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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The Board hereby announces the consolidated financial statements of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

Highlight

	For the year ended		Change	Percentage Change
	31 December 2025	2024		
	S\$'000	S\$'000	S\$'000	%
Revenue	106,151	99,043	7,108	7%
Gross Profit	7,964	6,302	1,662	26%
EBITDA ⁽¹⁾	(1,327)	2,991	(4,318)	-144%
EBIT ⁽²⁾	(6,251)	(1,989)	(4,262)	214%
Loss for the year	(6,611)	(3,647)	(2,964)	81%
Basic and diluted loss per share attributable to owners of the Company (Singapore cents)	(0.79)	(0.68)	(0.11)	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 year, taking out the aggregate of income tax expenses or credit depreciation, amortisation, interest expenses and interest income for the year.
- (2): EBIT (non-IFRS/SFRS(I) measures) is defined as earnings before interest and taxes. It is calculated using profit/loss for the year, taking out the aggregate of interest expense, income tax expense or credit and interest income for the year.
- (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).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Revenue	4	106,151	99,043
Cost of sales		(98,187)	(92,741)
Gross profit		7,964	6,302
Other income	5	1,085	8,873
Sales and marketing expenses		(2,903)	(3,215)
General and administrative expenses		(12,535)	(13,060)
Other gains and losses	6	(565)	147
Finance costs		(909)	(946)
Share of results of associates		784	(943)
Loss before tax	7	(7,079)	(2,842)
Income tax credit/(expense)	8	468	(805)
Loss for the year		(6,611)	(3,647)
Loss for the year attributable to:			
Owners of the Company		(7,305)	(6,280)
Non-controlling interests		694	2,633
		(6,611)	(3,647)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations attributable to Owners of the Company		(281)	459
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations attributable to Non-controlling interests		(168)	88
Total comprehensive income for the year		(7,060)	(3,100)
Total comprehensive income for the year attributable to:			
Owners of the Company		(7,586)	(5,821)
Non-controlling interests		526	2,721
		(7,060)	(3,100)
Loss per Share attributable to owners of the Company			
Basic and diluted (Singapore cents)	9	(0.79)	(0.68)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Non-current assets			
Property, plant and equipment	<i>11</i>	23,044	26,268
Right-of-use assets		3,695	4,458
Intangible assets		530	17
Investment securities	<i>12</i>	23,060	21,525
Investment in associates	<i>13</i>	17,022	16,745
Deferred tax assets		4,607	3,492
Total non-current assets		71,958	72,505
Current assets			
Inventories	<i>14</i>	39,720	45,407
Trade receivables	<i>15</i>	22,504	19,463
Prepayments, deposits and other receivables	<i>16</i>	2,974	2,552
Cash and cash equivalents	<i>17</i>	17,328	17,684
Total current assets		82,526	85,106
Current liabilities			
Trade payables	<i>18</i>	19,285	16,885
Other payables and accruals	<i>19</i>	6,887	8,791
Provision for warranty		14	21
Interest-bearing loans and borrowings	<i>20</i>	29,021	21,307
Income tax payable		54	2,904
Total current liabilities		55,261	49,908
Net current assets		27,265	35,198
Non-current liabilities			
Deferred tax liabilities		1,864	1,539
Interest-bearing loans and borrowings	<i>20</i>	1,839	3,632
Total non-current liabilities		3,703	5,171
Net assets		95,520	102,532
Equity			
Share capital	<i>21</i>	91,293	91,293
Reserves		(9,320)	(1,782)
Equity attributable to:			
Owners of the Company		81,973	89,511
Non-controlling interests		13,547	13,021
Total equity		95,520	102,532

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

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

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

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”).

The consolidated financial statements have been prepared on the historical cost basis, except for investment securities which have been measured at fair value.

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

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 of complete machines, sub-systems and components for original equipment manufacturers. Major products of the EMS division include complete machines such as dicing machines and lapping machines and sub-systems such as work-holders, sliders systems and magazine handlers;

- (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 divisions include equipment such as auto frame loaders and precision tools such as encapsulation moulds, dies and spare parts; and
- (iii) Investment, which primarily engages in providing fund management services and conducting investment activities in equity securities and funds.

