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Kinergy Corporation Ltd.

光控精技有限公司*

(Incorporated in Singapore with limited liability)

(Stock Code: 3302)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO
SUBSCRIPTION OF EQUITY BY CAPITAL INJECTION**

Financial Adviser



The Board is pleased to announce that on 6 November 2020 (after trading hours), Kinergy IME (a wholly-owned subsidiary of the Company), Chongqing CEL and the Target Company entered into the Capital Injection Agreement, pursuant to which Kinergy IME agreed to subscribe for new capital of the Target Company in the aggregate amount of RMB52.1 million (equivalent to approximately S\$10.42 million) in cash, out of which (i) RMB31.26 million will be contributed as registered capital of the Target Company and (ii) the remaining RMB20.84 million will be credited to the capital reserve of the Target Company. Upon Completion, the registered capital of the Target Company will increase from RMB30 million to RMB61.26 million and the Company (through Kinergy IME) will hold approximately 51.03% of the equity interest of the Target Company, and the equity interest in the Target Company held by Chongqing CEL will be reduced to approximately 48.97%. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results and positions of the Target Company will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CEL, being one of the controlling shareholders of the Company, indirectly holds 100% interest in Chongqing CEL, which in turn holds 100% interest in the Target Company. Accordingly, each of Chongqing CEL and the Target Company is a connected person of the Company, and therefore the Capital Injection Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Capital Injection is more than 5% but all applicable percentage ratios are less than 25%, the Capital Injection Agreement constitutes a discloseable and connected transaction for the Company and subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

EGM AND DESPATCH OF CIRCULAR

An EGM will be convened to consider and, if thought fit, pass a resolution to approve the Capital Injection Agreement and the transactions contemplated thereunder. To the best knowledge of the Directors, CEL together with its associates, which are interested in 262,906,380 Shares (representing approximately 30.66% of the total Shares in issue) as at the date of this announcement, Mr. Du together with his associates, who are interested in 8,193,704 Shares (representing approximately 0.95% of the total Shares in issue) as at the date of this announcement, and any shareholders who are required by the Listing Rules to abstain from voting, will abstain from voting at the EGM regarding the Capital Injection Agreement and the transactions contemplated thereunder.

A circular containing, among other information, (i) further details on the Capital Injection Agreement and the Capital Injection; (ii) the recommendation and advice of the Independent Board Committee in relation to the Capital Injection Agreement and the Capital Injection; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and Independent Shareholders in relation to the Capital Injection Agreement and the Capital Injection; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement, i.e. on or before 27 November 2020.

GENERAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Capital Injection Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

Shareholders and investors should note that the Capital Injection Agreement is subject to various conditions precedent as stated in the section headed “Capital Injection Agreement — Conditions Precedent” of this announcement, which may or may not be fulfilled. The Capital Injection may or may not complete. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the respective securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 6 November 2020 (after trading hours), Kinergy IME, Chongqing CEL and the Target Company entered into the Capital Injection Agreement, pursuant to which Kinergy IME agreed to subscribe for new capital of the Target Company in the aggregate amount of RMB52.1 million (equivalent to approximately S\$10.42 million) in cash, out of which (i) RMB31.26 million will be contributed as registered capital of the Target Company and (ii) the remaining RMB20.84 million will be credited to the capital reserve of the Target Company. Upon Completion, the registered capital of the Target Company will increase from RMB30 million to RMB61.26 million and the Company (through Kinergy IME) will hold approximately 51.03% of the equity interest of the Target Company, and the equity interest in the Target Company held by Chongqing CEL will be reduced to approximately 48.97%. Upon Completion, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results and positions of the Target Company will be consolidated into the accounts of the Group.

THE CAPITAL INJECTION AGREEMENT

The principal terms of the Capital Injection Agreement are summarized as follows:

- Date:** 6 November 2020
- Parties:**
- (1) Kinergy IME;
 - (2) Chongqing CEL; and
 - (3) The Target Company.

