the reporting date are as follows:

	Group				Company			
	Liabilities		Assets		Liabilities		Assets	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
United States dollar	1,649	4,916	5,308	9,234	284	98	597	1,287
Euro	44	259	1,105	2,056	-	-	13	13
Korean won	-	-	867	302	-	-	867	302
Japanese yen	2,609	3,947	38	262	511	501	19	18
Singapore dollar	33	4,826	132	28	-	-	-	-
Hong Kong dollar	-	1,150	-	3,264	-	-	-	-

The following table details the sensitivity to a 10% increase and decrease in the major relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

If the major relevant foreign currencies fluctuate by 10% against the functional currency of each Group entity, profit or loss will increase or decrease by:

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

	United States dollar impact		Euro impact		Japanese yen impact		Singapore dollars impact		Hong Kong dollars impact	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$000	\$000
<u>Group</u>										
Profit or loss	366	432	106	180	(257)	(369)	10	(480)	-	211
<u>Company</u>										
Profit or loss	31	119	1	1	(49)	(48)	-	-	-	-

Based on the same analysis in relation to Korean Won, any impact on equity is not expected to be material.

(ii) Interest rate risk management

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations of bank borrowings. The Group's investment portfolio is not directly exposed to interest rate risks as the portfolio includes only investment in equity instruments that do not bear a determinable effective interest rate.

The Group's policy is to manage its exposure to interest rate risks using a mix of fixed and variable rate debts.

The interest rates and terms of repayment for bank loans of the Group are disclosed in Note 17 to the financial statements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and Company's profit for the year ended December 31, 2009 would decrease/increase by \$43,000 and \$26,000 (2008 : decrease/increase by \$45,000 and \$26,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The Group's sensitivity to interest rates from variable rate instruments has remained consistent during the current period.

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December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(iii) Equity price risk management

The Group is exposed to equity risks arising from equity investments classified as available-for-sale. Available-for-sale investments are held for strategic rather than trading purposes. The Group does not actively trade available for sale investments.

Further details of these equity investments can be found in Note 15 to the financial statements.

10% is used when reporting equity price risk internally to key management personnel and represents management's assessment of the reasonably possible change in market price

If market price of the available-for-sale investments fluctuates by 10%, other comprehensive income and fair value change reserve will increase or decrease by \$87,000 (2008 : \$44,000).

(iv) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted procedures in extending credit terms to counterparties and in monitoring its credit risk.

The Group has guidelines on extending credit terms to counterparties, including monitoring the process and using of related industry's practices as reference. This includes assessment and evaluation of counterparties credit reliability and periodic reviews of their financial status to determine credit limits to be granted.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the reporting period in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

Concentrations of credit risk exist when changes in economic, industry or geographical factors, similarly affect Group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group does not have credit risk that is significantly concentrated in one customer or a particular Group of customers.

The Group places its cash with creditworthy financial institutions.

Further details of credit risks on trade and other receivables provided to key management are disclosed in Notes 7 and 8.

(v) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

Liquidity risk

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>						
<u>2009</u>						
Non-interest bearing	NA	13,112	-	-	-	13,112
Variable interest rate instruments	4.84	5,684	3,337	320	(818)	8,523
Finance lease liability (fixed rate)	3.7	1,252	1,854	42	(276)	2,872
		<u>20,048</u>	<u>5,191</u>	<u>362</u>	<u>(1,094)</u>	<u>24,507</u>
<u>2008</u>						
Non-interest bearing	NA	11,529	-	-	-	11,529
Variable interest rate instruments	5.5	6,235	2,762	777	(863)	8,911
Finance lease liability (fixed rate)	4.0	1,399	1,383	67	(316)	2,533
		<u>19,163</u>	<u>4,145</u>	<u>844</u>	<u>(1,179)</u>	<u>22,973</u>

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Company</u>						
<u>2009</u>						
Non-interest bearing	NA	3,014	-	-	-	3,014
Variable interest rate instruments	3.8	4,268	1,161	-	(238)	5,191
Finance lease liability (fixed rate)	3.9	812	1,553	42	(227)	2,180
		<u>8,094</u>	<u>2,714</u>	<u>42</u>	<u>(465)</u>	<u>10,385</u>
<u>2008</u>						
Non-interest bearing	NA	1,134	-	-	-	1,134
Variable interest rate instruments	2.0	4,978	369	-	(105)	5,242
Finance lease liability (fixed rate)	4.0	734	640	67	(161)	1,280
		<u>6,846</u>	<u>1,009</u>	<u>67</u>	<u>(266)</u>	<u>7,656</u>

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the Group's liquidity risk is managed on a net asset and liability basis. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group and the Company anticipate that the cash flow will occur in a different period.

	Weighted average effective interest rate	On demand or within 1 year
	%	\$'000
<u>Group</u>		
<u>2009</u>		
Non-interest bearing	NA	17,491
Variable interest rate instruments	-	7,837
Fixed interest rate instruments	2.5	339
		<u>25,667</u>
<u>2008</u>		
Non-interest bearing	NA	15,000
Variable interest rate instruments	-	5,619
Fixed interest rate instruments	3.7	753
		<u>21,372</u>

Notes to Financial Statements

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(v) Liquidity risk management (cont'd)

	Weighted average effective interest rate	On demand or within 1 year
	%	\$'000
<u>Company</u>		
<u>2009</u>		
Non-interest bearing	N/A	15,994
Variable interest rate instruments	-	477
		<u>16,471</u>
<u>2008</u>		
Non-interest bearing	NA	10,327
Variable interest rate instruments	-	246
		<u>10,574</u>

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, available-for-sale investments, trade and other current receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

- (i) the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- (ii) the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

Notes to Financial Statements

December 31, 2009

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(b) *Financial risk management policies and objectives (cont'd)*

(vi) Fair value of financial assets and financial liabilities (cont'd)

- (iii) the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Group's and Company's financial instruments measured at fair value are classified as Level 1.

(c) *Capital risk management policies and objectives*

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 17, cash and cash equivalents and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings.

Management reviews the capital structure on a semi-annual basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the committee, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2008.

The Group is in compliance with externally imposed capital requirements for the financial years ended December 31, 2009 and 2008.

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December 31, 2009

5 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand.

During the year, Group entities entered into the following trading transactions with other related parties:

	Group	
	2009	2008
	\$'000	\$'000
Shareholders:		
Sales of raw materials, moulds and plastic components	(9)	(110)
Purchase of raw materials, mould and plastic components	998	1,094
Purchase of machine and spare parts	149	92
Repair expenses	46	40
Associates:		
Management fee income	(11)	(81)
Rental income	(6)	(33)

Sales of goods to related parties were made at the Group's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured and no guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group	
	2009	2008
	\$'000	\$'000
Short-term benefits	1,715	1,802
Post-employment benefits	85	95
Share-based payments	156	-
	1,956	1,897

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

Notes to Financial Statements

December 31, 2009

6 CASH AND BANK BALANCES

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Cash at banks	7,837	5,619	477	246
Fixed deposits	276	735	-	-
Cash on hand	18	29	1	1
	8,131	6,383	478	247
Fixed deposits (pledged)	63	18	-	-
Total	8,194	6,401	478	247

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of twelve months or less. The carrying amounts of these assets approximate their fair values.