The chief operating decision maker of the Group is the chief executive officer, who reviews revenue and results of major type of products sold 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 assets and liabilities of the Group by operating segments is disclosed as it is not regularly provided to the chief operating decision maker for review.

Revenue breakdown by business segment

The following table sets out our revenue by business segment for the years ended 31 December 2025 and 2024:

	For the year ended 31 December			
	2025		2024	
	<i>S\$'000</i>	<i>%</i>	<i>S\$'000</i>	<i>%</i>
EMS	100,766	94.9	93,141	94.0
ODM	3,567	3.4	4,112	4.2
Investment	1,818	1.7	1,790	1.8
	<u>106,151</u>	<u>100.0</u>	<u>99,043</u>	<u>100.0</u>

Geographical information

The following table sets out our revenue by geographical location for the years ended 31 December 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 our customers are located.

	For the year ended 31 December			
	2025		2024	
	S\$'000	%	S\$'000	%
Singapore	62,511	58.9	53,802	54.3
The United States	12,304	11.6	17,380	17.6
The PRC	15,596	14.7	15,765	15.9
Japan	3,834	3.6	2,558	2.6
The Philippines	2,281	2.1	2,077	2.1
Other countries	9,625	9.1	7,461	7.5
	<u>106,151</u>	<u>100.0</u>	<u>99,043</u>	<u>100.0</u>

4. REVENUE

Disaggregation of revenue

Type of goods or services	EMS		ODM		Investment		Total Revenue	
	For the year ended 31 December							
	2025	2024	2025	2024	2025	2024	2025	2024
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods	99,521	92,375	3,567	4,112	—	—	103,088	96,487
Rendering of services	1,245	766	—	—	1,818	1,790	3,063	2,556
	<u>100,766</u>	<u>93,141</u>	<u>3,567</u>	<u>4,112</u>	<u>1,818</u>	<u>1,790</u>	<u>106,151</u>	<u>99,043</u>
Timing of transfer of goods or services								
At a point in time	100,766	93,141	3,567	4,112	—	—	104,333	97,253
Over period of time	—	—	—	—	1,818	1,790	1,818	1,790
	<u>100,766</u>	<u>93,141</u>	<u>3,567</u>	<u>4,112</u>	<u>1,818</u>	<u>1,790</u>	<u>106,151</u>	<u>99,043</u>

5. OTHER INCOME

	For the year ended	
	31 December	
	2025	2024
	S\$'000	S\$'000
Government grant ⁽¹⁾	79	475
Bank interest income	81	93
Dividend income	—	68
Others ⁽²⁾	925	8,237
	<u>1,085</u>	<u>8,873</u>

Note(s):

- (1) There are no unfulfilled conditions and other contingencies relating to these grants.
- (2) The 2024 included carry income of S\$8.1 million arising from the end-of-life of an investment fund managed by Shanghai GenLight Capital Management Co. Ltd. (“**Shanghai Genlight**”).

6. OTHER GAINS AND LOSSES

	For the year ended	
	31 December	
	2025	2024
	S\$'000	S\$'000
Net loss on disposal of investment securities	—	(313)
Net fair value gain/(loss) on investment securities	703	(575)
Gain on disposal of property, plant and equipment	—	61
Foreign exchange differences, net	(1,268)	974
	<u>(565)</u>	<u>147</u>

7. LOSS BEFORE TAX

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

	For the year ended	
	31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Cost of inventories	71,106	63,079
Depreciation of property, plant and equipment	3,230	3,354
Depreciation of right-of-use assets	1,577	1,560
Amortisation of intangible assets	117	66
Research and development expenses	1,865	2,157
Short-term leases/minimum lease payments under operating leases	77	146
Auditor's remuneration	243	264
Professional fees	406	390
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
— Wages and salaries	21,829	24,295
— Pension scheme contributions	3,410	3,567
— Share option expense	17	10
Provision for warranty	24	54
Provision for inventory obsolescence	55	97
Foreign exchange differences, net	1,268	(974)
Government grants	(79)	(475)
Net loss on disposal of investment securities	—	313
Net fair value (gain)/loss on investment securities	(703)	575
Bank interest income	(81)	(93)
Gain on disposal of property, plant and equipment	—	(61)