Subject matter to be acquired

Kinergy IME agreed to subscribe for new capital of the Target Company in the aggregate amount of RMB52.1 million (equivalent to approximately S\$10.42 million) in cash, out of which (i) RMB31.26 million will be contributed as registered capital of the Target Company and (ii) the remaining RMB20.84 million will be credited to the capital reserve of the Target Company. Upon Completion, the registered capital of the Target Company will increase from RMB30 million to RMB61.26 million, and the Company (through Kinergy IME) will hold approximately 51.03% of the equity interest of the Target Company, and the Target Company will become an indirect non-wholly owned subsidiary of the Company.

Amount of capital contribution

The Capital Injection of RMB52.1 million (equivalent to approximately S\$10.42 million) will be payable in cash by Kinergy IME within seven Business Days from the date on which the Independent Shareholders' approval for the Capital Injection Agreement and the Capital Injection has been obtained at the EGM.

Basis of the amount of capital contribution

The Capital Injection of RMB52.1 million was determined by the parties to the Capital Injection Agreement after arm's length negotiations taking into account the following principal factors: (i) the future funding requirements of the Target Company for fulfilling its outstanding capital commitment of the Target Fund(s) and for new private equity fund(s) to be established by the Target Company; (ii) the net asset value of approximately RMB50.0 million of the Target Company as at 30 June 2020; (iii) the synergies expected to be generated between the Group and the Target Company upon Completion as stated in the section headed "Reasons for and benefits of the Capital Injection" below; and (iv) the potential investment return of the Target Company, as the general partner of the Target Funds, upon the expiration of the Target Funds.

The Group intends to finance the Capital Injection by internal resources.

Conditions precedent

The Completion is conditional on the satisfaction (or waiver, if applicable) of the following conditions precedent on or before the Completion Date unless the parties otherwise agree:

- (a) the completion of due diligence in relation to the business, legal, financial and other conditions or prospects of the Target Company to the reasonable satisfaction of Kinergy IME;
- (b) approval from the Independent Shareholders having been obtained at the EGM for, among others, the Capital Injection Agreement and the Capital Injection in accordance with the Listing Rules; and

- (c) all major transaction documents in relation to the Capital Injection having been signed, Kinergy IME having received all the relevant signed documents and the Capital Injection Agreement becoming effective.

Save and except condition (b) above, Kinergy IME may waive in writing any of the above conditions precedent at any time before Completion.

Board composition

The board of the directors of the Target Company shall be formed within ten Business Days after the Completion and comprise three directors. Kinergy IME and Chongqing CEL will be entitled to nominate two and one directors of board of the directors of the Target Company, respectively. The board of the directors of the Target Company will appoint a general manager of the Target Company.

Investment decision-making committee

The Target Company shall change the composition, members and decision-making procedures of the investment decision-making committee (投資決策委員會) of each Target Fund within 30 Business Days after the Completion. Each of Kinergy IME and Chongqing CEL is entitled to nominate two members of the investment decision-making committee of each Target Fund. Each member of the investment decision-making committee of the Target Funds shall have one vote. After the Completion, the investment decision-making committee of Nantong Intelligent Fund shall comprise five members (including one member nominated by one of the limited partners of Nantong Intelligent Fund, Nantong Hengbang Investment Management Limited* (南通恒邦投資管理有限公司), which is wholly-owned by the Administrative Committee of Nantong Economic and Technological Development Zone* (南通市經濟技術開發區管理委員會) and an Independent Third Party), while the investment decision-making committees of Nantong Semiconductor Fund and Haimen Health Fund shall comprise four members. The decisions made by the investment decision-making committee of each Target Fund shall be passed by at least three fifth of the committee members.

Completion

Completion shall take place within seven Business Days from the date on which Independent Shareholders' approval for the Capital Injection Agreement and the Capital Injection has been obtained at the EGM, or such later date as the parties to the Capital Injection Agreement may agree in writing.

