



## NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)  
(Incorporated in Singapore on 13 May 1999)

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### JOINT VENTURE WITH VENEZIO INVESTMENTS PTE. LTD. TO INVEST IN SYDROGEN ENERGY PTE. LTD.

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#### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nanofilm Technologies International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 19 April 2021 and is pleased to announce that the Company has entered into a subscription and joint venture agreement dated 19 July 2021 with (1) Venezia Investments Pte. Ltd. (“**Temasek**”), an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited and a substantial shareholder of the Company; and (2) Sydrogen Energy Pte. Ltd. (“**SEPL**”), a wholly-owned subsidiary of the Company (the “**JV Agreement**”). Under the JV Agreement, the Company and Temasek (collectively, the “**JV Partners**”) have agreed to form a joint venture to undertake the hydrogen energy and hydrogen fuel cell business of the Group (“**Hydrogen Energy Business**”) through SEPL (the “**Joint Venture**”).

#### 2. RATIONALE FOR THE JOINT VENTURE

SEPL will carry out the Hydrogen Energy Business through the application of advanced materials solutions to critical components in fuel cell and electrolyser systems. The Company envisages that SEPL will play an important role in the sustainable green energy industry and contribute to the mass adoption of the hydrogen fuel cell technology. Through SEPL, the Company aims to contribute to the adoption, growth and development of the hydrogen economy by combining the resources of the Company and Temasek in technologies, research and development, engineering, production capabilities, business network and strategic developments. By doing so, SEPL hopes to build an inclusive ecosystem, performing the role of a key technology aggregator with strategic value chain partners, by combining synergies and complementary technologies to penetrate markets of interests.

<p>Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Issue Managers for the initial public offering of shares in, and listing of, the Company on the Mainboard of the SGX-ST on 30 October 2020 (“Offering”). Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Global Coordinators for the Offering. Citigroup Global Markets Singapore Pte. Ltd., CLSA Singapore Pte Ltd, Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Bookrunners and Underwriters for the Offering.</p>
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### 3. PRINCIPAL TERMS OF THE JOINT VENTURE

#### 3.1. Investment Terms

Under the JV Agreement, the Company and Temasek will subscribe for shares in the capital of SEPL for up to approximately S\$140 million (the “**Initial Investment**”), in the shareholding proportion of 65% and 35%, respectively. The Initial Investment is subject to the fulfilment of certain conditions precedent, including anti-trust approvals. The proceeds are intended to be used for research and development and the construction of production lines for the Hydrogen Energy Business.

The contribution from the Company for the Initial Investment will comprise cash contribution of up to S\$21 million to be funded by internal resources, and non-cash contribution for the remainder in the form of the transfer of the Hydrogen Energy Business and the licence of the Group’s intellectual property relating to the Hydrogen Energy Business, to SEPL. The contribution from Temasek comprises cash.

As at the date of this announcement, the issued and paid-up share capital of SEPL is S\$10,000 and its net tangible asset and book value is negative S\$71,000. The Joint Venture is not expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the financial year ending 31 December 2021.

Under the JV Agreement, the JV Partners have further agreed to engage in good faith discussions in relation to subsequent additional capital contributions, the terms of which are subject to the JV Partners’ mutual agreement.

Under the JV Agreement, the Company will also be issued warrants by SEPL which will entitle the Company to subscribe for additional shares in the capital of SEPL at a nominal value in the event that a qualified liquidity event of SEPL is achieved within five (5) years from the completion date of the subscription.

The Company’s investment in SEPL is in its ordinary course of business, as the fundamental business of SEPL lies in coating applications to fuel cell components and modules, which is in line with the Group’s advanced materials business. In any event, none of the relative figures for the Company’s contribution (comprising both cash and non-cash contributions) to the Initial Investment computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), exceeds 5%. Accordingly, this announcement is released by the Company on a voluntary basis.

#### 3.2. Board Composition

The board of directors of SEPL will comprise five (5) directors, out of which three (3) directors are nominated by the Company and two (2) directors will be nominated by Temasek.

#### 3.3. Put Option

The Company has also granted Temasek a put option (“**Put Option**”), which is exercisable in the event (“**Put Option Event**”) that an investment exit (being a qualified initial public offering or a trade sale of the assets or shares of SEPL, based on certain agreed terms and valuation) is not achieved by SEPL within eight (8) years after the first tranche completion of the Initial Investment. The consideration for the exercise of the Put Option shares is determinable at the time of the exercise of the Put Option taking into account the then fair market value of the Put Option shares and Temasek’s investment amount in SEPL. The Put Option is exercisable over a two (2) year period commencing from the date of the Put Option Event.

In the event the Put Option is exercised and the approval of the shareholders of the Company is required under the Listing Manual at the relevant time, completion of the Put Option will be conditional upon the approval of the shareholders of the Company having been obtained.

#### **4. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Joint Venture, other than through their respective shareholdings in the Company.

#### **5. CAUTIONARY STATEMENT**

The Company will make further announcements, in compliance with the requirements of the listing rules, as and when there are material developments in respect of the matters contemplated by the JV Agreement and this announcement. Shareholders and potential investors should note that there is no certainty or assurance that the Joint Venture between the Company and Temasek will be successful or that SEPL will be able to achieve a qualified initial public offering or trade sale of its shares at any time in the future, or at all. As such, shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, legal or other professional advisers.

**BY ORDER OF THE BOARD  
NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED**

Lim Kian Onn  
Chief Financial Officer

19 July 2021