Deposits bear interest at 2.5% (2008 : 3.7%) per annum and for a tenure of approximately 30 to 365 days (2008 : 30 to 365 days).

Deposits amounting to \$63,000 (2008 : \$18,000) of the Group are pledged guarantees to certain government authorities.

The Group and Company's cash and bank balances that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
United States dollar	727	918	59	44
Euro	18	69	-	-
Japanese yen	32	33	18	18

7 TRADE RECEIVABLES

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Amounts receivable from sales	13,357	12,229	-	-
Less: Allowance for doubtful debts	(137)	(157)	-	-
	13,220	12,072	-	-
Shareholders (Note 5)	20	14	1	1
Subsidiaries (Note 13)	-	-	14,195	10,076
	13,240	12,086	14,196	10,077

Notes to Financial Statements

December 31, 2009

7 TRADE RECEIVABLES (CONT'D)

The average credit period on sale of goods is 30 to 120 days (2008 : 30 to 120 days). No interest is charged on outstanding trade receivables. The allowance for doubtful receivables has been determined by reference to past default experience.

Before accepting any new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed once a year. 83% (2008 : 65%) of the trade receivables that are neither past due nor impaired have the best credit scoring attributable under the external credit scoring system used by the Group. Of the trade receivables balance at the end of the year, \$608,000 (2008 : \$401,000) is due from the Group's largest customer. There is no customer who represents more than 5% of the total balance of trade receivables.

Included in the Group's trade receivable balance are debtors with a carrying amount of \$2,310,000 (2008 : \$4,277,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables are 102 days (2008 : 96 days).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes that there is no further credit provision required in excess of the allowance for doubtful debts.

The table below is an analysis of trade receivables as at December 31:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Not past due and not impaired (iv)	10,930	7,809	12,351	10,077
Past due but not impaired (i)	2,310	4,277	1,845	-
	13,240	12,086	14,196	10,077
Impaired receivables – individually assessed (ii)	137	157	-	-
Less: Allowance for doubtful debts	(137)	(157)	-	-
Total trade receivables, net	13,240	12,086	14,196	10,077

(i) Aging of receivables that are past due but not impaired

< 3 months	1,736	2,662	-	-
3 months to 6 months	126	488	-	-
6 months to 12 months	122	550	-	-
>12 months (iii)	326	577	1,845	-

Notes to Financial Statements

December 31, 2009

7 TRADE RECEIVABLES (CONT'D)

- (ii) These amounts are stated before any deduction for impairment losses.
- (iii) These relate to receivables from completed mould sales, which in the opinion of management, are collectible and hence were not impaired as these sales are made to reputable and on-going customers of the Group including subsidiaries of the Company.
- (iv) The amounts due from subsidiaries are interest free and repayable on demand.

Movements in the allowance for doubtful debts

	Group	
	2009	2008
	\$'000	\$'000
Balance at beginning of the year	157	34
Amounts written off during the year	(49)	-
Increase in allowance recognised in profit or loss	29	123
Balance at end of the year	137	157

The Group and Company's trade receivables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	132	28	-	-
United States dollar	4,581	8,316	538	1,243
Euro	1,087	1,987	13	13
Hong Kong dollar	-	3,264	-	-
Japanese yen	6	229	1	-

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Deposits	1,494	1,083	1,165	218
Prepayments	427	398	49	117
Other receivables	2,739	1,802	632	32
Tax recoverable	148	146	-	-
	4,808	3,429	1,846	367

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December 31, 2009

8 OTHER RECEIVABLES AND PREPAYMENTS (CONT'D)

Other receivables are unsecured, interest-free and repayable on demand. Management has not recognised an allowance for doubtful receivables as there has been no significant change in credit quality and amounts are still considered recoverable.

The Group and Company's other receivables are all denominated in the functional currencies of the respective entities in the Group.

9 INVENTORIES

	Group	
	2009	2008
	\$'000	\$'000
Raw materials	2,150	2,782
Work-in-progress	384	345
Finished goods	1,563	2,524
Packing materials	212	789
	4,309	6,440

The cost of inventories recognised as an expense includes \$90,000 (2008 : \$29,000) in respect of allowance made for the impairment of slow moving inventory.

10 ASSETS HELD FOR SALE

On December 4, 2008, Juken (H.K.) Co., Limited, a wholly owned subsidiary of the Company, entered into a Sale and Purchase Agreement in relation to the disposal of its shares in its associates, Pretech & Ewon (H.K.) Company Limited and Juken Technology (Huizhou) Co., Ltd ("P&E Group") to K.J. Pretech Co., Ltd., the majority shareholder of the P&E Group for a purchase consideration of \$2.85 million. The P&E Group was previously held as associates of the Group (see Note 14 for details). The completion of the sale was conditional upon the approval of the shareholders. The shareholders approved the completion of the sale at the Extraordinary General Meeting held on March 5, 2009.

The expected proceeds from disposal were less than the net carrying amount of \$3.73 million as at December 31, 2008 and, accordingly, an impairment loss of \$880,000 has been recognised on the assets held for sale in 2008.

	2008
	\$'000
Unquoted equity shares, at cost	966
Share of post-acquisition reserves	3,299
Translation difference	(535)
Allowance for impairment loss	(880)
Carrying amount	2,850

Notes to Financial Statements

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11 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Factory buildings	Plant and machinery equipment	Furniture, fittings and office equipment	Renovation	Motor vehicles	Construction-in-progress	Total
Cost:								
At January 1, 2008	2,617	4,379	33,544	5,291	3,229	1,378	-	50,438
Additions	-	105	1,145	163	209	294	284	2,200
Disposals	-	-	(553)	(6)	-	(322)	-	(881)
Reclassification	-	-	-	65	(65)	-	-	-
Exchange differences	(108)	(173)	(487)	(132)	(127)	3	(6)	(1,030)
At December 31, 2008	2,509	4,311	33,649	5,381	3,246	1,353	278	50,727
Additions	-	-	3,733	211	755	156	1,053	5,908
Acquired on acquisition of subsidiary	-	-	340	4	180	11	-	535
Disposals	-	-	(350)	(74)	(702)	(334)	-	(1,460)
Exchange differences	(11)	-	(164)	(29)	(36)	-	(12)	(252)
At December 31, 2009	2,498	4,311	37,208	5,493	3,443	1,186	1,319	55,458
Accumulated depreciation:								
At January 1, 2008	-	530	16,917	3,933	1,867	768	-	24,015
Charge for the year	-	138	2,844	800	143	197	-	4,122
Disposals	-	-	(335)	(4)	-	(297)	-	(636)
Exchange differences	-	(6)	(100)	(37)	(28)	(15)	-	(186)
At December 31, 2008	-	662	19,326	4,692	1,982	653	-	27,315
Charge for the year	-	145	2,810	536	593	227	-	4,311
Disposals	-	-	(346)	(62)	(579)	(325)	-	(1,312)
Exchange differences	-	3	(182)	(13)	(19)	(5)	-	(216)
At December 31, 2009	-	810	21,608	5,153	1,977	550	-	30,098
Carrying amount:								
At December 31, 2009	2,498	3,501	15,600	340	1,466	636	1,319	25,360
At December 31, 2008	2,509	3,649	14,323	689	1,264	700	278	23,412

