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DENOX ENVIRONMENTAL & TECHNOLOGY HOLDINGS LIMITED
迪諾斯環保科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1452)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Denox Environmental & Technology Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Period**”) together with comparative figures for the corresponding period of 2024 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	69,714	52,264
Cost of sales		<u>(57,771)</u>	<u>(38,804)</u>
Gross profit		11,943	13,460
Selling and marketing expenses		(13,043)	(11,796)
Administrative expenses		(8,459)	(12,226)
Research and development expenses		(1,471)	(2,303)
Other income, gains and losses	5	2,201	1,990
Share of result of an associate		2	4
Finance income	6	2,148	1,427
Finance costs	6	<u>(383)</u>	<u>(213)</u>
Loss before tax		(7,062)	(9,657)
Income tax expense	7	<u>—</u>	<u>—</u>
Loss for the period		<u>(7,062)</u>	<u>(9,657)</u>
Other comprehensive (expense) income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		(2,019)	943
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>(247)</u>	<u>—</u>
Other comprehensive (expense) income for the period		<u>(2,266)</u>	<u>943</u>
Total comprehensive expense for the period		<u>(9,328)</u>	<u>(8,714)</u>
Loss per share attributable to owners of the Company	8		
Basic and diluted loss per share (RMB)		<u>RMB(0.012)</u>	<u>RMB(0.016)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 <i>RMB'000</i> (Unaudited)	31 December 2024 <i>RMB'000</i> (Audited)
	<i>NOTES</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		34,202	35,303
Right-of-use assets		13,371	14,069
Interest in an associate		127	125
Long-term prepayments		<u>230</u>	<u>147</u>
		<u>47,930</u>	<u>49,644</u>
Current assets			
Inventories	10	311,070	297,545
Trade and retention receivables	11	13,763	16,671
Financial assets at fair value through other comprehensive income		2,193	495
Prepayments, deposits and other receivables		23,025	12,766
Bank deposits with original maturity over three months		–	41,736
Bank balances and cash		<u>48,041</u>	<u>18,067</u>
		<u>398,092</u>	<u>387,280</u>
Total assets		<u><u>446,022</u></u>	<u><u>436,924</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	NOTES		
LIABILITIES			
Non-current liabilities			
Borrowings		5,628	—
Lease liabilities		6,996	6,851
Deferred income		1,591	1,745
		<u>14,215</u>	<u>8,596</u>
Current liabilities			
Trade payables	12	54,747	33,462
Accruals and other payables		8,070	8,367
Contract liabilities		238,398	238,513
Borrowings		4,033	11,727
Deferred income		308	308
Lease liabilities		718	1,090
Tax payables		3,703	3,703
		<u>309,977</u>	<u>297,170</u>
Total liabilities		<u>324,192</u>	<u>305,766</u>
Net assets		<u>121,830</u>	<u>131,158</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		38,510	38,510
Reserves		83,320	92,648
Total equity		<u>121,830</u>	<u>131,158</u>
Total equity and liabilities		<u>446,022</u>	<u>436,924</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL

Denox Environmental & Technology Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 7 November 2014 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in design, development, manufacture and sale of DeNOx catalysts in the People’s Republic of China (the “**PRC**”). The ultimate holding company of the Group is Advant Performance Limited, a company incorporated in the British Virgin Islands (“**BVI**”) which is wholly-owned by Ms. Zhao Shu, an executive director and chairlady of the Company (the “**Controlling Shareholder**”).

On 12 November 2015, the Company’s shares were listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Items included in the condensed consolidated interim financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC. Other than the subsidiaries established in the PRC which functional currencies are RMB, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“**HK\$**”), United States dollars and Euro.

These condensed consolidated interim financial statements were approved by the board of directors of the Company for issue on 29 August 2025.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee together with the management of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. Accordingly, this result is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024 except as described below.

In the current interim reporting period, the Group has applied the following new and amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

For reporting entities applying IFRS Accounting Standards:

Amendments to IAS 21 Lack of Exchangeability

The application of the new and amendments to IFRS Accounting Standards in the current interim reporting period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements.

