



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

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

JOINT VENTURE TO DEVELOP AND PROVIDE VACUUM COATING SOLUTIONS AND PRODUCTS FOR ADVANCED BATTERIES IN ELECTRIC VEHICLES AND ENERGY STORAGE APPLICATIONS IN CHINA

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Nanofilm Technologies International Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Nanofilm Vacuum Coating (Shanghai) Co., Ltd (纳峰真空镀膜 (上海) 有限公司) (“**NVC**”) has entered into a strategic joint venture with Shenzhen Everwin Precision Technology Co., Ltd (深圳市长盈精密技术股份有限公司)(“**Everwin**”) and Shanghai Hongshi Enterprise Management Partnership (Limited Partnership (上海鸿石企业管理合伙企业 (有限合伙)))(“**Hongshi**”) (“**Joint Venture**”) on 28 September 2022. Pursuant to the Joint Venture and in accordance with a joint venture contract entered into among the parties (the “**JV Contract**”), NVC, Everwin and Hongshi will establish a joint venture company in Zigong, Sichuan, China by the name of Sichuan Apex Technologies Co., Ltd (四川峰盈新能源科技有限公司)(“**JV Company**”) to carry on the principal business of developing and providing vacuum coating solutions and coated products for battery components, packs and systems in electric vehicles and new energy storage applications, in China (“**Advanced Battery Business**”).

2. RATIONALE FOR THE JOINT VENTURE

Everwin, founded on 17 July 2001 and listed on the Shenzhen Stock Exchange, is a high-tech enterprise with a proven track record in developing, producing and selling intelligent terminal components for consumer electronics, components for new energy vehicles, industrial robots and automation system integration. Hongshi is a related party of Everwin as its shareholders include Everwin’s employees. Both the Company and Everwin believe that the synergies between the Company’s vacuum coating know-how and Everwin’s manufacturing capabilities, create a strategic partnership for exploiting the opportunities available in the commercialisation of vacuum coating technologies for metal components in electric vehicle battery packs and energy storage systems.

The Company and Everwin observe a growing need for an environmentally friendly coating solution for anti-corrosion and protection in replacement of traditional pollutive electroplating process, which is currently facing production and capacity constraints in the fast growing and

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.

high-volume Advanced Battery Business. The Company and Everwin recognise that the vacuum coating technology and solutions developed by the Company can be a suitable alternative which is environmentally friendly, scalable and cost competitive. By leveraging upon the complementary strengths and resources of the Company and Everwin in technologies, research and development, engineering, production capabilities, business network and strategic development, the JV Company will provide products and services based on the developed solutions for the advanced battery industry (e.g., metal components in electric vehicle battery packs and energy storage systems).

3. SALIENT TERMS OF THE JOINT VENTURE

The registered capital of the JV Company is RMB 50 million which will be subscribed in cash and held by NVC, Everwin and Hongshi in the proportion of 60%, 30% and 10% respectively. The registered capital is intended to be utilised to set up a vacuum coating development and production facility in the Zigong High-Tech Zone in Sichuan, China, a strategic supply chain location, to carry out the Advanced Battery Business.

The board of the JV Company will comprise 5 directors, 3 of whom will be nominated by NVC and 2 by Everwin. In addition, the board chairman and legal representative of the JV Company will be designated by NVC.

In carrying on the Advanced Battery Business, the JV Company will develop and provide new vacuum coating applications and solutions for battery components and systems in automotive and new energy storage applications. The Company will support the JV Company through provision of proprietary equipment and technologies for use in the field of the Advanced Battery Business, in China. In connection with the Joint Venture, Everwin and the JV Company will also enter into a strategic partnership agreement with each other for the supply of vacuum coating solutions and products by the JV Company to the Everwin group.

The Company's investment in the JV Company is in its ordinary course of business, as the fundamental business of the JV Company lies in coating applications to battery components and modules, which is in line with the Group's advanced materials business. In any event, none of the relative figures in respect of the Company's contribution to the registered capital of the JV Company, 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.

4. FINANCIAL EFFECTS OF NVC'S INVESTMENT IN THE JV COMPANY

The proposed investment in the JV Company by NVC will be funded by internal resources and at present is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2022.

5. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS

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.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that there is no certainty or assurance that the joint venture between NVC, Everwin and Hongshi will be successful. 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

28 September 2022