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**Kinergy Corporation Ltd.**

**精技集團有限公司\***

*(Incorporated in Singapore with limited liability)*

**(Stock Code: 3302)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The Board of Directors (the “**Board**”) of Kinergy Corporation Ltd. (the “**Company**”) hereby announces the interim results and the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024.

### **SUMMARY**

	<b>For the six months ended</b>			<b>Percentage</b>
	<b>30 June</b>	<b>30 June</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>	<b>Change</b>	<b>Change</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>		
	<b>(\$\$'000)</b>	<b>(\$\$'000)</b>	<b>(\$\$'000)</b>	
Revenue	<b>50,280</b>	51,523	(1,243)	–2.4%
Profit/(Loss) for the period	<b>(3,444)</b>	2,894	(6,338)	NA
EBITDA <sup>(1)</sup>	<b>(712)</b>	7,965	(8,677)	NA
EBIT <sup>(2)</sup>	<b>(3,172)</b>	5,489	(8,661)	NA

*Note(s):*

- (1) EBITDA (non-IFRS/SFRS(I) measures) is defined as earnings before interest, taxes, depreciation and amortisation. It is calculated using profit/loss for the period, taking out the aggregate of income tax expenses or credit depreciation, amortisation, interest expenses and interest income for the period.
- (2) EBIT (non-IFRS/SFRS(I) measures) is defined as earnings before interest and taxes. It is calculated using profit/loss for the period, taking out the aggregate of interest expense, income tax expense or credit and interest income for the period.
- (3) EBITDA and EBIT presented are additional financial measures not required by or presented in accordance with IFRS/SFRS(I) to eliminate the potential impact of items that the management considers cannot reflect our operating performance, which is conducive to the comparison of operating performance across years and companies, and to provide readers useful information to understand and evaluate our consolidated results of operation in the same manner as the management. However, such measures are not necessarily comparable to similar measurement tools presented by other companies and have limitations as analytical tools, and should not be considered independent of or as a substitute for our analysis of results of operation or financial conditions presented in accordance with IFRS/SFRS(I).

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME**  
*FOR THE SIX MONTHS ENDED 30 JUNE*

	<i>Notes</i>	<b>2025</b> <b>(unaudited)</b> <i>S\$'000</i>	<b>2024</b> <b>(unaudited)</b> <i>S\$'000</i>
<b>Revenue</b>	<b>4</b>	<b>50,280</b>	51,523
Cost of sales		<u>(45,765)</u>	<u>(46,703)</u>
<b>Gross profit</b>		<b>4,515</b>	4,820
Other income	<b>5</b>	<b>638</b>	8,766
Sales and marketing expenses		<b>(1,488)</b>	(1,574)
General and administrative expenses		<b>(6,512)</b>	(6,820)
Other gains and losses	<b>6</b>	<b>(140)</b>	567
Finance costs		<b>(460)</b>	(472)
Share of results of associates		<u><b>(141)</b></u>	<u>(240)</u>
<b>(Loss)/Profit before tax</b>	<b>7</b>	<b>(3,588)</b>	5,047
Income tax credit/(expense)	<b>8</b>	<u><b>144</b></u>	<u>(2,153)</u>
<b>(Loss)/Profit for the period</b>		<u><b>(3,444)</b></u>	<u>2,894</u>
<b>(Loss)/Profit for the period attributable to:</b>			
Owners of the Company		<b>(3,748)</b>	(257)
Non-controlling interests		<u><b>304</b></u>	<u>3,151</u>
		<u><b>(3,444)</b></u>	<u>2,894</u>
<b>Other comprehensive income:</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<u><b>(3,358)</b></u>	<u>789</u>
<b>Total comprehensive income for the period</b>		<u><b>(6,802)</b></u>	<u>3,683</u>

		<b>2025</b>	2024
	<i>Notes</i>	<b>(unaudited)</b>	(unaudited)
		<b>S\$'000</b>	<b>S\$'000</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		<b>(6,505)</b>	418
Non-controlling interests		<b>(297)</b>	3,265
		<u><b>(6,802)</b></u>	<u>3,683</u>
<b>Loss per share attributable to owners of the Company:</b>			
Basic and diluted (Singapore cents)	9	<u><b>(0.41)</b></u>	<u>(0.03)</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 June 2025 (unaudited) S\$'000	As at 31 December 2024 (audited) S\$'000
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment		23,875	26,268
Right-of-use assets		3,600	4,458
Intangible assets		559	17
Investment securities	10	21,525	21,525
Investment in associates	11	15,803	16,745
Deferred tax assets		4,201	3,492
<b>Total non-current assets</b>		<b>69,563</b>	<b>72,505</b>
<b>Current assets</b>			
Inventories	12	45,632	45,407
Trade receivables	13	20,529	19,463
Prepayments, deposits and other receivables		2,682	2,552
Cash and cash equivalents	14	11,229	17,684
<b>Total current assets</b>		<b>80,072</b>	<b>85,106</b>
<b>Current liabilities</b>			
Trade payables	15	18,201	16,885
Other payables and accruals		6,574	8,791
Provision for warranty		14	21
Interest-bearing loans and borrowings	16	24,591	21,307
Income tax payable		132	2,904
<b>Total current liabilities</b>		<b>49,512</b>	<b>49,908</b>
<b>Net current assets</b>		<b>30,560</b>	<b>35,198</b>