8. INCOME TAX CREDIT/(EXPENSE)

Major components of income tax credit/(expense)

The major components of income tax credit/(expense) for the years ended 31 December 2025 and 2024 are as follows:

	For the year ended	
	31 December	
	2025	2024
	S\$'000	S\$'000
Current income tax:		
— Current income taxation	(148)	(3,006)
— Under provision in respect of previous years	(174)	—
	<u>(322)</u>	<u>(3,006)</u>
Deferred income tax:		
— Origination and reversal of temporary differences	<u>790</u>	<u>2,201</u>
Income tax credit/(expense) recognised in profit or loss	<u><u>468</u></u>	<u><u>(805)</u></u>

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic and diluted loss per Share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary Shares of 920,393,394 Shares in issue during each of the years ended 31 December 2025 and 2024.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the share options outstanding during the year were anti-dilutive.

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

	For the year ended	
	31 December	
	2025	2024
	S\$'000	S\$'000
Loss for the year attributable to owners of the Company	<u><u>(7,305)</u></u>	<u><u>(6,280)</u></u>
	As at 31 December	
	2025	2024
Number of Shares		
Weighted average number of ordinary Shares	<u><u>920,393,394</u></u>	<u><u>920,393,394</u></u>
Loss per Share attributable to owners of the Company		
Basic and diluted (Singapore cents)	<u><u>(0.79)</u></u>	<u><u>(0.68)</u></u>

10. DIVIDENDS

There were no dividends paid or declared by the Company in respect of the year ended 31 December 2025 (31 December 2024: Nil).

11. PROPERTY, PLANT AND EQUIPMENT

During year ended 31 December 2025, the Group acquired property, plant and equipment at a consideration of approximately S\$451,000 (31 December 2024: S\$2,776,000).

Property, plant and equipment with nil book value were disposed during the year ended 31 December 2025, resulting in no gain on disposal (31 December 2024: S\$61,000).

12. INVESTMENT SECURITIES

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Equity instruments at fair value through profit or loss		
— Non-listed equity investments	23,060	21,525

13. INVESTMENT IN ASSOCIATES

The investment in associates of the Group is summarised below:

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Nantong Intelligent Fund	8,530	9,864
Nanyang Fund	6,596	4,880
Nantong Genlight Venture Capital Fund Partnership (Limited Partnership)	1,608	1,638
Liteleaf	288	363
	17,022	16,745

Particulars of the principal associates of the Group as at the respective dates are as follows:

Name of associate	Place of incorporation/ operation	Principal activities	Percentage of ownership interest attributable to the Group	
			As at 31 December 2025	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% ⁽¹⁾	8% ⁽¹⁾

Held through the subsidiaries of the Company:

Nantong Intelligent Fund	The PRC	Private equity investment	20%	20%
Nanyang Fund	The PRC	Private equity investment	20%	20%
Nantong Genlight Venture Capital Fund Partnership (Limited Partnership)	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.

14. INVENTORIES

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Raw materials	29,023	33,428
Work-in-progress	5,773	5,659
Finished goods	4,924	6,320
	<hr/>	<hr/>
Total inventories at lower of cost and net realisable value	<u>39,720</u>	<u>45,407</u>

15. TRADE RECEIVABLES

The aged analysis of the trade receivables based on due date that are not individually nor collectively considered to be impaired is as follows:

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Neither past due nor impaired	18,350	15,843
Past due but not impaired:		
— 0 to 30 days	2,147	2,316
— 31 to 60 days	388	1,087
— 61 to 90 days	485	163
— Over 90 days	1,134	54
	<hr/>	<hr/>
	<u>22,504</u>	<u>19,463</u>

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Advance to suppliers	698	287
Deposits	535	537
Prepaid goods and services tax/Value-added tax	292	299
Prepayments	940	579
Bills of exchange	473	647
Other receivables	36	203
	<u>2,974</u>	<u>2,552</u>

17. CASH AND CASH EQUIVALENTS

The following table sets forth the breakdown of our cash and cash equivalents as at the respective dates indicated:

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Cash and bank balances	17,311	17,669
Short-term deposits	17	15
	<u>17,328</u>	<u>17,684</u>
Denominated in RMB	12,748	15,283
Denominated in USD	2,070	1,947
Denominated in SGD	2,323	146
Denominated in other currencies	187	308
	<u>17,328</u>	<u>17,684</u>

18. TRADE PAYABLES

The following tables set forth the ageing analysis of our trade payables based on the invoice date as at the respective dates indicated:

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
— 0 to 30 days	5,260	6,898
— 31 to 60 days	5,954	4,499
— 61 to 90 days	4,021	2,497
— Over 90 days	4,050	2,991
	<u>19,285</u>	<u>16,885</u>

19. OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2025	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Accruals	3,552	4,860
Advances from customers	1,894	2,281
Other payables	1,441	1,650
	<u>6,887</u>	<u>8,791</u>

20. INTEREST-BEARING LOANS AND BORROWINGS

	As at 31 December	
	2025	2024
	S\$'000	S\$'000
Lease liabilities	2,934	3,637
2.0% unsecured bank loan of S\$5,000,000	—	861
2.5% unsecured bank loan of S\$5,000,000	529	1,566
5.87% unsecured bank loan of S\$480,392	—	312
6.09% secured bank loan of RM3,350,000	927	1,020
Unsecured bank trade financing	24,465	17,486
Bank overdrafts	2,005	57
	<u>30,860</u>	<u>24,939</u>
Repayable details as follows:		
Current:		
— Within 1 year	29,021	21,307
Non-Current:		
— Within a period of more than 1 year but not exceeding 2 years	1,839	2,574
— Within a period of more than 2 years but not exceeding 5 years	—	1,058
	<u>30,860</u>	<u>24,939</u>

21. SHARE CAPITAL

Share capital	Number of Shares	Amount S\$'000
Issued and fully paid ordinary Shares ⁽¹⁾ :		
As at 31 December 2024 and 31 December 2025	<u>920,393,394</u>	<u>91,293</u>

Note(s):

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Semiconductors have increasingly become a global strategic commodity clearly as important in that their use pervades the quality of global human livelihoods.

Besides the normal increase demands for semiconductors used in industrial and commercial goods, the new technological innovation, Artificial Intelligence (AI) is fuelling quantum jump in demand for “AI” chips: DRAMS, HBM, stacked dies.

Owing to the highly efficient and novel AI applications such as in smart hypersonic attack missiles of mark 10 to mark 13 speeds that come with detection and evasive actions capabilities, the adoption of AIs chips for industrial and commercial goods has been able to further enhance the desire for incorporating competitive product features through the adoption of AI features in the industrial/commercial products. This has led to an explosion of demand for memory chips and all attendant demands for semiconductor process equipment, viz. Wafer Fabrication Equipment (WFE), Advance Packaging Equipment (APE) and Assembly and Tests Equipment (OSAT).

Kinergy is a beneficiary of this “Supercycle” or “Armageddon” of AI demands. We are experiencing growing demand, as reflected in increased customer enquiries. Notwithstanding the current environment, we will continue to closely monitor potential supply chain disruptions.

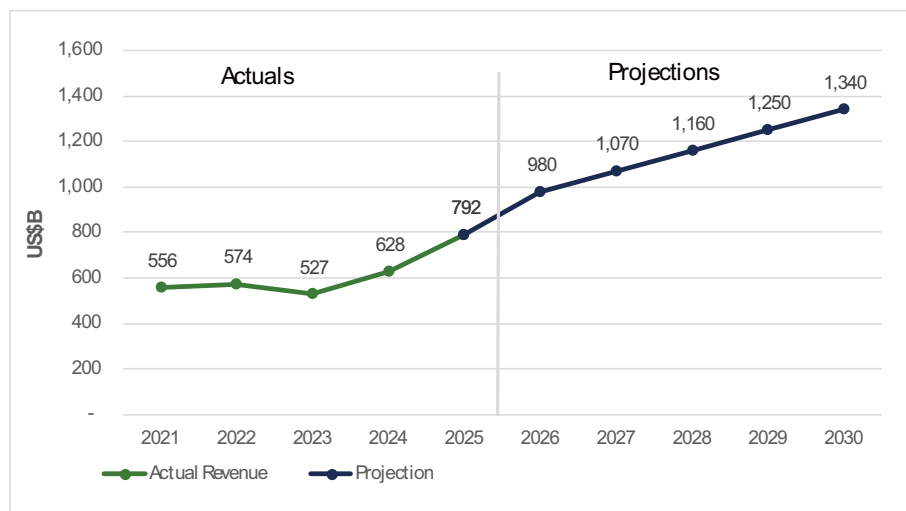
Kinergy’s foremost attention under these circumstances is to:

1. Monitor inflation that may curtail the profitabilities of our projects;
2. Optimise the integrity of supply chain that may impact our delivery time-lines, manufacturing process disruption, activity the force majeure clause in our contracts with customers and suppliers.

Overall, the semiconductor business status is very positive. We need to seize the opportunities as we provide for the constraints.

Global Semiconductor Revenue, 2021-2030

Clean remake for presentation use with clearer numerals and improved layout.



Key figures (US\$B)

2021	556
2022	574
2023	527
2024	628
2025	792
2026	980
2027	1,070
2028	1,160
2029	1,250
2030	1,340

Actuals: 2021-2025
Projections: 2026-2030

Received from the source chart provided by client. Values shown in US\$ billions.

Above forecast is based on median value of figures from:

1. World Semiconductor Trade Statistics (WSTS)
2. Gartner
3. Semiconductor Industry Association of USA
4. McKinsey's Semiconductor Practice

BUSINESS REVIEW AND PROSPECT

Total revenue of the Group for the year ended 31 December 2025 increased by approximately 7.2% year-on-year (“YOY”). Stimulated by the demand in AI chip, SPE business showed signs of picking up from fourth quarter of 2025. Customers purchase orders increase substantially for delivery in 2026.

Below is a brief review of the Group's three operating divisions follows below.

EMS Division

Total revenue for our EMS division for the year ended 31 December 2025 increased by approximately 8.2% YOY. Main contribution came from front-end equipment customers with EFEM and load port equipment products. The Group is in the final stage of concluding an agreement to build WFE machines for a Shanghai WFE manufacturer. The manufacturing in Singapore is expected to commence in the second half of 2026.

The Group is also in discussion with a Japanese equipment manufacturer to build their machine for their customers in China.

ODM Division

ODM business continue to slide in the year ended 31 December 2025 with revenue declined by approximately 13.3% YOY. Similar to EMS division, enquiries for new equipment began to surface in the fourth quarter of 2025 and a couple of purchase has been received for delivery in 2026. ODM should show a better result in 2026.

Investment Division

The uncertainty of geopolitical environment continues to cloud the capital market in China. Despite this challenging environment Shanghai GenLight managed to establish a new fund and structure two portfolios for funds under management to invest during the year ended 31 December 2025. Revenue from management fee for the year ended 31 December 2025 increased by approximately 1.6% YOY whilst net profit after tax reduced substantially due to lack of carry income. Shanghai GenLight has been actively sourcing new fund and investment opportunities. A couple of targets are near completion. Shanghai GenLight is optimistic of better years ahead.

On a consolidated basis, the Group recorded a revenue of approximately S\$106.2 million for the year ended 31 December 2025. This represents an increase of approximately 7.2% when compared to the revenue recorded of approximately S\$99.0 million for the year ended 31 December 2024. Net loss after tax for the year ended 31 December 2025 amounted to approximately S\$6.6 million as compared to net loss after tax of approximately S\$3.6 million for the year ended 31 December 2024. Loss per Share of approximately 0.79 Singapore cents was recorded for the year ended 31 December 2025 as compared to the loss per Share of approximately 0.68 Singapore cents recorded for the year ended 31 December 2024.

Looking ahead, the geopolitical backdrop is still evolving and remains uncertain. Despite the ongoing uncertainties, we are cautiously hopeful that we will see an improvement in our financial performance arising from our expanded competence to build semiconductor front end equipment and increased marketing efforts to secure orders to build complete machines for our customers from their China market.