Notes to Financial Statements

December 31, 2009

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture, fittings and office equipment	Renovation	Motor vehicles	Total
	\$'000	\$'000	\$'000	\$'000
<u>Company</u>				
Cost:				
At January 1, 2008	2,158	214	215	2,587
Additions	13	1	174	188
Disposals	-	(1)	(215)	(216)
At December 31, 2008	2,171	214	174	2,559
Additions	200	-	-	200
At December 31, 2009	2,371	214	174	2,759
Accumulated depreciation:				
At January 1, 2008	1,412	199	176	1,787
Charge for the year	409	7	42	458
Disposal	-	-	(215)	(215)
At December 31, 2008	1,821	206	3	2,030
Charge for the year	341	7	35	383
At December 31, 2009	2,162	213	38	2,413
Carrying amount:				
At December 31, 2009	209	1	136	346
At December 31, 2008	350	8	171	529

The carrying amount of property, plant and equipment acquired under finance leases are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Plant and machinery and equipment	2,427	4,488	-	-
Furniture, fittings and office equipment	-	3	-	3
Motor vehicles	209	221	136	171
	2,636	4,712	136	174

Notes to Financial Statements

December 31, 2009

11 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Net book value of property, plant and equipment that are pledged to financial institutions as a security for certain banking facilities granted to the Group (Note 17) are as follows:

	Group	
	2009	2008
	\$'000	\$'000
Freehold land	2,498	2,509
Factory buildings	3,501	3,649
	5,999	6,158

Particulars of major properties are as follows:

Location	Description	Tenure	Land area
Malaysia			
Lot 12, Jalan BRP 9/1C, Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan	Industrial land erected with a single detached factory with a 3 storey annexed office building	Freehold	1,754 sq. metre
Lot 11, Jalan BRP 9/1C, Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan	Industrial land erected with a single detached factory with a 3 storey annexed office building	Freehold	1,754 sq. metre
Lot 10, Jalan BRP 9/1C, Rahman Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan	Industrial land erected with a single detached factory with a 3 storey annexed office building	Freehold	1,754 sq. metre
16, Jalan Masyhur 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Industrial land erected with a single detached factory with 3 storey annexed office building	Freehold	4,303 sq. metre
Thailand			
2413, M004, Bangna-Trad Road (KM 34.5), T. Bangpleanoi, Amphur Bangbor, Somatprakam 10560	Industrial land erected with a single detached factory with a 2 storey annexed office building	Freehold	9,600 sq. metre

Notes to Financial Statements

December 31, 2009

12 INTANGIBLE ASSETS

	Development costs \$'000	Goodwill on acquisition of business \$'000	Club membership \$'000	Total \$'000
<u>Group</u>				
Cost:				
At January 1, 2008 and December 31, 2008	-	515	197	712
Disposal	-	-	(9)	(9)
Additions	1,509	61	110	1,680
At December 31, 2009	<u>1,509</u>	<u>576</u>	<u>298</u>	<u>2,383</u>
Carrying amount:				
At December 31, 2009	<u>1,509</u>	<u>576</u>	<u>298</u>	<u>2,383</u>
At December 31, 2008	<u>-</u>	<u>515</u>	<u>197</u>	<u>712</u>

Company

	Club membership \$'000
Cost at January 1, 2008 and December 31, 2008	160
Additions	110
Carrying amount at December 31, 2009	<u>270</u>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination.

The carrying amount of goodwill had been allocated to CGUs which are based on the subsidiary operating divisions as follows:

	Group	
	2009 \$'000	2008 \$'000
Juken Technology Engineering Sdn. Bhd.	515	515
Micro Air Tianjin	61	-

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Notes to Financial Statements

December 31, 2009

12 INTANGIBLE ASSETS (CONT'D)

The recoverable amounts of CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and risks specific to the CGUs. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to its cash-generating units, Juken Technology Engineering Sdn. Bhd. and Micro Air Tianjin for impairment testing. Carrying amount of goodwill allocated to its cash-generating units amounts to \$576,000 (2008 : \$515,000).

The following describes the key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- Budgeted gross margins – the basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and the ability to pass on raw materials price inflation to customers resulting from new contracts negotiated.
- Five year cash flow projection – the basis used by management assumes five years sales growth of 10% which is based on current trend of existing sales orders and enquiries.

13 SUBSIDIARIES

	Company	
	2009	2008
	\$'000	\$'000
Unquoted equity shares, at cost	6,282	5,412
Recognition of share-based payments	1,352	1,247
Advances to subsidiaries	7,803	11,063
	15,437	17,722

Advances to subsidiaries, which formed part of the net investment in subsidiaries, are unsecured, interest-free and not expected to be repaid in the foreseeable future, and are classified as equity instruments of the subsidiaries.

Notes to Financial Statements

December 31, 2009

13 SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries at December 31, 2009 and 2008 are as follows:

Name of subsidiary	Country of incorporation and operation	Effective proportion of ownership interests and voting power held		Principal activities
		2009	2008	
		%	%	
<u>Held by the Company</u>				
Juken Mecplas Technology Pte Ltd ⁽¹⁾	Singapore	100	100	Injection mould making, injection moulding of engineering mechanical components and component sub-assembly
Juken International Pte Ltd ⁽¹⁾	Singapore	100	100	Investment holding
Juken Technology (M) Sdn. Bhd. ⁽²⁾	Malaysia	100	100	Investment holding
Juken Technology (Johor) Sdn. Bhd. ⁽²⁾	Malaysia	100	100	Dormant
Juken Technology Engineering Sdn. Bhd. ⁽³⁾	Malaysia	100	100	Manufacture of mould and die, plastic products and component sub-assembly
Juken (Thailand) Co., Ltd ⁽⁴⁾	Thailand	100	100	Manufacture and distribution of plastic products
Juken Uniproducts Limited ⁽⁶⁾	India	55	55	Manufacture and distribution of plastic components
PT Juken Technology Indonesia ⁽¹⁰⁾	Indonesia	100	-	Manufacture and distribution of plastic products
Micro-Air (Tianjin) Technology Co., Ltd ⁽⁹⁾	The People's Republic of China	60	-	Vacuum coating, thermal treatment and other related Services for plastic component

Notes to Financial Statements

December 31, 2009

13 SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation and operation	Effective proportion of ownership interests and voting power held		Principal activities
		2009 %	2008 %	
<u>Held by Juken Mecplas Technology Pte Ltd</u>				
Juken Technology (Macau Commercial Offshore) Company Limited ⁽⁵⁾	Macau	100	100	Sales office
Zelor Technology Pte Ltd ⁽¹¹⁾	Singapore	100	-	Design, develop and product validation services for stepper motors and car clocks
<u>Held by Juken Technology (M) Sdn. Bhd.</u>				
Inplas Engineering Sdn. Bhd. ⁽²⁾	Malaysia	100	100	Dormant
<u>Held by Juken International Pte Ltd</u>				
Juken (H.K.) Co., Limited ⁽⁶⁾	Hong Kong	100	100	Sales office
Juken Technology (Suzhou) Co., Ltd ⁽⁷⁾	The People's Republic of China	100	100	Injection moulding
Juken (Thailand) Co., Ltd ⁽⁴⁾	Thailand	75	75	Manufacture and distribution of plastic products
<u>Held by Juken (H.K.) Co Limited</u>				
Juken (Zhuhai) Co., Ltd ⁽⁶⁾	The People's Republic of China	100	100	Injection mould making and injection moulding