		As at 30 June 2025 (unaudited) S\$'000	As at 31 December 2024 (audited) S\$'000
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,786	1,539
Interest-bearing loans and borrowings	16	<u>2,607</u>	<u>3,632</u>
<b>Total non-current liabilities</b>		<u>4,393</u>	<u>5,171</u>
<b>Net assets</b>		<u><b>95,730</b></u>	<u><b>102,532</b></u>
<b>Equity</b>			
Share capital	17	91,293	91,293
Reserves		<u>(8,287)</u>	<u>(1,782)</u>
<b>Equity attributable to:</b>			
Owners of the Company		83,006	89,511
Non-controlling interests		<u>12,724</u>	<u>13,021</u>
<b>Total equity</b>		<u><b>95,730</b></u>	<u><b>102,532</b></u>

# **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

## **1. CORPORATE INFORMATION**

The Company is a limited liability company incorporated and domiciled in Singapore and is listed on the Main Board of the Stock Exchange.

The registered office and place of business of the Company is located at 1 Changi North Street 1, Singapore 498789.

The principal activities of the Group are in the provision of services in (i) contract manufacturing, design, engineering and assembly for the electronics industry; (ii) design, manufacturing and sale of automated machines, apparatus, systems and equipment; and (iii) fund management and conducting investment activities in equity securities and funds.

The Company operates in Singapore and its subsidiaries operate in the PRC, the Philippines, Japan and Malaysia.

## **2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

### **(i) Basis of preparation**

The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (“IASB”) and the applicable disclosure provisions of the Listing Rules.

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024.

The unaudited interim condensed consolidated financial statements are presented in Singapore Dollars (S\$) and all values are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

## **(ii) New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

## **3. SEGMENT INFORMATION**

For management purposes, the Group is organised into business units based on their products or services and has three reportable operating segments as follows:

- (i) EMS, which focuses primarily on manufacturing complete machines, sub-systems and components for original equipment manufacturers. Major products of the EMS division include: (i) complete machines such as advance wire bonders, dicing machines and lapping machines, lifters and polishing machines; (ii) sub-systems such as Equipment Front-End Modules (“EFEM”), large format vacuum transport modules, vacuum and atmospheric robots, process chambers and load port modules; and (iii) components such as dry pumps and housing.
- (ii) ODM, which is subdivided into the automated equipment department and precision tooling department, designs and manufactures the Group's own “Kinergy” brand proprietary automated equipment, precision tools and spare parts for use mainly in the semiconductor back-end equipment industry. Major products of the ODM division include equipment such as auto frame loaders, auto-buffing equipment and detape equipment, precision tools such as encapsulation moulds and dies and spare parts and automated farming equipment.
- (iii) Investment, which primarily engages in providing fund management services and conducting investment activities in equity securities and funds.

The Group's chief operating decision maker is the chief executive officer, who reviews revenue and results of major type of products sold/services rendered for the purpose of resource allocation and assessment of segment performance. The accounting policies of the operating segments are the same as the Group's accounting policies. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted gross profit. No analysis of the Group's assets and liabilities by operating segments is disclosed as it is not regularly provided to the chief operating decision maker for review.

## Revenue breakdown by business segments

The following table sets out our revenue by business segments for the six months ended 30 June 2025 and 2024:

	For the six months ended 30 June			
	2025		2024	
	(unaudited)		(unaudited)	
	S\$'000	%	S\$'000	%
EMS	47,217	93.9	47,347	91.9
ODM	1,856	3.7	3,194	6.2
Investment	1,207	2.4	982	1.9
	<u>50,280</u>	<u>100.0</u>	<u>51,523</u>	<u>100.0</u>

## Geographical information

The following table sets out our revenue by geographical locations for the six months ended 30 June 2025 and 2024. It should be noted that the following breakdown is based on the location of our customers. Our customers, in particular multinational corporations, may elect to place purchase orders from various regional offices. The locations where our products are used may be different from where the customers locate.

