



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

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

PROPOSED ACQUISITION OF MINORITY 35% STAKE IN SYDROGEN ENERGY PTE. LTD., SUBSIDIARY OF COMPANY

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nanofilm Technologies International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to announce that the Company has entered into a sale and purchase agreement dated 5 July 2025 (the “**SPA**”) with Venezio Investments Pte. Ltd. (the “**Vendor**”) pursuant to which the Vendor has agreed to sell and the Company has agreed to purchase the 49 million preference shares held by the Vendor in the capital of Sydrogen Energy Pte. Ltd. (the “**Sale Shares**”) (the proposed transaction, the “**Proposed Acquisition**”).

As at the date of this announcement, the Sale Shares comprise 35% of the issued share capital of Sydrogen Energy Pte. Ltd. (“**Sydrogen**”), while the Company owns the remaining 65% of the issued share capital of Sydrogen. On completion of the Proposed Acquisition, Sydrogen will become wholly-owned by the Company.

2. INFORMATION ON SYDROGEN AND THE VENDOR

2.1 Sydrogen

Sydrogen is a company incorporated under the laws of Singapore on 9 March 2021, and it has two wholly-owned subsidiaries incorporated under the laws of People’s Republic of China (collectively with Sydrogen, the “**Sydrogen Group**”). The Sydrogen Group carries on the business of developing and providing hydrogen energy technologies and solutions in components, systems and integrated solutions for efficient hydrogen production, storage and utilization.

As at the date of this announcement, Sydrogen has an issued and paid-up share capital of S\$120,000,000, comprising 70,000,000 ordinary shares and 70,000,000 preference shares held as follows:

- (a) 65% of Sydrogen’s issued and paid-up share capital, comprising 70,000,000 ordinary shares and 21,000,000 preference shares, is held by the Company; and
- (b) 35% of Sydrogen’s issued and paid-up share capital, comprising 49,000,000 preference shares, is held by the Vendor.

Based on the audited consolidated financial statements of the Sydrogen Group for the financial year ended 31 December 2024 (the “**FY2024**”), the consolidated net tangible asset value and book value of the Sydrogen Group were respectively S\$26,806,164 and S\$105,606,147. The net loss before tax of the Sydrogen Group for FY2024 was approximately S\$4,862,771.

Pursuant to a subscription and joint venture agreement dated 19 July 2021 entered into between the Company, the Vendor and Sydrogen, the Company granted the Vendor a conditional put option right to require the Company to purchase all the Sale Shares from the Vendor at a consideration

equivalent to the higher of (a) S\$17.5 million (being 50% of the total amount subscribed by the Vendor for the Sale Shares) and (b) the fair market value of the Sale Shares (the **“Put Option”**). The Put Option is exercisable between 1 October 2029 and 30 September 2031 in the event that a qualified public listing or trade sale of Sydhrogen is not achieved by 1 October 2029 (being eight (8) years after completion of the subscription of the Sale Shares by the Vendor).

The Put Option carries a liability (the **“Put Option Liability”**) in the balance sheet of the Company¹. For compliance with financial reporting standards for FY2024, the Company commissioned a valuation of the Put Option Liability to assess the reasonableness of the Put Option Liability amount recorded. Based on the valuation report dated 31 December 2024, the Put Option Liability was measured as S\$51.7 million, being 35% of the valuation of 100% of Sydhrogen. The valuation of Sydhrogen was conducted based on the income approach using the discounted cash flow basis and is subject to a number of key limitations and assumptions.

2.2 The Vendor

The Vendor is a company incorporated under the laws of Singapore and its principal activity is that of an investment holding company. It is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited and a substantial shareholder of the Company. The Vendor holds a 7.56% interest in the share capital of the Company.

As at the date of this announcement, save as disclosed above, the Vendor (i) does not have any existing interest (whether direct or deemed) in the shares of the Company; and (ii) is not related to any of the Directors, substantial shareholders of the Company that are not wholly-owned subsidiaries of Temasek Holdings (Private) Limited, or their respective associates.

There is also no connection (including business relationship) between the Vendor and the Directors or substantial shareholders of the Company.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition underscores the Company's continued confidence in the hydrogen market and its growth potential. On completion of the Proposed Acquisition, the Company will own all the issued shares in Sydhrogen and achieve enhanced management control over the Sydhrogen Group's operations and strategic direction. Full ownership will also allow a deeper integration of Sydhrogen's technologies and solutions with the Group's global commercial, manufacturing, and R&D infrastructure, thereby enhancing opportunities for scale, operational synergy, and commercial acceleration.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

4.1 Sale and Purchase of Sale Shares

Subject to the conditions precedent stated in paragraph 4.3 below, the Sale Shares will be acquired in two (2) tranches:

- (a) the acquisition of 16,333,333 Sale Shares (the **“First Tranche”**) will complete on 30 November 2025; and
- (b) the acquisition of 32,666,667 Sale Shares (the **“Second Tranche”**) will complete on or before 30 November 2026.

¹ Please refer to the Company's annual report for FY2024 at pages 122, 151, 174 - note 2(n), 183 – note 3(i) and 229 - note 25.

4.2 Consideration

The total consideration for the Proposed Acquisition is S\$15,000,000 (the “**Total Consideration**”), comprising S\$5,000,000 for the First Tranche and S\$10,000,000 for the Second Tranche, payable in cash to the Vendor on the respective completion dates for the First Tranche and Second Tranche.

