



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration Number 199902564C)

(Incorporated in Singapore on 13 May 1999)

CLAIM AGAINST ADVANCED SOLAR POWER (HANGZHOU) INC. (龙焱能源科技(杭州)有限公司) (“ASP”) BY NANOFILM VACUUM COATING (SHANGHAI) CO., LTD (“NVC”) AND RELATED COUNTER-CLAIM BY ASP AGAINST NVC

Background

The Board of Directors of Nanofilm Technologies International Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements on 15 March 2021 and 7 June 2021 (the “**Prior Announcements**”) in respect of the outstanding debts owing by ASP to NVC, a wholly-owned subsidiary of the Company, in relation to the ASP Project.

Capitalised words used in this announcement shall have the same meanings as defined in the Prior Announcements, unless otherwise expressly stated.

Settlement

The Board is pleased to announce that NVC has entered into a settlement agreement with ASP, effective 8 December 2021, in relation to the Claim and Counter-Claim (the “**Settlement**”).

Under the Settlement, ASP has agreed to make payment of a total amount of S\$5,741,747 (RMB26,755,580) (the “**Settlement Amount**”) to NVC in settlement of all disputes arising from the contracts for the supply of the Equipment. The Settlement Amount will be paid in full upon completion of certain legal procedure relating to the Claim. In addition, as part of the Settlement, NVC has entered into a service agreement with ASP to provide repair, maintenance and other after sales services in respect of the Equipment, to ASP at commercially agreed rates.

Financial Impact

The costs incurred in performing the work in respect of the ASP Project had been expended in prior financial years. The outstanding contract assets in respect of the ASP Project were S\$2.2 million out of which a provision of S\$1.1 million was made as at 31 December 2020. Except for the outstanding net contract assets of S\$1.1 million (after deducting the provision of S\$1.1 million), the Settlement Amount has not been recognised as sales in the financial statements of NVC. Accordingly, the Settlement Amount will have a positive impact on the financial statements of the Group for the current financial year.

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

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

Lim Kian Onn
Chief Financial Officer
9 December 2021