	For the six months ended 30 June			
	2025		2024	
	(unaudited)		(unaudited)	
	S\$'000	%	S\$'000	%
Singapore	28,322	56.4	22,402	43.5
Mainland China	7,152	14.3	7,250	14.1
The United States	6,955	13.8	12,031	23.4
The Philippines	924	1.8	1,456	2.8
Japan	2,279	4.5	1,625	3.2
Other countries	4,648	9.2	6,759	13.0
	<u>50,280</u>	<u>100.0</u>	<u>51,523</u>	<u>100.0</u>



## 4. REVENUE

### Disaggregation of revenue

	EMS		ODM		Investment		Total revenue	
			For the six months ended 30 June					
	2025	2024	2025	2024	2025	2024	2025	2024
			(unaudited)					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Type of goods or services								
Sale of goods	46,675	47,037	1,856	3,194	—	—	48,531	50,231
Rendering of services	542	310	—	—	1,207	982	1,749	1,292
	<u>47,217</u>	<u>47,347</u>	<u>1,856</u>	<u>3,194</u>	<u>1,207</u>	<u>982</u>	<u>50,280</u>	<u>51,523</u>
Timing of transfer of goods or services								
At a point in time	47,217	47,347	1,856	3,194	—	—	48,531	50,541
Over period of time	—	—	—	—	1,207	982	1,749	982
	<u>47,217</u>	<u>47,347</u>	<u>1,856</u>	<u>3,194</u>	<u>1,207</u>	<u>982</u>	<u>50,280</u>	<u>51,523</u>

## 5. OTHER INCOME

	For the six months ended	
	30 June	
	2025	2024
	(unaudited)	(unaudited)
	S\$'000	S\$'000
Other income		
Bank interest income	44	30
Government grants <sup>(a)</sup>	23	97
Dividend income	—	69
Others	113	70
Other investment income	458	8,500 <sup>(b)</sup>
	<u>638</u>	<u>8,766</u>

*Notes:*

- (a) There are no unfulfilled conditions and other contingencies relating to these grants.
- (b) The amount indicates the carry income of S\$8.5 million arising from end-of-life of an investment fund managed by Shanghai Genlight.

## 6. OTHER GAINS AND LOSSES

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>S\$'000</b>	S\$'000
Foreign exchange differences, net	128	510
Net fair value (losses)/gains on investment securities at fair value through profit or loss	(268)	57
	<u>(140)</u>	<u>567</u>

## 7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting) the following items:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>S\$'000</b>	S\$'000
Cost of inventories	<b>31,923</b>	32,009
Depreciation of property, plant and equipment	<b>1,646</b>	1,676
Depreciation of right-of-use assets	<b>795</b>	767
Amortisation of intangible assets	<b>19</b>	33
Research and development expenses	<b>1,055</b>	1,418
Short-term leases	<b>37</b>	150
Auditor's remuneration	<b>137</b>	179
Professional fees	<b>242</b>	187
Employee benefit expenses (excluding directors' and chief executive's remuneration):		
— Wages and salaries	<b>10,995</b>	12,620
— Pension scheme contributions	<b>1,693</b>	1,712
(Reversal)/Addition of provision for warranty	<b>(2)</b>	17
Foreign exchange differences, net	<b>(128)</b>	(510)
Government grants	<b>(23)</b>	(97)
Allowance for inventory obsolescence	<b>40</b>	131
Bank interest income	<b>(44)</b>	(30)

## 8. INCOME TAX CREDIT/(EXPENSE)

The major components of income tax credit/(expense) for the six months ended 30 June 2025 and 2024 are as follows:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current income tax credit/(expense)	<b>271</b>	<b>(2,137)</b>
Under provision in respect of previous years	<b>(127)</b>	<b>(16)</b>
	<hr/>	<hr/>
Income tax credit/(expense)	<b><u>144</u></b>	<b><u>(2,153)</u></b>

## 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amounts is based on the loss for six months attributable to owners of the Company, and the weighted average number of ordinary shares of 920,393,394 in issue during the six months ended 30 June 2025 and 2024.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2025 and 2024.

The following table reflects the income and share data used in the basic and diluted loss per share calculations:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
	<b>S\$'000</b>	S\$'000
<b>Loss</b>		
Loss for the period attributable to owners of the Company	<u><u>(3,748)</u></u>	<u><u>(257)</u></u>
	<b>As at 30 June</b>	
	<b>2025</b>	2024
<b>Number of shares</b>		
Weighted average number of ordinary shares	<u><u>920,393,394</u></u>	<u><u>920,393,394</u></u>
<b>Loss per share attributable to owners of the Company</b>		
Basic and diluted (Singapore cents)	<u><u>(0.41)</u></u>	<u><u>(0.03)</u></u>