INFORMATION OF THE PARTIES TO THE CAPITAL INJECTION AGREEMENT

Kinergy IME

Kinergy IME is a limited liability company established in the PRC on 2 April 2020 and a wholly-owned subsidiary of the Company. The principal business of Kinergy IME is investment holding.

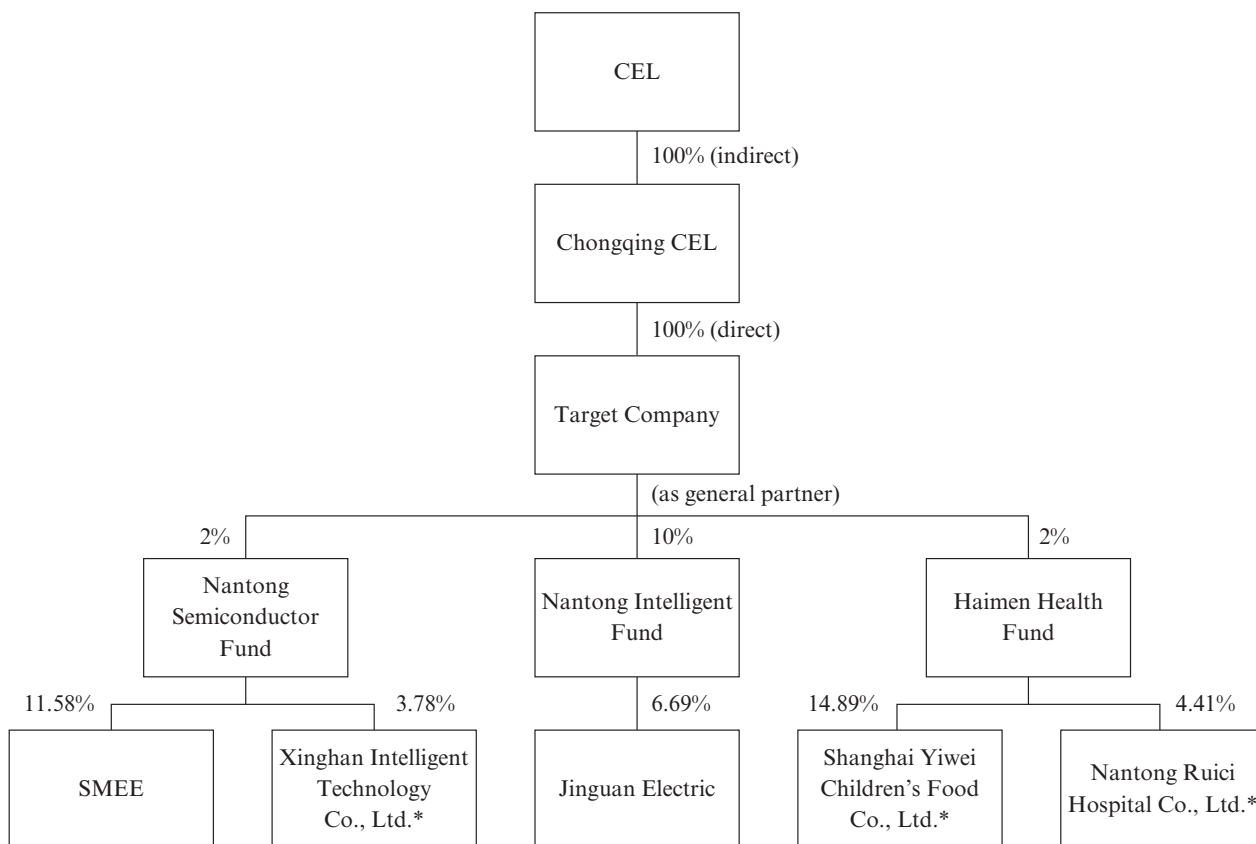
Chongqing CEL

To the best knowledge, information and belief of the Directors having made all reasonable enquires, Chongqing CEL is an investment holding company established in the PRC with limited liability on 7 June 2011 and wholly owned by CEL, one of the controlling shareholders of the Company. Thus, it is a connected person of the Company.