Notes to Financial Statements

December 31, 2009

13 SUBSIDIARIES (CONT'D)

- (1) Audited by Deloitte & Touche LLP, Singapore.
- (2) Audited by Chew & Associates, Malaysia.
- (3) Audited by overseas practices of Deloitte Touche Tohmatsu.
- (4) Audited by Ernst & Young, Thailand. 25% of equity interest in Juken Thailand is held directly by Juken Technology Limited and the remaining 75% held indirectly through a wholly owned subsidiary, Juken International Pte Ltd.
- (5) Audited by Fong Mei Fan, Macau.
- (6) Audited by W.M. Sum & Co., Hong Kong.
- (7) Audited by Suzhou Ming Cheng Certified Public Accountants Firm Co., Ltd, Suzhou.
- (8) Audited by Satish K. Kapoor & Co Chartered Accountants, India.
- (9) Audited by Tianjin Guangxin Certified Public Accountants Co.,Ltd., Tianjin. The acquisition of Micro-Air (Tianjin) Technology Co., Ltd was completed in 2009.
- (10) Not audited for 2009 as not considered material.
- (11) Pursuant to the collaboration agreement entered into between Juken Mecplas Technology Pte Ltd ("JMT"), and Zelor (JMT and Zelor collectively referred as "Parties"). JMT will provide financing, technical assistance and accounting services to Zelor. In return, Zelor will provide design, development and product validation services relating to stepper motors and car clocks in accordance with specifications and requirements stipulated by JMT. Management has determined that the substance of the collaboration relationship between the Parties indicates control pursuant to INT FRS 12 – Consolidation – Special Purpose Entities, hence the results of Zelor for the financial year ended December 31, 2009 are consolidated accordingly.

14 ASSOCIATES

	Group	
	2009	2008
	\$'000	\$'000
Unquoted equity shares, at cost	132	132
Allowance for impairment loss	(132)	(132)
Carrying amount	<u>-</u>	<u>-</u>

Notes to Financial Statements

December 31, 2009

14 ASSOCIATES (CONT'D)

Details of the Group's associates at December 31, 2009 and 2008 are as follows:

Name of associate	Country of incorporation and operation	Proportion of ownership interests and voting power held		Principal activities
		2009 %	2008 %	
<u>Held by Juken (H.K.) Co. Limited</u>				
Pretech & Ewon (H.K.) Company Limited ⁽¹⁾	Hong Kong	-	⁽³⁾	Investment holding and sales office
Hishiya Seiko International Company Limited ⁽¹⁾	Hong Kong	40	40	Dormant
<u>Held by Pretech & Ewon (H.K.) Company Limited</u>				
Juken Technology (Huizhou) Co., Ltd ⁽¹⁾	The People's Republic of China	-	⁽³⁾	Injection moulding
<u>Held by Hishiya Seiko International Company Limited</u>				
Hishiya (Zhuhai) Company Limited ⁽²⁾	The People's Republic of China	40	40	Dormant

⁽¹⁾ Audited by W.M. Sum & Co., Hong Kong.

⁽²⁾ Audited by Zhuhai Guo Rui Certified Public Accountants Firm Co., Ltd, Zhuhai.

⁽³⁾ These associates (the P&E Group) were classified to assets held for sale as the Group entered into an agreement to dispose of the shares (Note 10) in 2008. The sale was completed in 2009.

Notes to Financial Statements

December 31, 2009

14 ASSOCIATES (CONT'D)

Summarised financial information in respect of the Group's associates, including the P&E Group to be disposed of, is set out below:

	<u>2008</u> <u>\$'000</u>
Total assets	11,116
Total liabilities	(3,504)
Net assets	<u>7,612</u>
Group's share of associates' net assets	<u>3,730</u>
Revenue	<u>27,826</u>
Loss for the year	<u>(452)</u>
Group's share of associates' loss for the year	<u>(222)</u>

15 AVAILABLE-FOR-SALE ("AFS") INVESTMENTS

	<u>Group</u>		<u>Company</u>	
	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>
Quoted equity shares, at fair value	867	302	867	302

The Group's and Company's available-for-sale ("AFS") investments that are not denominated in their functional currency are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>	<u>2009</u> <u>\$'000</u>	<u>2008</u> <u>\$'000</u>
Korean Won	867	302	867	302

The above represents an investment in a company that is engaged in manufacturing small sized precision parts, optical parts and back light units.

On September 18, 2008, the company became a publicly listed company on the Korean Stock Exchange. As a result, the AFS investments which was previously held at cost (as fair value could not be reliably measured) is now measured at fair value based on market price. As at December 31, 2009, the market value of the Group's shares increased and \$565,000 (2008 : \$441,000 as a loss in other comprehensive income) has been recognised as a gain in other comprehensive income.

Notes to Financial Statements

December 31, 2009

15 AVAILABLE-FOR-SALE ("AFS") INVESTMENTS (CONT'D)

For the financial year ended December 31, 2009, the AFS investments have been reclassified to current assets following management's decision to dispose these investments within the next twelve months.

16 DEFERRED TAX

The following are the major deferred tax liabilities and assets recognised by the Group and the Company, and the movements thereon during the year:

	Accruals and allowances	Tax losses	Accelerated tax depreciation	Others	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Group</u>					
At January 1, 2008	(158)	(208)	1,348	17	999
Exchange adjustment	(1)	-	(41)	-	(42)
(Credit) Charge to profit and loss	(126)	95	88	(8)	49
At December 31, 2008	(285)	(113)	1,395	9	1,006
Exchange adjustment	(3)	-	1	-	(2)
(Credit) Charge to profit and loss	4	54	(71)	(9)	(22)
At December 31, 2009	(284)	(59)	1,325	-	982

	Accelerated tax depreciation \$'000
<u>Company</u>	
At January 1, 2008	124
Credit to profit and loss	(61)
At December 31, 2008	63
Credit to profit and loss	(28)
At December 31, 2009	35

Notes to Financial Statements

December 31, 2009

16 DEFERRED TAX (CONT'D)

Certain deferred tax assets and liabilities have been offset in accordance with the Group and Company's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balances sheet purposes:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Deferred tax liabilities	1,344	1,411	35	63
Deferred tax assets	(362)	(405)	-	-
	<u>982</u>	<u>1,006</u>	<u>35</u>	<u>63</u>

Subject to the agreement by the tax authorities, at the balance sheet date, the Group has unutilised tax losses and capital allowances amounting to approximately \$310,000 (2008 : \$628,000) and \$1,165,000 (2008 : \$1,583,000) respectively available for offset against future profits. Deferred tax assets have been recognised in respect of the unutilised tax losses and capital allowances.

No liability has been recognised in respect of temporary differences associated with undistributed earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

17 BANK LOANS

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Bank loans (secured)	<u>8,523</u>	<u>8,911</u>	<u>5,191</u>	<u>5,242</u>

Notes to Financial Statements

December 31, 2009

17 BANK LOANS (CONT'D)

The bank loans are repayable as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
On demand or within one year	5,422	5,910	4,112	4,880
In the second year	1,702	928	1,079	362
In the third year	406	578	-	-
In the fourth year	344	412	-	-
In the fifth year	344	346	-	-
After five years	305	737	-	-
	8,523	8,911	5,191	5,242
Less: Amount due for settlement within 12 months (shown under current liabilities)	(5,422)	(5,910)	(4,112)	(4,880)
Amount due for settlement after 12 months	3,101	3,001	1,079	362

The Group and Company's bank loans are denominated in the functional currencies of the respective entities in the Group.