4. REVENUE

Revenue represents revenue arising on sales of goods. An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Revenue from contracts with customers within the scope of International Financial Reporting Standard 15		
Disaggregated by major products		
– Sales of goods		
• Plate-type DeNOx catalysts	7,325	37,991
• Honey-comb DeNOx catalysts	60,665	10,706
• DeNOx catalysts for vehicles	1,724	3,567
	69,714	52,264

All revenue from contracts with customers are recognised at a point in time for the six months ended 30 June 2025 and 2024.

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Government grants (<i>note</i>)	154	154
Net foreign exchange gains	523	131
Value-added tax credit	253	471
Sale of raw materials	1,134	837
Others	137	397
	<u>2,201</u>	<u>1,990</u>

Note: The Group received in the past a government subsidy of approximately RMB3,080,000 for acquisition of machineries, which was treated as deferred income and is amortised to profit or loss over the useful lives of the related machineries. This policy resulted in a credit to profit or loss in the current interim reporting period of approximately RMB154,000 (six months ended 30 June 2024: RMB154,000). The government grants were one-off with no specific conditions.

6. FINANCE INCOME/FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Finance income		
Interest income	<u>2,148</u>	<u>1,427</u>
Finance costs		
Interest expenses on lease liabilities	(144)	(33)
Interest expenses on borrowings	(231)	(161)
Interest expenses on discounted bills	<u>(8)</u>	<u>(19)</u>
	<u>(383)</u>	<u>(213)</u>

7. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the six months ended 30 June 2025 and 2024.

No provision for Hong Kong Profits Tax of 16.5% has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 2025 and 2024.

No provision for income tax of Italy and the United States has been made as the Group did not have any taxable profits subject to the income tax in accordance with the relevant tax laws and regulations in respective countries for the six months ended 30 June 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of certain PRC subsidiaries of the Group is 25%.

Pursuant to the relevant laws and regulations in the PRC, the Group’s subsidiary, Gu’an Denox Environmental Equipment Manufacturing Co., Ltd, was accredited as high-tech enterprise. It is entitled to the preferential tax rate of 15% for the six months ended 30 June 2025 and 2024.

No provision for PRC Enterprise Income Tax has been made as the Group has sufficient available tax losses to utilise for any taxable profits subject to PRC Enterprise Income Tax for the six months ended 30 June 2025 and 2024.

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2025	2024
	RMB’000	RMB’000
	(Unaudited)	(Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to owners of the Company)	<u>(7,062)</u>	<u>(9,657)</u>
	Number of	Number of
	shares	shares
	’000	’000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>592,844</u>	<u>578,729</u>

The diluted loss per share was the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2025, nor has any dividend been proposed since the end of the interim reporting period (six months ended 30 June 2024: Nil).

10. INVENTORIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials	19,632	22,607
Work-in-progress	2,390	4,561
Finished goods	36,806	30,403
Goods in transit	252,242	239,974
	<u>311,070</u>	<u>297,545</u>

During the six months ended 30 June 2025, the cost of inventories recognised as expenses and included in cost of sales amounted to approximately RMB57,771,000 (six months ended 30 June 2023: RMB38,804,000).

11. TRADE AND RETENTION RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	7,534	10,274
Retention receivables	9,196	9,601
	16,730	19,875
Less: allowance for impairment of trade and retention receivables	(2,967)	(3,204)
	<u>13,763</u>	<u>16,671</u>

The Group allows a credit period of 30 days to 60 days (31 December 2024: 30 days to 60 days) to its customers.

The following is an aged analysis of trade and retention receivables, net of allowance for impairment of trade and retention receivables, presented based on the date of revenue recognition dates, at the end of the interim reporting period.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	7,838	13,535
1 year to 2 years	5,675	2,654
2 years to 3 years	250	376
Over 3 years	—	106
	<u>13,763</u>	<u>16,671</u>

12. TRADE PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	<u>54,747</u>	<u>33,462</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the interim reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	43,741	25,065
6 months to 1 year	1,817	3,123
1 year to 2 years	6,795	4,167
Over 2 years	<u>2,394</u>	<u>1,107</u>
	<u>54,747</u>	<u>33,462</u>

The average credit period on purchases is from 30 days to 60 days (31 December 2024: 30 days to 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Company is an investment holding company with its principal subsidiaries engaged in design, development, manufacture and sales of DeNOx catalysts in the People's Republic of China ("the **PRC**").