The Target Company

The Target Company is a limited liability company established in the PRC on 6 July 2015 and a direct wholly-owned subsidiary of Chongqing CEL. It is principally engaged in equity fund raising activities for non-listed corporations and related consultation services. The Target Company is a registered private equity fund manager (私募基金管理人) with the AMAC in the PRC which currently manages the Target Funds, namely Nantong Intelligent Fund, Nantong Semiconductor Fund and Haimen Health Fund.

Set out below is the group structure of the Target Company as at the date of this announcement:



Nantong Intelligent Fund

Nantong Intelligent Fund is a limited partnership established on 12 September 2019 and completed the filing with the AMAC on 30 April 2020. It is principally engaged in equity investments in enterprises in the information technology industry (which encompasses the semiconductor industry), intelligent manufacturing industry, and precision engineering equipment manufacturing industry (such as the semiconductor production equipment industry) and peripheral industries (such as the analog chips and perceptual components sectors) in the PRC. The initial size of the Nantong Intelligent Fund is RMB500 million (equivalent to approximately S\$100 million). The capital commitment of the Target Company (as general partner) and the Group via Kinergy EMS (as limited partner) in the Nantong Intelligent Fund is RMB50 million and RMB100 million, representing 10% and 20% of the total capital commitment, respectively. As at the date of this announcement, Nantong Intelligent Fund has an AUM of RMB200 million, of which RMB20 million was contributed by the Target Company and RMB40 million was contributed by Kinergy EMS.

The initial duration of Nantong Intelligent Fund is five years commencing from 12 September 2019. The first three years is the investment period and the two years commencing from the expiration of such investment period is the divestment period of Nantong Intelligent Fund. Both the investment period and divestment period of Nantong Intelligent Fund may be extended for one year.

The management fee of Nantong Intelligent Fund is 2% p.a. (pre-tax basis) on the AUM. As at the date of this announcement, (i) Nantong Intelligent Fund has a total investment amount of approximately RMB98.39 million, which has been invested in approximately 6.69% equity interests in Jinguan Electric, and (ii) the Group is directly interested in approximately 1.22% equity interests in Jinguan Electric.

Nantong Semiconductor Fund

Nantong Semiconductor Fund is a limited partnership established on 19 December 2018 and completed the filing with the AMAC on 11 February 2019. It is principally engaged in equity investments in enterprises in the design, research and development, manufacturing, sales and trading of high-end semiconductor equipment, pan-semiconductor equipment, intelligent equipment, industry 4.0, high-end equipment, intelligent manufacturing, TMT, and other related fields in the PRC. The target size of the Nantong Semiconductor Fund is RMB500 million (equivalent to approximately S\$100 million). The Nantong Semiconductor Fund has an initial operating period of four years from 19 December 2018, which may be further extended by two years upon expiry of the initial operating period. The capital commitment of the Target Company (as general partner) in the Nantong Semiconductor Fund is RMB10 million, representing 2% of the total capital commitment. As at the date of this announcement, Nantong Semiconductor Fund has an AUM of RMB500 million, of which RMB10 million was contributed by the Target Company.

The management fee of Nantong Semiconductor Fund is 1% p.a. (pre-tax basis) on the AUM. As at the date of this announcement, (i) Nantong Semiconductor Fund has a total investment amount of approximately RMB472.01 million, approximately RMB450.62 million of which has been invested approximately in 11.58% equity interests in SMEE, and the remaining RMB21.39 million has been invested in 3.78% equity interests in Xinghan Intelligent Technology Co., Ltd.* (星漢智能科技股份有限公司); and (ii) the Group is directly interested in approximately 0.4% equity interests in SMEE.