The average effective interest rates paid were as follows:

	Group		Company	
	2009	2008	2009	2008
Bank loans	4.84%	5.50%	2.81%	4.00%

Bank loans are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Management estimates the fair value of the Group's borrowings approximate their carrying amounts.

The Company's term loans are unsecured, fully repayable by May 30, 2011 and bear interest rates ranging from 2.38% to 3.24% (2008 : 2.95% to 4.00%) per annum.

The Group's term loans bear interest rates ranging from 2.44% to 6.15% (2008 : 2.95% to 7.35%) per annum and are repayable over a period ranging from 1 year to 6 years (2008 : 1 year to 7 years) and are secured against certain freehold land and buildings (Note 11). In 2009 and 2008, the Group's term loans are secured against corporate guarantees from the Company, a subsidiary and directors of a subsidiary.

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December 31, 2009

18 TRADE PAYABLES

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Subsidiaries (Note 13)	-	-	304	-
Shareholder (Note 5)	3,556	3,479	-	-
Related parties (Note 5)	458	596	490	376
Third parties	4,927	4,501	155	276
	8,941	8,576	949	652

The average credit period on purchases of goods is 30 to 90 days (2008 : 30 to 90 days). No interest is charged on outstanding trade payables.

Amounts due to subsidiaries, shareholder and related parties are unsecured, interest-free and repayable on demand.

The Group and Company's trade payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Singapore dollar	33	4,826	-	-
United States dollar	1,621	4,849	256	31
Japanese yen	2,609	3,947	511	501
Hong Kong dollar	-	1,150	-	-
Euro	44	259	-	-

19 OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Subsidiaries (Note 13)	-	-	1,294	177
Accrued expenses	2,356	2,025	771	305
Sundry creditors	1,815	928	-	-
	4,171	2,953	2,065	482

The amounts due to subsidiaries are non-trade related, unsecured, interest-free and repayable on demand.

Sundry creditors are non-interest bearing and have an average term of 30 days (2008 : 30 days).

Notes to Financial Statements

December 31, 2009

19 OTHER PAYABLES AND ACCRUALS (CONT'D)

The Group and Company's other payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
United States dollar	28	67	28	67
Thai baht	-	28	-	28

20 FINANCE LEASES

	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000

Group

Amounts payable under finance leases:

Within one year	1,252	1,399	1,112	1,226
In the second to fifth year inclusive	1,854	1,383	1,719	1,245
After five years	42	67	41	62
	3,148	2,849	2,872	2,533
Less: Future finance charges	(276)	(316)	N/A	N/A
Present value of lease obligations	2,872	2,533	2,872	2,533
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,112)	(1,226)
Amount due for settlement after 12 months			1,760	1,307

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20 FINANCE LEASES (CONT'D)

Minimum lease payments		Present value of minimum lease payments	
2009	2008	2009	2008
\$'000	\$'000	\$'000	\$'000

Company

Amounts payable under finance leases:

Within one year	812	734	706	631
In the second to fifth year inclusive	1,553	640	1,433	587
After five years	42	67	41	62
	<u>2,407</u>	<u>1,441</u>	<u>2,180</u>	<u>1,280</u>
Less: Future finance charges	(227)	(161)	N/A	N/A
Present value of lease obligations	<u>2,180</u>	<u>1,280</u>	<u>2,180</u>	<u>1,280</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			(706)	(631)
Amount due for settlement after 12 months			<u>1,474</u>	<u>649</u>

The Group has finance leases for certain items of plant, machinery and equipment, furniture, fittings and office equipment and motor vehicles (Note 11). These leases have no terms of renewal, purchase options and escalation clauses.

For the year ended December 31, 2009, the average effective borrowing rates for the Group were between 2.6% to 6.69% (2008 : 3.4% to 8.8%) per annum. The effective borrowing rate for the Company was 3.94% (2008 : 3.30%) per annum. The maturities of the finance leases ranges from 2009 to 2014 (2008 : 2008 to 2013).

All lease obligations are denominated in the functional currencies of the respective entities.

The fair value of the Group's lease obligations approximate their carrying amounts.

The Group and Company's obligation under finance leases are secured by the lessors' title to the leased assets.

Notes to Financial Statements

December 31, 2009

21 RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

The employees of Juken Technology Limited and its subsidiaries that are located in Singapore are members of a state-managed retirement benefit plan, the Central Provident Board Fund, operated by the Government of Singapore. The Company and the Singapore subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the profit or loss of \$601,000 (2008 : \$682,000) represents contributions paid and payable to these plans by the Group at rates specified in the rules of the plans. As at December 31, 2009, contributions of \$119,000 (2008 : \$75,000) due in respect of current financial year had not been paid over to the plans. The amounts were paid over subsequent to the end of the reporting period.

22 SHARE-BASED PAYMENTS

Equity-settled share option scheme

Share options are granted to directors and employees. The options will vest if the employee remains in service for a period of two years from the date of grant. Options are granted for terms of either 5 years or 10 years to purchase the Company's ordinary shares at a discount to the market value of the date of grant. There are no cash settlement alternatives.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

	2009		2008	
	Number of share options '000	Weighted average exercise price \$	Number of share options '000	Weighted average exercise price \$
Outstanding at beginning of year	11,356,000	0.2370	13,329,000	0.2370
Granted during the year	20,320,000	0.0671	-	-
Forfeited during the year	(11,356,000)	0.2370	(1,973,000)	0.2370
Forfeited during the year	(690,000)	0.0671	-	-
Outstanding at end of year ⁽¹⁾	19,630,000	0.0671	11,356,000	0.2370
Exercisable at end of year	19,630,000	0.0671	11,356,000	0.2370

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22 SHARE-BASED PAYMENTS (CONT'D)

- ⁽¹⁾ The exercise prices for options outstanding at the end of the year was \$0.0671 (2008 : \$0.1896 and \$0.2768). The weighted average remaining contractual life for these options is 4.33 years (2008 : 4.95 years).

Options were granted on March 23, 2009. The market price on the date of grant was \$0.0671. The estimated fair value of the options granted on the date was \$0.0379.

The fair value of share options as at the dates of grant, is estimated using a binomial model, taking into account the terms and conditions upon which the options were granted. The inputs to the model used for the year ended December 31, 2009 are shown below:

Dividend yield	1.35%
Expected volatility	90%
Historical volatility	90%
Risk-free interest rate	1.08%
Expected life of option	1 year
Weighted average share price	<u>\$0.08</u>

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

The Group and the Company recognised total expenses of \$260,000 (2008 : \$Nil) and \$155,000 (2008: \$Nil) respectively which relates to equity-settled share-based payment transactions during the year.

23 SHARE CAPITAL

Group and Company		Group		Company	
2009	2008	2009	2008	2009	2008
Number of ordinary shares		\$'000	\$'000	\$'000	\$'000

Issued and paid up:

At the beginning and end of the year	137,614,378	137,614,378	18,352	18,352	19,098	19,098
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Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the Company.