FINANCIAL REVIEW

Revenue

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

	For the year ended		Percentage change %
	31 December 2025 S\$'000	2024 S\$'000	
EMS	100,766	93,141	8.2
ODM	3,567	4,112	-13.3
Investment	1,818	1,790	1.6
	<u>106,151</u>	<u>99,043</u>	<u>7.2</u>

Revenue of the Group increased by approximately S\$7.1 million or 7.2% from approximately S\$99.0 million for the year ended 31 December 2024 to approximately S\$106.2 million for the year ended 31 December 2025.

The increase was attributable to the new business from front-end equipment customers, partially offset by a decrease in revenue from ODM segment due to lackluster business environment.

Cost of sales

Cost of sales of the Group 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 years indicated:

	For the year ended		Percentage change %
	31 December 2025 S\$'000	2024 S\$'000	
EMS	93,996	87,276	7.7
ODM	4,191	5,465	-23.3
	<u>98,187</u>	<u>92,741</u>	<u>5.9</u>

Cost of sales of the Group increased by approximately S\$5.4 million or 5.9% from approximately S\$92.7 million for the year ended 31 December 2024 to approximately S\$98.2 million for the year ended 31 December 2025. The increase was mainly in line with the increase in revenue from EMS division and partially off-set by a decrease in revenue from ODM division.

Gross profit and gross profit margin

As a result of the changes in the revenue and cost of sales above, the gross profit increased by approximately S\$1.7 million or 26.0% from approximately S\$6.3 million for the year ended 31 December 2024 to approximately S\$8.0 million for the year ended 31 December 2025.

Gross profit margin of the Group increased by approximately 1.1% from approximately 6.4% for the year ended 31 December 2024 to approximately 7.5% for the year ended 31 December 2025. The main reason is the headcount reduction and the resulting lower salary costs.

Other income

Other income decreased by approximately S\$7.8 million from approximately S\$8.9 million for the year ended 31 December 2024 to approximately S\$1.1 million for the year ended 31 December 2025. The decrease was primarily due to absence of a one-off carry income of approximately S\$8.1 million as a result of the end-of-life of an investment fund managed by Shanghai Genlight which was recorded in the year ended 31 December 2024.

Sales and marketing expenses

Sales and marketing expenses of the Group decreased by approximately S\$0.3 million or 9.7% from approximately S\$3.2 million for the year ended 31 December 2024 to approximately S\$2.9 million for the year ended 31 December 2025 which is mainly due to a decrease in sales commission for the year ended 31 December 2025.

General and administration expenses

General and administration expenses of the Group decreased by approximately S\$0.6 million or 4% from approximately S\$13.1 million for the year ended 31 December 2024 to approximately S\$12.5 million for the year ended 31 December 2025. The decrease was mainly due to the lower research and development cost and staff expenses.

Other gains and losses

Other gains decreased by approximately S\$0.7 million from gains of S\$0.1 million for the year ended 31 December 2024 to losses of approximately S\$0.6 million for the year ended 31 December 2025. The main changes were due to: (i) a loss of approximately S\$1.3 million in foreign exchanges difference in the year ended 31 December 2025 as compared to a gain of approximately S\$1.0 million gain for the year ended 31 December 2024; (ii) a loss on disposal of investment securities of approximately S\$0.3 million for the year ended 31 December 2024; and (iii) a fair value loss on investment securities for the year ended 31 December 2024 which was approximately S\$0.6 million whereas there was a fair value gain on the investment securities of approximately S\$0.7 million for the year ended 31 December 2025.

Finance costs

Comparing to the year ended 31 December 2024, finance costs of the Group incurred during the year ended 31 December 2025 decreased by approximately S\$37,000 primarily due to a decrease of lease liabilities interest.

Share of results of associates

Share of loss of associates of the Group for the year ended 31 December 2024 was approximately S\$0.9 million whereas share of profit of associates of the Group was approximately S\$0.8 million for the year ended 31 December 2025. This was mainly due to the gain in fair value of investment securities held by associates of the Group.

Loss before tax

The Group suffered a loss before tax of approximately S\$7.1 million for the year ended 31 December 2025 as compared to a loss before tax of approximately S\$2.8 million for the year ended 31 December 2024. The main cause is due to the absence of a one-off carry income of approximately S\$8.1 million which was recorded in the year ended 31 December 2024.