Haimen Health Fund

Haimen Health Fund is a limited partnership established on 16 August 2017 and completed the filing with the AMAC on 7 February 2018. It is principally engaged in equity investments in enterprises in the health and elderly care industry in the PRC. The target size of the Haimen Health Fund is up to RMB2 billion (equivalent to approximately S\$0.4 billion). The initial duration of Haimen Health Fund is six years commencing from 16 August 2017. The first four years is the investment period and the two years commencing from the expiration of such investment period is the divestment

period of Haimen Health Fund. The divestment period of Haimen Health Fund may be extended for one year. As at the date of this announcement, Haimen Health Fund has an AUM of RMB441.5 million, of which RMB8.83 million (i.e. 2% of its AUM) was contributed by the Target Company.

The management fee of Haimen Health Fund is 2% p.a. (pre-tax basis) on the AUM. As at the date of this announcement, Haimen Health Fund has a total investment amount of RMB170 million, RMB70 million of which has been invested in 14.89% equity interests in Shanghai Yiwei Children's Food Co., Ltd.* (上海伊威兒童食品有限公司) and the remaining RMB100 million has been invested in approximately 4.41% equity interests in Nantong Ruici Hospital Co., Ltd.* (南通瑞慈醫院有限公司).

Financial information

Set out below is the financial information of the Target Company for the two years ended 31 December 2019 and the nine months ended 30 September 2020:

	For the year ended		For the nine
	31 December		months ended
	2018	2019	30 September
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)
Revenue	9,684	12,370	11,666
Net profit before tax	7,322	9,227	10,226
Net profit after tax	5,399	6,891	7,669

The unaudited net asset value of the Target Company as at 30 September 2020 is approximately RMB52.45 million (equivalent to approximately S\$10.49 million).

Immediately upon the Completion, the Target Company will be owned as to approximately 51.03% by Kinergy IME and approximately 48.97% by Chongqing CEL, and the Target Company will become an indirect non-wholly owned subsidiary of the Company. The financial results and position of the Target Company will be consolidated into the accounts of the Group upon Completion.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

The Company is a limited liability company incorporated in Singapore. The principal activities of the Group are to provide contract manufacturing, design, engineering and assembly for the semiconductor industry, and the design, manufacture and sale of automated machines, apparatus, systems, and equipment. While the Group endeavours to continue to strength its market position in its principal businesses, it has been

exploring opportunities to expand and diversify its operations through joint ventures, strategic collaborations and/or acquisitions with parties who can provide synergistic value to our business, as well as access to new markets and customers.

The Target Company is a private equity fund manager and currently manages the Target Funds. The investment objectives of the Target Company as a private equity fund manager are to make equity investments in high-end equipment, semiconductor equipment, advanced manufacturing and other related industries. The Target Funds have invested in five investment targets in total. For details of the investment targets, please refer to the section headed “Information of the parties to the Capital Injection Agreement — The Target Company” of this announcement. In particular, Jinguan Electric has submitted application for listing on the Shanghai Stock Exchange in June 2020, while SMEE has been undergoing the guidance in preparation for listing on the Shanghai Stock Exchange. It is expected that optimistic return will be generated for the Target Company as a general partner of the Target Funds after the listings of the investment targets are materialised and/or through divestment of the investment targets upon the expiration of the Target Funds.