Notes to Financial Statements

December 31, 2009

23 SHARE CAPITAL (CONT'D)

In prior years, the Company issued ordinary shares for the acquisition of certain subsidiary companies under common control. At Company level, this entry has been recorded based on issuance of shares and at Group level, this issuance of shares was adjusted using merger accounting. Other than 91,242 ordinary shares amounting to a share premium of \$746,360, merger relief was applied under Section 69B of the Singapore Companies Act.

As a result of the Companies (Amendment) Act 2005 which came into effect on January 30, 2006, the concept of authorised share capital and par value has been abolished. Any amount standing to the credit of the share premium account has been transferred to the company's share capital account on the effective date.

24 TREASURY SHARES

	Group and Company			
	2009	2008	2009	2008
	Number of ordinary shares		\$'000	
At beginning of the year	299,000	-	22	-
Repurchased during the year	-	299,000	-	22
At end of the year	299,000	299,000	22	22

The Company acquired 299,000 of its own shares through purchases on the Singapore Exchange during 2008. The total amount paid to acquire the shares was \$22,000 and has been deducted from shareholders' equity. The shares are held as 'treasury shares'. The Company intends to reissue these shares to executives who exercise their share options under the employee share option plan.

25 REVENUE

	Group	
	2009	2008
	\$'000	
Sale of goods	40,244	42,604
Sale of service	5,173	6,898
	45,417	49,502

Notes to Financial Statements

December 31, 2009

26 SEGMENT INFORMATION

Segment revenue and expenses are the operating revenue and expenses reported in the Group's statement of comprehensive income that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire property, plant and equipment, and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of account payable and accruals.

Products and services from which reportable segments derive their revenues

For management purposes, the Group is organised into three main operating divisions: plastic injection moulding, mould design and fabrication and instrumental. These are also the divisions the Group's chief operating decision maker focuses on for the purposes of resource allocation and assessment of segment performance. The Group's reportable segments under FRS 108 remained unchanged from 2008 except for the addition of the instrumental segment during the year.

Principal activities of each reportable segment are as follows:

- | | | |
|------------------------------|---|---|
| Plastic injection moulding | - | Manufacturing process for producing parts from plastic materials |
| Mould design and fabrication | - | Design and fabrication of mould |
| Instrumental | - | Design, develop, manufacturing and product validation services of stepper motors and car clocks |

Information regarding the Group's reportable segments is presented below.

Notes to Financial Statements

December 31, 2009

26 SEGMENT INFORMATION (CONT'D)

The following table present revenue and profit information regarding business segments for the financial years ended December 31, 2009 and 2008 and certain assets and liabilities information regarding business segments at December 31, 2009 and 2008:

	Plastic injection moulding		Mould design and fabrication		Instrumental		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Business segment								
Segment revenue:								
Revenue to external customers	42,950	45,217	5,717	7,696	-	-	48,667	52,913
Inter-segment sales	(2,706)	(2,613)	(544)	(798)	-	-	(3,250)	(3,411)
Total	40,244	42,604	5,173	6,898	-	-	45,417	49,502
Segment result	6,075	7,665	260	392	-	-	6,335	8,057
Unallocated operating costs	-	-	-	-	-	-	(3,783)	(4,940)
Finance costs	-	-	-	-	-	-	(648)	(751)
Impairment of assets held for sale	-	(880)	-	-	-	-	-	(880)
Share of loss of associates	-	(222)	-	-	-	-	-	(222)
Profit before income tax							1,904	1,264
Income tax expense							(731)	(1,218)
Profit for the year							1,173	46
Other segment information:								
Segment assets	46,799	47,278	6,351	7,194	4,121	-	57,271	54,472
Unallocated assets							2,252	1,565
Total assets							59,523	56,037
Segment liabilities	11,145	9,800	1,967	1,729	-	-	13,112	11,529
Unallocated liabilities							12,914	13,430
Total liabilities							26,026	24,959
Capital expenditure	5,734	1,894	709	306	-	-	6,443	2,200
Depreciation of property, plant and equipment	3,820	3,535	491	587	-	-	4,311	4,122
Allowance for doubtful debts - trade	29	123	-	-	-	-	29	123
Write down of inventory to net realisable values	90	29	-	-	-	-	90	29

Notes to Financial Statements

December 31, 2009

26 SEGMENT INFORMATION (CONT'D)

Geographical information

The Group operates in six principal geographical areas namely Singapore, Malaysia, Thailand, Hong Kong/The People's Republic of China/Macau, India and Indonesia.

The Group's revenue from external customers and non current assets other than financial instruments and deferred tax assets by geographical location are detailed below:

	Revenue to external customers		Non-current assets	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Singapore	1,389	3,607	3,924	885
Malaysia	17,419	22,163	12,316	10,155
Thailand	12,063	10,819	3,314	4,149
Hong Kong/The People's Republic of China/ Macau	13,089	12,288	5,676	7,712
India	1,457	625	1,749	1,223
Indonesia	-	-	764	-
	45,417	49,502	27,743	24,124

Information about major customers

Included in revenues of \$40,244,000 (2008: \$42,604,000) arising from the plastic injection moulding segment are revenues of approximately \$5,205,000 (2008: \$3,846,000) which arose from sales to the Group's largest customer.

27 OTHER OPERATING INCOME

	Group	
	2009 \$'000	2008 \$'000
Rental income from associates	6	33
Management fee income from associates	11	81
Others	118	142
	135	256

Notes to Financial Statements

December 31, 2009

28 INVESTMENT REVENUE

	Group	
	2009	2008
	\$'000	\$'000
Interest income	28	37

29 INCOME TAX EXPENSE

	Group	
	2009	2008
	\$'000	\$'000
Current	722	1,156
Deferred	(22)	49
Underprovision in prior years	16	13
Other	15	-
Income tax expense for the year	731	1,218

Domestic income tax is calculated at 17% (2008 : 18%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2009	2008
	\$'000	\$'000
Profit before income tax	1,904	1,264
Adjusted for share of results of associate	-	222
	1,904	1,486
Tax at the domestic income tax rate of 17% (2008 : 18%)	324	267
Tax effect of expenses that are not deductible in determining taxable profit	182	781
Tax effect of income that are not taxable in determining taxable profit	-	(3)
Effect of different tax rates of subsidiaries operating in other jurisdictions	275	247
Underprovision in prior years	16	13
Others	(66)	(87)
Total income tax expense	731	1,218

In 2004, Juken Technology Engineering Sdn. Bhd. ("JTE") was granted pioneer status by the Ministry of International Trade and Industry and this enabled the Company to enjoy a 70% tax exemption on its taxable profit for a period of five years from 2004 to 2008. The pioneer status expired on September 30, 2008.