Income tax credit/(expense)

Income tax credit of the Group amounted to approximately S\$0.5 million for the year ended 31 December 2025 as compared to the income tax expense of approximately S\$0.8 million for the year ended 31 December 2024. The income tax credit is mainly arising from the loss made in the EMS and ODM division of the Group.

Loss for the year

As a result of the above, the Group recorded a net loss after tax of approximately S\$6.6 million for the year ended 31 December 2025 as compared to a net loss after tax of approximately S\$3.6 million for the year ended 31 December 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2025, the Group had cash and cash equivalents of approximately S\$17.3 million. The Board is of the opinion that the financial position of the Group is healthy, 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 years indicated:

	For the year ended	
	31 December	
	2025	2024
	S\$'000	S\$'000
Net cash flow (used in)/generated from operating activities	(3,014)	3,472
Net cash flow used in investing activities	(1,808)	(2,715)
Net cash flow generated from/(used in) financing activities	<u>4,221</u>	<u>(1,153)</u>
Net decrease in cash and cash equivalents	(601)	(396)
Effect of exchange rate changes on cash and cash equivalents	<u>245</u>	<u>(61)</u>
Cash and cash equivalents as at 31 December	<u><u>17,328</u></u>	<u><u>17,684</u></u>

Net cash flow (used in)/generated from operating activities

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflects loss before taxation for the year adjusted for (i) non-cash items 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 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 generated from operations; and (iii) interest income received, interest expense paid and income tax paid, which result in net cash generated from operating activities.

For the year ended 31 December 2025, net cash used in operating activities of the Group was approximately S\$3.0 million and, primarily reflected: (i) decrease in inventories of approximately S\$5.6 million; and (ii) increase in in trade and other payables of approximately S\$0.5 million; which were partially offset by: (i) increase in trade and other receivables of approximately S\$3.3 million; (ii) cash used in operating income before investing in working capital of approximately S\$2.8 million; and (iii) tax paid 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 property, plant and equipment and purchase of investment securities.

For the year ended 31 December 2025, the net cash flow of the Group used in investing activities was approximately S\$1.8 million, which was primarily due to (i) purchase of property, plant and equipment of approximately S\$0.5 million; (ii) purchase of investment securities of approximately S\$0.7 million; and (iii) addition of intangible asset of approximately S\$0.6 million.

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

Cash flows from financing activities includes net proceeds from bank loans, payment of principal portion of lease liabilities and dividend paid on ordinary Shares.

For the year ended 31 December 2025, the net cash flow generated from financing activities of the Group was approximately S\$4.2 million which was mainly from the proceeds from drawdown of bank loan of approximately S\$23.0 million, which was partially set off by the aggregate of (i) payment of lease liabilities of approximately S\$1.5 million; (ii) payment of interest of lease liabilities of approximately S\$0.2 million; (iii) repayment of bank loan of approximately S\$16.3 million; and (iv) payment of bank loan interest of S\$0.8 million.

NET CURRENT ASSETS

The Group's net current asset decreased by approximately S\$7.9 million from approximately S\$35.2 million as at 31 December 2024 to approximately S\$27.3 million as at 31 December 2025. The decrease was primarily due to the (i) decrease in inventories of approximately S\$5.6 million; (ii) increase in trade and other payables of approximately S\$0.6 million; (iii) increase in interest-bearing loans and borrowings of approximately S\$7.7 million; and (iv) decrease in cash and cash equivalents of approximately S\$0.3 million; which were partially set off by the (i) increase in trade receivables and prepayments, deposits and other receivables of approximately S\$3.4 million; and (ii) decrease in income tax payable of approximately S\$2.9 million.

CAPITAL EXPENDITURE

Capital expenditure consisted of purchases cost relating to property, plant and equipment.

For the year ended 31 December 2025, capital expenditure of the Group amounted to approximately S\$0.5 million for the acquisition of property, plant and equipment. The Group funded such capital expenditure with internal funds.

Capital and investment commitments

Capital and investment commitments of the Group primarily relate to commitment for the investment securities and purchase of property, plant and equipment.