## 10. INVESTMENT SECURITIES

	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<b>(unaudited)</b>	(audited)
	<b>S\$'000</b>	S\$'000
<b>At fair value through profit or loss</b>		
— Non-quoted equity investments	<u><u>21,525</u></u>	<u><u>21,525</u></u>

## 11. INVESTMENT IN ASSOCIATES

The Group's investment in associates are summarised below:

	<b>30 June 2025 (unaudited) S\$'000</b>	<b>31 December 2024 (audited) S\$'000</b>
Nantong Genlight Venture Capital Fund	<b>1,624</b>	1,638
Nantong Intelligent Fund	<b>9,068</b>	9,864
Nanyang Fund	<b>4,796</b>	4,880
Liteleaf	<b>315</b>	363
	<b><u>15,803</u></b>	<b><u>16,745</u></b>

Particulars of the principal associates of the Group are as follows:

Name of associate	Place of incorporation/ operation	Principal activities	Percentage of ownership interest attributable to the Group	
			30 June 2025	31 December 2024
<i>Held through the Company:</i>				
Liteleaf	Singapore	Growing of leafy and fruit vegetables (hydroponics) with agrotechnology consultancy services and developing agricultural machineries	8% <sup>(1)</sup>	8% <sup>(1)</sup>
<i>Held through the subsidiaries of the Company:</i>				
Nantong Intelligent Fund	The PRC	Private equity investment	20%	20%
Nanyang Fund	The PRC	Private equity investment	20%	20%
Nantong Genlight Venture Capital Fund	The PRC	Private equity investment	30%	30%

*Note(s):*

- (1) As one of the Directors is a director of Liteleaf, Liteleaf is considered one of the principal associates of the Group although the Group owns only approximately 8% interest in Liteleaf.

## 12. INVENTORIES

	<b>30 June 2025 (unaudited) S\$'000</b>	<b>31 December 2024 (audited) S\$'000</b>
Raw materials	<b>35,555</b>	33,428
Work-in-progress	<b>4,145</b>	5,659
Finished goods	<b>5,932</b>	6,320
	<hr/>	<hr/>
Total inventories at lower of cost and net realisable value	<b><u>45,632</u></b>	<b><u>45,407</u></b>

## 13. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the due date is as follows:

	<b>30 June 2025 (unaudited) S\$'000</b>	<b>31 December 2024 (audited) S\$'000</b>
Neither past due nor impaired	<b>16,719</b>	15,843
Past due:		
— 0 to 30 days	<b>2,927</b>	2,316
— 31 to 60 days	<b>476</b>	1,087
— 61 to 90 days	<b>179</b>	163
— Over 90 days	<b>228</b>	54
	<hr/>	<hr/>
	<b><u>20,529</u></b>	<b><u>19,463</u></b>

## 14. CASH AND CASH EQUIVALENTS

	<b>30 June 2025 (unaudited) S\$'000</b>	<b>31 December 2024 (audited) S\$'000</b>
Cash and bank balances	<b>11,214</b>	17,669
Short-term deposits	<b>15</b>	15
	<b><u>11,229</u></b>	<b><u>17,684</u></b>

## 15. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 June 2025 (unaudited) S\$'000</b>	<b>31 December 2024 (audited) S\$'000</b>
— 0 to 30 days	<b>3,485</b>	6,898
— 31 to 60 days	<b>4,787</b>	4,499
— 61 to 90 days	<b>4,208</b>	2,497
— Over 90 days	<b>5,721</b>	2,991
	<b><u>18,201</u></b>	<b><u>16,885</u></b>



## 16. INTEREST-BEARING LOANS AND BORROWINGS

	30 June 2025 (unaudited) S\$'000	31 December 2024 (audited) S\$'000
Lease liabilities	2,859	3,637
2.0% unsecured bank loan of S\$5,000,000	216	861
2.5% unsecured bank loan of S\$5,000,000	1,051	1,566
5.87% unsecured bank loan of S\$480,392	264	312
6.09% secured bank loan of RM3,350,000	1,013	1,020
Unsecured bank trade financing	19,475	17,486
Bank overdrafts	2,320	57
	<u>27,198</u>	<u>24,939</u>
Repayable details as follows:		
Current:		
— Within 1 year	24,591	21,307
Non-Current:		
— Within a period of more than 1 year but not exceeding 2 years	2,120	2,574
— Within a period of more than 2 years but not exceeding 5 years	487	1,058
	<u>27,198</u>	<u>24,939</u>

## 17. SHARE CAPITAL

	Number of shares	Amount S\$'000
Issued and fully paid ordinary Shares <sup>(1)</sup> :		
As at 31 December 2024 (audited), 1 January 2025 and 30 June 2025 (unaudited)	<u>920,393,394</u>	<u>91,293</u>

*Note(s):*

(1): All issued Shares are fully paid ordinary shares with no par value.