Notes to Financial Statements

December 31, 2009

30 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

	Group	
	2009	2008
	\$'000	\$'000
Remuneration of Directors of the Company	1,159	1,150
<u>Employee benefits expense (including Directors' remuneration):</u>		
Salaries, bonus and allocation	10,188	10,750
Share-based payments	260	-
Cost of defined contribution plans	601	682
Others	123	59
Total employee benefits expense	<u>11,172</u>	<u>11,491</u>
Allowance for slow moving inventories	90	29
Allowance for doubtful debts	29	123
Net foreign exchange losses	166	1,590
Loss (Gain) on disposal of property, plant and equipment	49	(118)
Costs of inventories recognised as expense	<u>17,147</u>	<u>18,398</u>
Non-audit fees:		
- Auditors of the Company	-	285
- Other auditors	-	110

31 DIVIDENDS

The directors proposed that a dividend of 0.13 cents (2008: Nil) per share will be paid to shareholders after rights issue (Note 36) amounting to \$285,616. This dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Notes to Financial Statements

December 31, 2009

32 EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group			
	2009		2008	
Earnings	Basic	Diluted	Basic	Diluted
	\$'000	\$'000	\$'000	\$'000
Net profit attributable to shareholders of the Company	944	944	37	37
	2009		2008	
Number of shares	No. of shares ('000)		No. of shares ('000)	
Weighted average number of ordinary shares for the purposes of basic earnings per share	137,315		137,594	
Effect of dilutive potential ordinary shares arising from share options	228		-	
Weighted average number of ordinary shares for the purposes of diluted earnings per share	137,543		137,594	

Notes to Financial Statements

December 31, 2009

33 ACQUISITION OF SUBSIDIARY

On January 1, 2009, the Group acquired 60% of the issued share capital of Micro-Air (Tianjin) Co., Ltd for cash consideration of \$648,350. This transaction has been accounted for by the purchase method of accounting.

The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Acquiree's carrying amount before combination	Fair value
	\$'000	\$'000
Net assets acquired:		
Property, plant and equipment	535	535
Inventories	177	177
Trade receivables	528	528
Other debtors, deposits and prepayments	158	158
Cash and bank balances	98	98
Trade payables	(357)	(357)
Other creditors and accruals	(20)	(20)
Amount due to a director	(120)	(120)
Current tax payable	(20)	(20)
	<u>979</u>	<u>979</u>
Minority interest		(392)
Goodwill		<u>61</u>
Total consideration, satisfied by cash		<u>648</u>
Net cash outflow arising on acquisition:		
Cash consideration paid		(648)
Cash and cash equivalents acquired		<u>59</u>
		<u>(589)</u>

The goodwill arising on the acquisition of Micro-Air Tianjin is attributable to the anticipated profitability of the business in providing vacuum coating, thermal treatment and other related services for plastic components.

34 CONTINGENT LIABILITIES

	Company	
	2009	2008
	\$'000	\$'000
Corporate guarantees given on behalf of subsidiaries for term loans and hire purchase facilities	3,973	4,923

Notes to Financial Statements

December 31, 2009

35 OPERATING LEASE ARRANGEMENTS

Group	
2009	2008
\$'000	\$'000

Payment recognised as an expenses during the year:

Minimum lease payments under operating leases
recognised as an expense in the year

867	844
-----	-----

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases which fall due as follows:

Group	
2009	2008
\$'000	\$'000
698	642
577	673
1,275	1,315

Within one year

In the second to fifth year inclusive

Operating lease payments represent rentals payable by the Group for certain of its factory and office premises, and office equipment. Leases are entered into for a period of one to five years.

37 SUBSEQUENT EVENTS

- 1) On March 15, 2010, the shareholders have approved the acquisition of assets which includes equipment, inventories and intangible assets amounting to \$6,200,000 with Microcomponents Ltd ("MCO") and Zhuhai SMH Watchmaking Co. Ltd ("ZSMH").

The acquisition will provide strong research and development and production capabilities. Following the acquisition, the Group will produce and market its products under the Juken Swiss Technology brand.

The Group is in the process of measuring the fair value of the assets acquired in accordance with FRS 103 Business Combinations. Therefore, it is impracticable to disclose the fair values and related goodwill that would arise from the acquisition.

- 2) On December 28, 2009, the Group had announced a proposed renounceable underwritten rights issue of 82,389,226 new ordinary shares in the capital of the Company at an issue price of S\$0.04 for each rights share, with 41,194,613 free detachable and transferrable warrants.

Each warrant carries the right to subscribe for one new ordinary share in the capital of the Group at an exercise price of \$0.04 for each new shares, on the basis of six rights shares with three warrants and for every ten existing ordinary shares in the capital of the Group.

Notes to Financial Statements

December 31, 2009

37 SUBSEQUENT EVENTS (CONT'D)

This is in the interest of the Company to raise additional funding through the rights issue in order to enlarge the Company's working capital and capital base and for general corporate purposes. Management does not expect the additional issuance of ordinary shares to have a significant impact to the financials for the year ending December 31, 2010.

The rights shares and warrants were listed and quoted on the Singapore Exchange Securities Trading Limited on February 26, 2010 and March 1, 2010 respectively.

Pursuant to the rights issue, on February 25, 2010, the Company announced that it has also granted additional share options of 9,594,000 and 2,100,000 to eligible employees and to the Directors of the Company under the Juken Share Option Scheme (the "Scheme") with exercise period from March 23, 2010 to April 7, 2014 and exercise period of March 23, 2010 to March 23, 2014 respectively. The exercise price of the additional share options is \$0.0671 per option which is the same exercise price as the existing options. Management does not expect the issuance of additional share options to have a significant impact to the financials for the year ending December 31, 2010.

Statistics of Shareholdings

As At 15 March 2010

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	47	4.21	5,910	0.00
1,000 - 10,000	324	29.01	2,133,400	0.97
10,001 - 1,000,000	714	63.92	53,387,122	24.30
1,000,001 and above	32	2.86	164,178,172	74.73
Total :	1,117	100.00	219,704,604	100.00

Twenty Largest Shareholders

Name	No. of Shares	%
1. Wong Keng Yin	33,751,842	15.36
2. Juken Kogyo Co., Ltd	23,467,341	10.68
3. Wong Lai Huat	12,627,608	5.75
4. OCBC Securities Private Ltd	10,777,520	4.91
5. Lim Swee Yeow @ Quak Beng Wee	7,270,000	3.31
6. Tan Lee Peng	6,676,800	3.04
7. Ang Kian Tiong	6,474,000	2.95
8. Taiwan Juken Co., Ltd	6,274,747	2.86
9. United Overseas Bank Nominees Pte Ltd	5,774,800	2.63
10. Poon Hon Thang	5,392,000	2.45
11. Phillip Securities Pte Ltd	5,193,032	2.36
12. HL Bank Nominees (S) Pte Ltd	3,750,800	1.71
13. UOB Kay Hian Pte Ltd	3,599,000	1.64
14. Wei Min-Chi	2,684,314	1.22
15. Wu Bo	2,600,000	1.18
16. DBS Nominees Pte Ltd	2,523,610	1.15
17. Citibank Nominees Singapore Pte Ltd	2,480,000	1.13
18. Kim Eng Securities Pte. Ltd.	2,162,210	0.98
19. Lai Huen Poh	1,924,000	0.88
20. Kwok Meng Sun or Kwok Lai Fong Evangeline	1,901,000	0.87
Total :	147,304,624	67.06

Statistics of Shareholdings

As At 15 March 2010

Class of shares	: Ordinary share
No. of shares (excluding treasury shares)	: 219,704,604
Voting rights	: One vote per share

As at 15 March 2010, the total number of treasury shares held is 299,000 (0.14%).