The Total Consideration was arrived at after an arms’ length negotiation on a willing-buyer willing-seller basis, and the Company taking into consideration factors such as the net tangible asset value and book value of the Sydrogen Group, the Put Option Liability, as well as the business operations, technical performance and capabilities of the Sydrogen Group, and other potential benefits arising from the business synergy between the Sydrogen Group and the Company.

The Total Consideration will be funded from internal sources of funds.

4.3 Conditions Precedent

Completion of the First Tranche is subject to the fulfillment of the following conditions on or before 30 November 2025 or such other date as the Company and the Vendor may agree in writing:

- (a) the Company having procured the delivery to the Vendor of the deeds of undertakings from each of Dr Shi Xu, Mdm Jin Xiao Qun, Pearl Yard Holdings Inc, Harrymore International Limited and Neufront Investment Pte. Ltd. to vote all of their shares of the Company in favour of any shareholders’ resolution of the Company as may be required by the SGX-ST to approve the transactions contemplated by the SPA (the “**Relevant Approval**”); and
- (b) if the Relevant Approval is required to be obtained under the SGX-ST Listing Manual Section A: Rules of Mainboard (the “**Listing Manual**”), the Company having received the Relevant Approval from a majority of the Shareholders in compliance with the Listing Manual.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition are set out below strictly for illustrative purposes, and do not necessarily reflect the actual financial performance and position of the Group following the Proposed Acquisition. The figures presented below are based on the Group’s audited consolidated financial statements for FY2024 and the Sydrogen Group’s audited financial statements for FY2024.

- (a) Net Tangible Assets (the “**NTA**”) per Share

Assuming that the Proposed Acquisition had been effected on 31 December 2024 and any fair value changes to the Put Option Liability arising from the Proposed Acquisition is accounted for in equity, the Proposed Acquisition (comprising both the First Tranche and Second Tranche) would have had the following financial effects on the Group’s NTA per share as at 31 December 2024:

	Before the Proposed Acquisition	After the Proposed Acquisition ⁽²⁾
Net tangible assets (S\$’000) ⁽¹⁾	334,847	403,178
Number of shares excluding Treasury Shares (’000)	651,651	651,651
Net tangible assets per share (SG cents)	51.38	61.87

Notes:

- (1) Net tangible assets equal equity attributable to the equity holders of the Company less intangible assets.
- (2) The increase in net tangible assets after the Proposed Acquisition is attributable mainly to the reversal of the Put Option Liability of S\$53.1 million as at 31 December 2024, and the acquisition of the non-controlling interest in Sydrogen.

(b) Earnings per Share (the “EPS”)

Assuming that the Proposed Acquisition had been effected on 1 January 2024 and any fair value changes to the Put Option Liability arising from the Proposed Acquisition is accounted for in equity, the Proposed Acquisition (comprising both the First Tranche and Second Tranche) would have had the following financial effects on the Group’s EPS for FY2024:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to shareholders (S\$'000)	7,744	6,422
Weighted average number of shares ('000)	654,822	654,822
Earnings per share (SG cents)	1.18	0.98

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual, are set out below:

	<u>SGX Rule 1006</u>	<u>Computation⁽³⁾</u>
(a)	The net asset value of the assets to be disposed of, compared with the group’s net asset value. This basis is not applicable to an acquisition of assets.	Not applicable as the Proposed Acquisition is not a disposal
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group’s net profits.	-17.65% ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.	3.59% ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable as no equity securities are issued as consideration for the Proposed Acquisition
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves.	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) Pursuant to Rule 1002(3)(c) of the Listing Manual, the ratio under Rule 1006(b) is computed based on the Group's audited consolidated net profit before tax of S\$9,645,000 for FY2024 compared with the audited consolidated net loss before tax of the Sydrogen Group of S\$4,862,771 for FY2024. The net loss attributable to the Sale Shares is S\$1,701,970, being 35% of S\$4,862,771.
- (2) The ratio under Rule 1006(c) is computed based on the Total Consideration of S\$15,000,000 compared with the Company's market capitalisation of S\$417.30 million on 4 July 2025 (the day on which the shares of the Company were traded preceding the date of the SPA). The Company's market capitalisation was determined by multiplying 651,728,935 ordinary shares of the Company in issue by the volume weighted average price of such shares of S\$0.6403 per share on 4 July 2025.
- (3) The above computations are based on a full acquisition of both the First Tranche and Second Tranche and on the assumption that any fair value changes to the Put Option Liability arising from the Proposed Acquisition is accounted for in equity.

Rule 1006(b): As Sydrogen recorded a net loss for FY2024, Practice Note 10.1, paragraph 4.6 of the Listing Manual (read with paragraphs 4.3 and 4.4) applies. Accordingly, as the net loss attributable to the Sale Shares exceeded 10% of the consolidated net profit of the Group for FY2024 (taking into account only the absolute values), Rule 1014 of the Listing Manual applies and the approval of the Company's shareholders (the "**Shareholders**") for the Proposed Acquisition is required to be obtained.

7. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as set out above, none of the Directors and the controlling shareholder of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings in the Company.

8. SERVICE CONTRACTS

As at the date of this announcement, no person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection at the registered office of the Company at 11 Tai Seng Drive Singapore 535226, during normal business hours for a period of three (3) months from the date of this announcement.

10. EXTRAORDINARY GENERAL MEETING AND CIRCULAR

The Company will convene an extraordinary general meeting (the "**EGM**") to seek Shareholders' approval for the Proposed Acquisition. A circular containing further information on the Proposed Acquisition together with a notice of the EGM will be released to Shareholders in due course.

11. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Completion of the Proposed Acquisition is subject to fulfilment of the closing conditions in the SPA. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

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

Lim Kian Onn
Chief Financial Officer

5 July 2025