During the Period, there were no significant changes in the nature of the Group's principal activities.

The Company's Management Analysis Report for the First Half of 2025 and Outlook on the Work for the Second Half of 2025

I. Work overview of the Company for the first half of 2025

In the first half of 2025, China's economy achieved a growth rate of 5.3% under the "high growth, low inflation" framework, marking a remarkable accomplishment, of which the contribution of new growth drivers (such as green consumption, digital infrastructure, and artificial intelligence) increased. In the first half of the year, the total power consumption nationwide increased by 3.7% year-on-year, while the macroeconomy remained under pressure from overcapacity, price competition and real estate risks, and employment and consumption remained relatively sluggish. In the second half of 2025, macroeconomic policies will focus on striking a balance between supply-side reforms (such as "anti-involution" measures) and demand-side stimulus to boost consumption and private enterprise confidence, in order to consolidate the foundation for recovery.

(I) Market conditions of the industrial catalysts

1. The power industry remains the principal market for DeNOx catalysts, with overall project numbers and market demand remaining stable. The power industry primarily relies on traditional honey-comb and plate-type catalysts, where both state-owned and private enterprises compete on the same platform. In addition, central state-owned power enterprises conduct annual centralised bidding for catalyst procurement, resulting in intense market competition and a high degree of internal rivalry.
2. The steel coking industry has experienced relatively rapid growth in market demand over the past two years, particularly the demand for CO catalysts. However, overcapacity, weak profitability, and financial difficulties for companies in the sector have not significantly improved in the short term, which has restrained the release of effective market demand for catalysts in the industry.
3. The alumina industry has entered a catalyst replacement cycle, sustaining overall robust market demand.
4. In the first half of 2025, the number of approved projects in biomass power generation and waste-to-energy incineration increased, resulting in an increase in catalyst demand.

5. Industries such as cement, glass, and papermaking maintain steady demand for catalysts. In the first half of 2025, newly built cement production lines in Henan, Guangdong and other regions in China were equipped with standard denitrification facilities, resulting in a rapid year-on-year growth in catalyst procurement.

(II) The Group's key work on plate-type and honey-comb catalyst products

1. Marketing and after-sale services

In the first half of 2025, the Group completed a total of 716 customer enquiries and technical support cases for catalysts, participated in 221 formal tenders for thermal power plants and other industrial customers, and signed 92 technical agreements and business contracts. Overall, the marketing efforts for the Group's industrial catalyst segment further increased as compared to last year, and the total contract value in the first half of the year slightly increased year-on-year.

Notable highlights of the Group's market development efforts during the first half of 2025 include:

- The Group has signed a dioxin catalyst supply contract, and the Company has delivered several successful dioxin removal projects, demonstrating the Company's technological expertise in catalyst solutions for the field;
- The Group's plate-type catalysts have achieved significant breakthroughs in overseas markets by securing multiple project orders, and the product quality of plate-type catalysts has gained widespread recognition from international customers;
- The Group's plate catalysts have further occupied the market share in the industrial silicon field;
- The Group's corrugated plate-type catalysts have made progress in the waste-to-energy industry by signing contracts both domestically and overseas;
- The Group's honey-comb DeNO_x catalysts have made a breakthrough in low-temperature, high-moisture projects;
- The Group has further expanded the application of its honey-comb DeNO_x catalysts in waste liquid incinerators in the petrochemical industry; and
- The Group's honey-comb CO catalysts have achieved a market breakthrough for the first commercial application.

2. Product manufacturing

In the first half of 2025, the production of industrial honey-comb and plate-type catalyst products increased as compared to the same period last year, with a total of 88 orders completed.

In the first half of the year, the Group continued to execute its cost-reduction objectives by taking effective measures in various aspects including project budget management, production plan design, formula design, raw material usage, and meshing cost control, resulting in varying degrees of reduction in major indicators. Through production cost control, the Group has mitigated the pressure from intensifying market competition, and strived to maintain and stabilise gross profit margin of its products.