## 18. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. OVERVIEW

Established in Singapore in 1988, we are a major contract manufacturer specialising in the manufacture of equipment, machines, sub-systems, precision tools, spare parts and components mainly in the SPE industry, with in-house production facilities located in Singapore, the PRC, the Philippines and Malaysia. The Group is mainly engaged in three reportable business segments, namely (i) electronics manufacturing services (“**EMS**”), (ii) original design manufacturing (“**ODM**”), and (iii) investment. Our EMS division focuses primarily on manufacturing of sub-system, complete machines and components, for original design manufacturers and the provision of post-warranty period maintenance and commissioning services to our customers. Our ODM division focuses primarily on designs and manufacturing automated equipment, precision tools and spare parts under our own “Kinergy” brand for use in the semiconductor back-end equipment industry. Our investment division focuses primarily on providing fund management services and conducting investment activities in equity securities and funds.

The Group’s revenue was mainly derived from the EMS division, which accounted for approximately 93.9% of our total revenue for the six months ended 30 June 2025. Revenue from the ODM and investment divisions accounted for approximately 3.7% and 2.4% of our total revenue for the six months ended 30 June 2025, respectively.

Our business has taken a turn for the worse as the semiconductor business of our major clients take a hit with their business downturns. These business downturns were mainly caused by a reduced new investments in manufacturing and service industries. Another cause of major business downturns is the uncertainties of business forecasts arising from sanctions and the American tariffs that are still hanging over the heads of many countries of the world.

The only silver lining in the semiconductor industry is the manufacturers of Artificial Intelligence (AI) chips. The semiconductor industry in China is also active. However, based on the Company’s observation, only a few technologically advanced wafer fabrication companies are doing well. Most of the active semiconductor companies in China are in the lower value semiconductor assembly and test of wafers section.

## 2. BUSINESS REVIEW AND PROSPECT

The Group has actively orientated towards these dramatic changes in business conditions. Most of the projects worked on has been delayed by the reasons of trading uncertainties and diminished new investments.

Our prolonged efforts to gain new businesses have been pushed out by the delay in the recovery of the semiconductor industry. This resulted not only in decreased revenue but also aggravated loss resulting from keeping the scarce skilled labour.

A brief summary of the three business units of the Group is outlined below:

— **EMS Division**

Our total revenue from the EMS Division for the six months ended 30 June 2025 decreased slightly by approximately 0.3% compared to the corresponding period in 2024, which was mainly attributable to a decrease in the sales volume.

Two businesses that we expected an increased revenue pick-up did not materialize. They were:

- a. the contract manufacturing of our biggest customer's low-cost LED ball bonders in China for the China market.
- b. Our Japanese customer is experiencing a significant drop in demand for their equipment, thus affecting our revenue with this push-out of demands.

One potential for contract manufacturing of a major Japanese supplier of load ports has also delayed their project owing to degrading market conditions.

One bright silver lining that is scheduled to begin immediately is an impending agreement to contract manufacture a large portion of a whole wafer fab equipment ("WFE") for a Singapore WFE company that has a license to use the intellectual property rights of a very successful China based WFE company to manufacture and sell these WFEs to the non-China markets.

— **ODM Division**

Our total revenue from the ODM Division for the six months ended 30 June 2025 decreased by approximately 41.9% compared to that for the six months ended 30 June 2024 mainly due to decreased customer demand.

Our ODM Division is performing the worst in its history. Poor revenue arising from difficult sales efforts for ODM's legacy products adds to poor revenue caused mainly by the general worldwide poor semiconductor business conditions.

In order to improve the ODM sales activities, our CEO has taken over the management of the marketing department with emphasis on bringing in more capital equipment orders from countries developing the Outsourced Semiconductor Assembly and Test (OSAT) industry, such as Vietnam, India and the Philippines besides the rest of the countries in the Far East.

Another activity to bring efficiency and productivity to the ODM Division is the transfer of equipment, prototyping and future production of ODM equipment to our EMS Division.

Yet another activity to improve efficiency and productivity is the right-sizing of manpower at ODM Division. After the re-structuring, ODM Division will comprise the following:

- a. Market research
- b. Product design
- c. Prototyping of equipment in collaboration with EMS Division
- d. Sales and market research

The key to success is successful execution of the tasks assigned to the said four functions. In this respect, more competent and industrious personnel have to be placed in these positions to supplement and vastly enhance the competence we have. The Company is actively looking for suitable personnel to fulfil these roles.

## — **Investment Division**

Revenue from fund management fee for the six months ended 30 June 2025 increased by approximately 23.0% compared to the corresponding period in 2024, and such increase mainly arose from the formation of new funds. Shanghai Genlight manages seven funds with total assets under management (AUM) of approximately S\$141.7 million as at 30 June 2025.