Capital and investment expenditure of the Group contracted for as at 31 December 2025 but not recognised in the financial statements are as follows:

	As at 31 December	
	2025	2024
	S\$'000	S\$'000
Contracted, but not provided for:		
— Property, plant and equipment	231	354
— Investment securities	22,682	27,840
	<hr/>	<hr/>
	22,913	28,194
	<hr/> <hr/>	<hr/> <hr/>

Investment securities

As at 31 December 2025, the balance of approximately S\$22.7 million pertains to the remaining investment commitments of the Group.

INDEBTEDNESS

Bank loan and other borrowings

As at 31 December 2025, the Group has outstanding balances from interest-bearing loans and borrowings of approximately S\$30.8 million (31 December 2024: approximately S\$24.9 million).

Contingent liabilities

As at 31 December 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 (including lease liabilities) net of cash and cash equivalents divided by total equity. Net debt to equity ratio as at 31 December 2025 was approximately 0.14 (31 December 2024: 0.07).

Gearing ratio

Gearing ratio equals total debt divided by total equity. Total debt includes bank loans and lease liabilities. Gearing ratio of the Group as at 31 December 2025 was approximately 0.32 (31 December 2024: 0.24).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As of 31 December 2025, the Group has no future plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

There were no other significant investments held by the Group, and no material acquisitions or disposals of subsidiaries, associates and joint ventures conducted by the Group during the year ended 31 December 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 revenue of the Group are denominated and settled in USD. Therefore, fluctuations in exchange rates of SGD, RMB and USD could materially impact the profit margin of the Group 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 31 December 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 31 December 2025, the Group had 741 employees. The employees benefit expense (including directors' and chief executive's remuneration) incurred during the year ended 31 December 2025 was approximately S\$26.9 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 remuneration policy of the Group 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 trainings. 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 performance of the Group. Besides offering competitive remuneration packages, the Company adopted a share option scheme 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 year ended 31 December 2025.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this announcement, the Group had not entered into any off-balance sheet transactions.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, no material event occurring up to the date of this announcement has been identified that may require disclosure in this announcement.

FINAL DIVIDEND

The Board does not recommend a payment of final dividend for the year ended 31 December 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 its Shareholders.

The Company has complied with all the code provisions of the Corporate Governance Code during the year ended 31 December 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.

Having made specific enquiries with the Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 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 listed securities (including treasury shares) of the Company during the year ended 31 December 2025.

REVIEW OF FINANCIAL INFORMATION BY THE AUDIT COMMITTEE

The consolidated financial statements of the Group for the year ended 31 December 2025 have been reviewed by the audit committee of the Board, comprising solely the independent non-executive Directors.

SCOPE OF WORK OF THE AUDITORS ON THE ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the announcement of the annual results of the Group for the year ended 31 December 2025 have been agreed by the auditors of the Group, PKF-CAP LLP (the “**Auditors**”), to the amounts set out in the draft consolidated financial statements of the Group for the year. The work performed by the Auditors in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the Auditors on this announcement.

PUBLICATION OF RESULT ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.kinergycorp.com). The annual report of the Company for the year ended 31 December 2025 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders (where applicable) and published on the websites of the Stock Exchange and the Company in due course.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meaning set out below:

“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 of the Company holding approximately 28.18% issued Shares as at the date of this announcement
“China” or “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)

“Continuumm Technologies”	Continuumm Technologies Pte. Ltd., a limited liability company incorporated in Singapore on 17 January 2017
“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“Director(s)”	the director(s) of the Company
“EMS”	Electronics Manufacturing Services
“Group”, “we” or “us”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Liteleaf”	Liteleaf Pte. Ltd., a limited liability company incorporated in Singapore on 17 April 2015
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“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 on 12 September 2019
“Nanyang Fund”	Nanyang Kinergy 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 on 30 July 2021 pursuant to a fund partnership agreement dated 30 July 2021
“ODM”	Original Design Manufacturing
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC

“S\$” or “SGD”	Singapore Dollar, the lawful currency of the Republic 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
“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 sections 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“United States” or “USA”	the United States of America
“USD”	United States Dollar, the lawful currency of the United States
“%”	per cent

* For identification purpose only.

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

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Mr. Lim Kuak Choi Leslie (Chief Executive Officer), 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.