The purpose of the Capital Injection is to bring about the synergy of the principal business of the Target Company and the Group in order to achieve financial benefits. The Capital Injection reflects the Group’s strategy of continually seeking expansion opportunities, leveraging the Group’s strong business network, solid industry knowledge as well as strength in upstream and downstream resources in the field of semiconductor process equipment industry. After the Completion, Kinergy IME will be entitled to nominate (i) two directors of the board of directors of the Target Company and (ii) two members of the investment decision-making committee of each Target Fund. The Group expects to provide valuable recommendations to the Target Company for identifying potential investment targets, enhance investment returns and introduce more limited partners to invest in the Target Funds and other new private equity fund(s) that the Target Company may establish from time to time. Furthermore, the acquisition of the Target Company through the Capital Injection may lay down the foundation of the long-term strategic cooperation between the Group and the investee companies of the Target Funds, which enables the Group to seize opportunities that were not available to the Group or that the Group could not afford on its own, and accelerate the Group’s expansion of footprint in the semiconductor process equipment industry in the PRC. In addition to the Group’s existing investment in the Nantong Intelligent Fund, SMEE and Jinguan Electric, the Directors believe that the Group’s strategic acquisition of the Target Company and participation in the fund management business will further allow the Group to diversity its business risk and financial returns, and in turn generate optimistic return to the Company and hence the Shareholders upon the divestment of the Target Funds in the long run. Moreover, the Group has been seeking investment opportunities to strengthen its financial investments so as to enhance the long-term growth potential of the Group. In light of the Capital Injection, the Group expects to enhance its capital use efficiency and hopes to receive long-term investment income from the Target Company.

It is intended that RMB30 million of the amount of capital contribution for the Capital Injection will be used by the Target Company, as general partner, to fulfil in its second and third instalments of capital commitment of Nantong Intelligent Fund, which are expected to be made in 2021 and 2022, respectively. The remaining RMB22.1 million is expected to be invested by Target Company as general partner in new private equity fund(s) to be established by the Target Company.

The Directors (excluding the independent non-executive Directors who will form their view after considering the advices of the independent financial adviser) consider that the terms of the Capital Injection Agreement are fair and reasonable, and that the Capital Injection is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CEL, being one of the controlling shareholders of the Company, indirectly holds 100% interest in Chongqing CEL, which in turn holds 100% interest in the Target Company. Accordingly, each of Chongqing CEL and the Target Company is a connected person of the Company; and therefore the Capital Injection Agreement constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Capital Injection is more than 5% but all applicable percentage ratios are less than 25%, the Capital Injection Agreement constitutes a discloseable and connected transaction of the Company and subject to the reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

EGM AND DESPATCH OF CIRCULAR

The EGM will be convened to consider and, if thought fit, pass a resolution to approve the Capital Injection Agreement and the transactions contemplated thereunder. To the best knowledge of the Directors, CEL together with its associates, which are interested in 262,906,380 Shares (representing approximately 30.66% of the total Shares in issue) as at the date of this announcement, Mr. Du together with his associates, who are interested in 8,193,704 Shares (representing approximately 0.95% of the total Shares in issue) as at the date of this announcement, and any shareholders who are required by the Listing Rules to abstain from voting, will abstain from voting at the EGM regarding the Capital Injection Agreement and the transactions contemplated thereunder.

A circular containing, among other information, (i) further details on the Capital Injection Agreement and the transactions contemplated thereunder; (ii) the recommendation and advice of the Independent Board Committee; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and

Independent Shareholders; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders within 15 business days from the date of this announcement, i.e. on or before 27 November 2020.

GENERAL INFORMATION

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Capital Injection Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

Shareholders and investors should note that the Capital Injection Agreement is subject to various conditions precedent as stated in the section headed “Capital Injection Agreement — Conditions Precedent” of this announcement, which may or may not be fulfilled. The Capital Injection may or may not complete. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“AMAC”	Asset Management Association of China (中國證券投資基金業協會)
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“AUM”	assets under management, being the total paid-up contribution of each Target Fund
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which banks generally are open for business in the PRC
“Capital Injection”	the proposed subscription for new capital of the Target Company in the aggregate amount of RMB52.1 million (equivalent to approximately S\$10.42 million) by Kinergy IME under the Capital Injection Agreement
“Capital Injection Agreement”	the capital injection agreement dated 6 November 2020 entered into between Kinergy IME, Chongqing CEL and the Target Company in respect of the Capital Injection