China's capital market continues to face financial stress. Aggravated by the geopolitical issue and tariff conflicts, seeking new fund will be a challenge in near future. Shanghai Genlight will maintain its operation in readiness for market pick up.

### 3. FINANCIAL REVIEW

#### Revenue

The following table sets forth the components of our revenue by operating segment for the periods indicated:

	For the six months ended 30 June		Percentage change
	2025 S\$'000	2024 S\$'000	
EMS	47,217	47,347	−0.3%
ODM	1,856	3,194	−41.9%
Investment	1,207	982	22.9%
	<u>50,280</u>	<u>51,523</u>	<u>−2.4%</u>

The Group's revenue decreased by approximately S\$1.2 million or 2.4% from approximately S\$51.5 million for the six months ended 30 June 2024 to approximately S\$50.3 million for the six months ended 30 June 2025.

The decrease was primarily attributable to the decrease in sales volume from the ODM Division.

#### Cost of sales

Cost of sales primarily consists of material costs, labour costs and overhead expenses. The following table sets forth a breakdown of our cost of sales by operating segment for the periods indicated:

	For the six months ended 30 June		Percentage change
	2025 S\$'000	2024 S\$'000	
EMS	43,839	43,239	1.4%
ODM	1,926	3,464	−44.4%
Investment	—	—	N/A
	<u>45,765</u>	<u>46,703</u>	<u>−2.0%</u>

The Group's cost of sales decreased by approximately S\$0.9 million or 2.0% from approximately S\$46.7 million for the six months ended 30 June 2024 to approximately S\$45.8 million for the six months ended 30 June 2025. The decrease was in line with the decrease in revenue from our ODM division.

### **Gross profit and gross profit margin**

As a result of the changes in the revenue and cost of sales above, our gross profit decreased by approximately S\$0.3 million or 6.3% from approximately S\$4.8 million for the six months ended 30 June 2024 to approximately S\$4.5 million for the six months ended 30 June 2025.

Our gross profit margin decreased by approximately 0.4% from approximately 9.4% for the six months ended 30 June 2024 to approximately 9.0% for the six months ended 30 June 2025.

### **Other income**

Our other income decreased by approximately S\$8.1 million or 92.7% from approximately S\$8.7 million for the six months ended 30 June 2024 to approximately S\$0.6 million for the six months ended 30 June 2025. The decrease was mainly due to the absence of a one-off carry income of approximately S\$8.5 million recorded in the six months ended 30 June 2024.

### **Sales and marketing expenses**

There is no significant fluctuation in sales and marketing expenses during the six months ended 30 June 2025 compared with prior period.

### **General and administration expenses**

Our general and administration expenses decreased by approximately S\$0.3 million or 4.5% from approximately S\$6.8 million for the six months ended 30 June 2024 to approximately S\$6.5 million for the six months ended 30 June 2025. The decrease was mainly due to lower research and development cost of approximately S\$0.4 million.

### **Other gains and losses**

Other gains and losses shifted from a gain of approximately S\$0.5 million for the six months ended 30 June 2024 to a loss of approximately S\$0.1 million for the six months ended 30 June 2025. The decrease was mainly due to a fair value loss on investment securities of approximately S\$0.3 million for the six months ended 30 June 2025, as compared to a fair value gain on investment securities of approximately S\$0.1 million

for the six months ended 30 June 2024; and decrease of foreign exchange gain from approximately S\$0.5 million for the six months ended 30 June 2024 to approximately S\$0.1 million for the six months ended 30 June 2025.

### **Finance costs**

There is no significant fluctuation in finance costs during the six months ended 30 June 2025 compared to prior period.

### **(Loss)/Profit before tax**

Our loss before tax for the six months ended 30 June 2025 was approximately S\$3.6 million as compared to profit before tax of approximately S\$5.0 million for the six months ended 30 June 2024. The loss recorded was mainly due to the absence of a one-off carry income of approximately S\$8.5 million recorded in the six months ended 30 June 2024.

### **Income tax credit/(expense)**

An income tax credit of approximately S\$0.1 million was recorded for the six months ended 30 June 2025 as compared to the income tax expense of approximately S\$2.2 million recorded for the six months ended 30 June 2024. This is in line with the (loss)/profit before tax.

### **(Loss)/Profit for the period**

As a result of the above, the Group recorded a net loss after tax of approximately S\$3.4 million for the six months ended 30 June 2025 as compared to net profit after tax of approximately S\$2.9 million for the six months ended 30 June 2024 mainly due to the absence of a one-off carry income of approximately S\$8.5 million recorded in the six months ended 30 June 2024.



## LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2025, the Group had cash and cash equivalents of approximately S\$11.2 million. The Board is of the opinion that the financial position of the Group is stable, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

### Cash flow

The following table sets forth a summary of our cash flows for the periods indicated:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Net cash flow used in operating activities	<b>(7,877)</b>	(2,787)
Net cash flow used in investing activities	<b>(1,644)</b>	(5,036)
Net cash flow generated from/(used in) financing activities	<b>2,543</b>	(1,849)
Net decrease in cash and cash equivalents	<b>(6,978)</b>	(9,672)
Cash and cash equivalents at 1 January	<b>17,684</b>	18,141
Effect of exchange rate changes on cash and cash equivalents	<b>523</b>	(19)
Cash and cash equivalents at 30 June	<b><u>11,229</u></b>	<b><u>8,450</u></b>

### *Net cash flow used in operating activities*

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflects profit/(loss) before taxation for the period adjusted for (i) non-cash item such as depreciation of property, plant and equipment, depreciation of prepaid land lease payments, amortisation of intangible assets and other items, which lead to the operating cash (used in)/generated before changes in working capital; (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables which lead to cash flow (used in)/generated from operations; and (iii) interest income received, interest expense paid and income tax paid, which result in net cash (used in)/generated from operating activities.

For the six months ended 30 June 2025, the Group's net cash used in operating activities was approximately S\$7.9 million, primarily reflected in: (i) increase in trade and other receivables of approximately S\$0.9 million; (ii) decrease in trade and other payables and

accruals of approximately S\$0.4 million; (iii) increase in inventories of approximately S\$0.3 million; (iv) tax paid of approximately S\$3.1 million; and (v) operating cash before changes in working capital of approximately S\$3.2 million.

#### ***Net cash flow used in investing activities***

Cash flow from investing activities mainly relates to purchase and disposal of investment securities and purchase of property, plant and equipment.

For the six months ended 30 June 2025, the Group's net cash flow used in investing activities was approximately S\$1.6 million, which was primarily used in (i) the purchase of property, plant and equipment of approximately S\$0.3 million; (ii) addition of financial instruments of approximately S\$0.9 million; and (iii) addition of development cost of approximately S\$0.5 million and was partially offset by the proceeds from sale of property, plant and equipment of approximately S\$0.1 million.

#### ***Net cash flow generated from/(used in) financing activities***

Cash flows from financing activities includes proceeds and repayments of bank loans, payment of lease liabilities, and payment of dividend.

For the six months ended 30 June 2025, the Group's net cash flow generated from financing activities was approximately S\$2.5 million, mainly used in: (i) repayment of bank loan of approximately S\$14.1 million; (ii) payment of lease liabilities of approximately S\$0.7 million; (iii) payment of interests from bank loan and lease liabilities of approximately S\$0.5 million; and was partially offset by net proceeds of bank loans of approximately S\$17.8 million.

### **NET CURRENT ASSETS**

The Group's net current asset decreased by approximately S\$4.6 million from approximately S\$35.2 million as at 31 December 2024 to approximately S\$30.6 million as at 30 June 2025. The decrease was primarily due to: (i) increase in current portion of interest-bearing loans and borrowings of approximately S\$3.3 million; and (ii) decrease in cash and cash equivalents of approximately S\$6.5 million. This was partially offset by (i) the increase in trade receivables and prepayments, deposits and other receivables of approximately S\$1.2 million; (ii) the decrease in trade and other payables and accruals of approximately S\$1.0 million; (iii) decrease in tax payable of approximately S\$2.8 million; and (iv) increase in inventories of approximately S\$0.2 million.

## CAPITAL EXPENDITURE

The Group's capital expenditure consisted of purchase cost relating to property, plant and equipment. For the six months ended 30 June 2025, the Group's capital expenditure amounted to approximately S\$0.3 million for the acquisition of property, plant and equipment. The Group funded such capital expenditure with internal resource.

### Capital and investment commitments

The Group's capital and investment commitments primarily relate to commitment for the equity investment and acquisition of property, plant and equipment.

As at 30 June 2025, the Group's capital and investment expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

**As at**  
**30 June 2025**  
**S\$'000**

Contracted, but not provided for:

Property, plant and equipment	300
Investment securities	25,685
	<hr/>
	<b>25,985</b>
	<hr/> <hr/>

### *Investment securities*

The balance of approximately S\$25.7 million pertains to the remaining investment commitments of the Group in contributing to private equity funds.

## INDEBTEDNESS

### Bank loan and other borrowings

As at 30 June 2025 the Group had outstanding balances from interest-bearing loans and borrowings of approximately S\$27.2 million (31 December 2024: approximately S\$24.9 million).