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2010

(As recorded in the Register of Substantial Shareholders)

	Number of Shares		Deemed Interest	%
	Direct Interest	%		
Wong Keng Yin ⁽¹⁾	33,751,842	15.36	3,200,000	1.46
Juken Kogyo Co. Ltd	23,467,341	10.68	-	-
Motoo Matsuura ⁽²⁾	-	-	23,467,341	10.68
Hisayo Matsuura ⁽²⁾	-	-	23,467,341	10.68
Naoki Matsuura ⁽²⁾	-	-	23,467,341	10.68
Wong Lai Huat	12,627,608	5.75	-	-

Notes:

- (1) Wong Keng Yin has a beneficial interest in 3,200,000 shares held by HL Bank Nominees (S) Pte Ltd.
- (2) Motoo Matsuura, Hisayo Matsuura and Naoki Matsuura are deemed interested in all the shares held by Juken Kogyo Co. Ltd.

As at 15 March 2010, 62% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Juken Technology Limited (“the Company”) will be held at 29 Scotts Road, Singapore 228224 on Friday, 23 April 2010 at 10.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts of the Company and the Group for the year ended 31 December 2009 together with the Auditors’ Report thereon. **Resolution 1**
2. To declare a first and final dividend of 0.13 Singapore cent per share one-tier tax exempt for the year ended 31 December 2009 (Previous year: Nil). **Resolution 2**
3. To re-elect the following Directors of the Company retiring pursuant to Articles 98(2) of the Articles of Association of the Company:

Mr Tan Gim Soo (Retiring under Article 98(2)) **Resolution 3**
Mr Goh Yeow Tin (Retiring under Article 98(2)) **Resolution 4**

[See Explanatory Note (i)]
4. To approve the payment of Directors’ fees of S\$216,000 for the year ending 31 December 2010, to be paid quarterly in arrears (2009: S\$156,000). **Resolution 5**
5. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **Resolution 6**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the “**Share Issue Mandate**”)

provided that:

- (1) Save as provided in sub-paragraph (2) below, the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (2) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued to existing shareholders via a pro-rata renounceable rights issue pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (3) below);
- (3) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraphs (1) and (2) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent consolidation or subdivision of shares;
- (4) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

Notice of Annual General Meeting

- (5) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments or (iii) in relation to sub-clause (2) above, 31 December 2010 or such other deadline as may be extended by the SGX-ST whichever is earlier.

[See Explanatory Note (ii)]

Resolution 7

8. **Authority to issue shares and Instruments other than on a pro rata basis at a discount not exceeding 20 per centum (20%)**

That subject to and pursuant to the Share Issue Mandate being obtained in Resolution 7 above, approval be and is hereby given to the Directors of the Company to issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro rata basis at an issue price per share as the Directors of the Company may in their absolute discretion deem fit provided that such price shall not represent a discount of more than 20 per centum (20%) to the weighted average price per share determined in accordance with the requirements of the SGX-ST and unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or 31 December 2010 or such other deadline as may be extended by the SGX-ST whichever is earlier.

[See Explanatory Note (iii)]

Resolution 8

9. **Authority to issue shares under the Juken Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the Juken Share Option Scheme ("the Scheme") and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme and such other share-based incentive scheme shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

Resolution 9

Notice of Annual General Meeting

10. **Authority to issue shares under the Juken Share Award Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant awards under the Juken Share Award Scheme (“the Award Scheme”) and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Award Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Award Scheme and such other share-based incentive scheme (including the Juken Share Option Scheme) shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

Resolution 10

11. **Renewal of Shareholders’ Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited:

- (a) approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on pages 5 to 7 of the Company’s Appendix dated 7 April 2010 (“Appendix”) with any party who is of the class of Interested Persons described in the Appendix, provided that such transactions are carried out in the normal course of business, at arm’s length and on commercial terms and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the Company’s Appendix (the “Shareholders’ Mandate”);
- (b) the Shareholders’ Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and
- (c) authority be given to the Directors of the Company to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders’ Mandate as they may think fit.

[See Explanatory Note (vi)]

Resolution 11

Notice of Annual General Meeting

12. **Renewal of Share Purchase Mandate**

That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix in relation to the details of the Proposed Renewal of the Share Purchase Mandate to shareholders dated 7 April 2010 ("Mandate"), in accordance with the "Authority and Limits on the Share Purchase Mandate" set out in the Mandate, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier

[See Explanatory Note (vii)]

Resolution 12

By Order of the Board

Koh Ing Chin
Wong Chee Meng Lawrence
Secretaries
Singapore, 7 April 2010

Explanatory Notes:

- (i) Mr Tan Gim Soo will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee, a member of the Audit Committee and Nominating Committee and will be considered independent.

Mr Goh Yeow Tin will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee, a member of the Audit Committee and Remuneration Committee and will be considered independent.

- (ii) The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company save that such number shall be up to 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company in relation to a pro-rata renounceable rights issue to existing shareholders.

Notice of Annual General Meeting

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

The 100% renounceable pro-rata rights issue limit is one of the new measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 which became effective on 20 February 2009 and will expire on 31 December 2010 unless extended by SGX-ST. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

- (iii) The Ordinary Resolution 7 above is one of the new measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 which became effective on 20 February 2009 and will expire on 31 December 2010 unless extended by SGX-ST. The Ordinary Resolution 8 above, if passed, will empower the Directors of Company to issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro-rata basis at a discount of not more than 20% to the weighted average price per share determined in accordance with the requirements of the SGX-ST.
- (iv) The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme and such other share-based incentive scheme up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
- (v) The Ordinary Resolution 10 above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the Award Scheme and such other share-based incentive schemes (including Juken Share Option Scheme) up to a number not exceeding in total (for the entire duration of the Scheme) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.
- (vi) The Ordinary Resolution 11 above, if passed, will authorise the Interested Person Transactions as described in the Appendix and recurring in the year and will empower the Directors of the Company to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held whichever is the earlier.

Notice of Annual General Meeting

- (vii) The Ordinary Resolution 12 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Mandate. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2009 are set out in greater detail in Mandate.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 33 Loyang Way Singapore 508731 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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JUKEN TECHNOLOGY LIMITED
Company Registration No. 199200539Z
(Incorporated In the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy Juken Technology Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____
of _____
being a member/members of Juken Technology Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 29 Scotts Road, Singapore 228224 on Friday, 23 April 2010 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2009		
2	Payment of proposed first and final dividend		
3	Re-election of Mr Tan Gim Soo as a Director		
4	Re-election of Mr Goh Yeow Tin as a Director		
5	Approval of Directors' fees amounting to S\$216,000		
6	Re-appointment of Messrs Deloitte & Touche LLP as Auditors		
7	Authority to issue new shares		
8	Authority to issue new shares other than pro-rata at a discount not more than 20%		
9	Authority to issue shares under the Juken Share Option Scheme		
10	Authority to issue shares under the Juken Share Award Scheme		
11	Renewal of Shareholders' Mandate for Interested Person Transactions		
12	Renewal of Share Purchase Mandate		

Dated this _____ day of _____ 2010

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete where inapplicable



Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 33 Loyang Way Singapore 508731 not less than 48 hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

JUKEN
Technology

JUKEN TECHNOLOGY LIMITED

Co. Reg. No. 199200539Z

33 Loyang Way

Singapore 508731

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