“CEL”	China Everbright Limited (中國光大控股有限公司), a company incorporated in Hong Kong on 25 August 1972, whose shares are listed on the Stock Exchange (stock code: 165), and one of the controlling shareholders of the Company
“Chongqing CEL”	Chongqing CEL Equity Investment Management Co., Ltd.* (重慶光控股權投資管理有限公司), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — Chongqing CEL” of this announcement
“Company”	Kinergy Corporation Ltd. (光控精技有限公司*), a company incorporated in Singapore with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Capital Injection
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	extraordinary general meeting of the Company to be convened for considering, and if thought fit, approving the Capital Injection Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Haimen Health Fund”	Haimen CEL Health and Elderly Care Industry Investment Partnership (Limited Partnership)* (海門光控健康養老產業投資合夥企業(有限合夥)), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — The Target Company — Haimen Health Fund” of this announcement
“Independent Board Committee”	the independent committee of the Board comprising all of the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Capital Injection Agreement and the transactions contemplated thereunder

“Independent Shareholders”	with respect to the Capital Injection Agreement, Shareholders other than (i) CEL and its associates; (ii) Mr. Du and his associates; and (iii) any other Shareholders who are required by the Listing Rules to abstain from voting in respect of the resolution(s) relating to the Capital Injection Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	any third party independent of and not connected with the Company and its connected persons
“Jinguan Electric”	Jinguan Electric Co., Ltd.* (金冠電氣股份有限公司), a joint stock company established in the PRC on 28 March 2005
“Kinergy EMS”	Kinergy EMS (Nantong) Company Limited* (精技電子(南通)有限公司), a limited liability company established in the PRC on 23 July 2003 and a direct wholly-owned subsidiary of the Company
“Kinergy IME”	Kinergy Intelligent Manufacturing Equipment (Nantong) Co. Ltd.* (精技智能裝備(南通)有限公司), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — Kinergy IME” of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Du”	Mr. Du Xiaotang, an executive Director and one of the controlling shareholder of the Company
“Nantong Intelligent Fund”	Nantong CEL Intelligent Manufacturing Equity Investment Fund Partnership (Limited Partnership)* (南通光控智造股權投資基金合夥企業(有限合夥)), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — The Target Company — Nantong Intelligent Fund” of this announcement
“Nantong Semiconductor Fund”	Nantong CEL Semiconductor Industry Investment Fund Partnership (Limited Partnership)* (南通光控半導體產業投資基金合夥企業(有限合夥)), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — The Target Company — Nantong Semiconductor Fund” of this announcement

“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“S\$”	Singapore Dollar, the lawful currency of Singapore
“Share(s)”	shares(s) of the Company
“Shareholder(s)”	shareholders of the Company
“Singapore”	the Republic of Singapore
“SMEE”	Shanghai Micro Electronics Equipment (Group) Co., Ltd.* (上海微電子裝備(集團)股份有限公司), a joint stock company established in the PRC on 7 March 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Target Company”	Shanghai CEL Puyan Equity Investment Management Limited* (上海光控浦燕股權投資管理有限公司), which is more particularly described in the section headed “Information of the parties to the Capital Injection Agreement — The Target Company” of this announcement
“Target Funds”	Nantong Intelligent Fund, Nantong Semiconductor Fund and Haimen Health Fund, and each a “Target Fund”
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into S\$ is calculated at the approximate exchange rate of RMB1.00 to S\$0.20. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

By order of the Board
Kinergy Corporation Ltd.
Lim Kuak Choi Leslie
Executive Director and Chief Executive Officer

Hong Kong, 6 November 2020

* *For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Lim Kuak Choi Leslie, Mr. Du Xiaotang, Mr. Lim Khin Mann and Mr. Tay Kim Kah; the non-executive Directors are Mr. Yang Ping (Chairman) and Mr. Tsang Sui Cheong Frederick; and the independent non-executive Directors are Mr. Ng Tiak Soon, Dr. Senerath Wickramanayaka Mudiyanseelage Sunil Wickramanayaka and Professor Zhang Wei.