### Contingent liabilities

As at 30 June 2025, the Group did not have any contingent liabilities, guarantees or any litigations or claims of material importance, pending or threatened against any member of the Group.

## **Net debt to equity ratio**

Net debt to equity ratio equals total interest-bearing loans and borrowings net of cash and cash equivalents at the end of the period divided by total equity at the end of the period. Net debt to equity ratio as at 30 June 2025 was approximately 0.17 (31 December 2024: 0.07).

## **Gearing ratio**

Gearing ratio equals total debt divided by total equity at the end of the period. Total debt includes bank loans and lease liabilities. Gearing ratio of the Group as at 30 June 2025 was approximately 0.28 (31 December 2024: 0.24).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other concrete plans for material investments as at 30 June 2025.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

There were no significant investments held, no material acquisition or disposal of subsidiaries, associates and joint ventures during the six months ended 30 June 2025.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

The functional currency of the Group is SGD. The Group mainly operates in Singapore and China, hence the operating expenses are denominated in SGD and RMB. The majority of the Group's revenue are denominated and settled in USD. Therefore, fluctuations in exchange rates of SGD, RMB and USD could materially impact the Group's profit margin and overall results of operations, and there will be gains and losses resulting from fluctuations in the exchange rate. The Group practices certain amount of natural hedge of this risk through purchase raw material in USD and borrow USD short term loan for working capital need. In addition, a certain amount of USD forward sales contract has been done with our bankers. Going forward, the Group expects that exchange rates of SGD, RMB and USD will continue to fluctuate. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

## **PLEDGE OF ASSETS**

As at 30 June 2025, other than the mortgage of deposit and a factory for bank facilities by subsidiaries in Malaysia, the Group did not pledge any other assets.

## **HUMAN RESOURCES**

As at 30 June 2025, the Group had 760 employees. The employees benefit expense incurred during the six months ended 30 June 2025 was approximately S\$13.5 million. As required by the applicable laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments. The Group's remuneration policy rewards employees and directors based on individual performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. Besides offering competitive remuneration packages, the Company adopted a share option scheme on 27 June 2018 with the objective to recognise contributions made by eligible employees and to retain the eligible employees for the continual operation, growth and future development of the Group. We did not experience any labour disputes during the six months ended 30 June 2025.

## **DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

## **CORPORATE GOVERNANCE CODE**

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organisation which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

The Company has complied with all the code provisions set out in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors and relevant employees.

Upon specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code during six months ended 30 June 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

## **REVIEW OF FINANCIAL INFORMATION BY THE AUDIT COMMITTEE**

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2025 and this announcement have been reviewed by the audit committee of the Board, comprising solely the independent non-executive Directors.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company (<http://www.KinergyCorp.com>). The interim report for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be made available on the said websites in due course.

## **EVENTS AFTER THE REPORTING PERIOD**

No material events happened subsequent to 30 June 2025 and up to the date of this announcement.

## DEFINITIONS

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 a Shareholder holding approximately 28.58% of our issued Shares
“China” or “the PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Company”	Kinergy Corporation Ltd. (精技集團有限公司*), a limited liability company incorporated in Singapore, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3302)
“Director(s)”	the director(s) of the Company
“EMS”	Electronics Manufacturing Services
“Group”, “we”, “us” or “Kinergy”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nantong Genlight Venture Capital Fund”	Nantong Genlight Venture Capital Fund Partnership (Limited Partnership)* (南通光朴創業投資基金合夥企業(有限合夥)), a limited partnership established in the PRC

“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)), a limited partnership established in the PRC
“Nanyang Fund”	Nanyang Kinery Equity Investment Fund Partnership (Limited Partnership)* (南陽精技股權投資基金合夥企業(有限合夥)), a limited partnership established in the PRC
“ODM”	Original Design Manufacturing
“RMB”	Renminbi, the lawful currency of the PRC
“S\$” or “SGD”	Singapore dollars, the lawful currency of Singapore
“Shanghai Genlight”	Shanghai GenLight Capital Management Co. Ltd.* (上海光朴創業投資管理有限公司 (formerly known as Shanghai CEL Puyan Equity Investment Management Limited* (上海光控浦燕股權投資管理有限公司)), a limited liability company established in the PRC on 6 July 2015 and owned as to approximately 51.03% by the Company and ultimately and beneficially owned as to approximately 48.97% by CEL as at the date of this announcement
“Share(s)”	ordinary shares(s) in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)



“the United States”	the United States of America
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 22 August 2025

*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. Loh Kin Wah (Chairman) and Mr. Fan Zhirong; and the independent non-executive Directors are Mr. Hoon Chee Wai, Dr. Ang Peng Huat and Ms. Chan Tak Yi.*

\* *For identification purpose only*