3. Product research and development

In accordance with the Group's research and development strategy, the Group continued to strengthen the research and development of industrial catalysts while controlling research and development expenses. In the first half of the year, the Group carried out research and development work on more than ten catalyst products with good market application prospects, progressively promoted the products from laboratory development to pilot-scale production, customer field trials, and securing volume production orders, and generally achieved good research and development achievements.

II. Key work arrangements of the Group for the second half of 2025

1. In light of the competitive market landscape and the production capacity utilisation of different product lines of the Group in the first half of 2025, the Group will continue to adjust and optimise its pricing system and sales incentive mechanism, striving to further expand market contract value;
2. Continue to strengthen the marketing of new catalysts in the fields of waste-to-energy incineration, biomass power generation, gas power generation, and metallurgical industry. The Group will enhance the research and development, trial production and marketing of new catalysts. New industrial catalysts are critical for the Group's future business development and a key factor in improving profitability.
3. Continue to implement the Group's overseas product expansion strategy, refine its overseas teams, consolidate the existing overseas sales performance, maintain relationships with existing overseas customers, and strive to develop new overseas customers.
4. Continue to consolidate all cost-reduction achievements of the Group made in the first half of the year. The Group will continue to persist in implementing cost reduction in all aspects through raw material performance research, equipment optimisation, energy consumption analysis, and other measures.
5. To effectively carry out market expansion, cost control, new product research and development, and other tasks, the Group will further strengthen internal talent training, reserve and rotation, external recruitment and other systems to achieve orderly personnel flow and talent pipeline development.

FINANCIAL REVIEW

Revenue from contracts with customers

The following table sets forth the revenue generated from sales of plate-type DeNOx catalysts, honey-comb DeNOx catalysts and DeNOx catalysts for vehicles in absolute amount and as percentages of total revenue for the periods indicated:

	Six months ended 30 June			
	2025		2024	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Plate-type DeNOx catalysts	7,325	10.5	37,991	72.7
Honey-comb DeNOx catalysts	60,665	87.0	10,706	20.5
DeNOx catalysts for vehicles	1,724	2.5	3,567	6.8
Total	<u>69,714</u>	<u>100.0</u>	<u>52,264</u>	<u>100.0</u>

During the Period, the Group recorded a total revenue of approximately RMB69.7 million, representing an increase of 33.3% as compared to approximately RMB52.3 million of the same period in 2024.

Plate-type DeNOx catalysts

Revenue generated from sales of plate-type DeNOx catalysts decreased to approximately RMB7.3 million for the Period, representing a decrease of 80.8% as compared to approximately RMB38.0 million for the same period in 2024, which was primarily attributable to the decrease in average selling price and sales volume of plate-type DeNOx catalysts during the Period. The plate-type DeNOx catalysts market was mainly derived from power plants, steel plants, cement plants, etc.

Honey-comb DeNOx catalysts

Revenue generated from sales of honey-comb DeNOx catalysts increased to approximately RMB60.7 million for the Period, representing an increase of 467.3% as compared to RMB10.7 million for the same period in 2024, which was primarily due to the increase in sales volume of honey-comb DeNOx catalysts during the Period. The honey-comb DeNOx catalysts market was mainly derived from power plants, steel plants, cement plants, etc.

DeNOx catalysts for vehicles

During the Period, the Group recorded revenue from sales of DeNOx catalysts for vehicles of approximately RMB1.7 million, representing a decrease of 52.8% as compared with the revenue of approximately RMB3.6 million of the same period in 2024. The decrease in the revenue from DeNOx catalysts for vehicles as compared to the same period in 2024 was primarily due to the significant decrease in sales orders of vehicle catalysts.

Gross profit

During the Period, the Group recorded a gross profit of approximately RMB11.9 million which resulted from the decrease in average selling price of plate-type and honey-comb DeNOx catalysts during the Period while the Group recorded a gross profit of approximately RMB13.5 million for the same period in 2024.

Selling and marketing expenses

Selling and marketing expenses primarily consist of transportation cost, consulting service expenses and employee benefit expenses, etc. The Group's sales and marketing expenses increased for the Period as compared to the same period in 2024, mainly due to the increased marketing efforts for catalysts products in overseas markets, representing 18.7% and 22.6% of the Group's total revenue from contracts with customers for the six months ended 30 June 2025 and 2024, respectively. As a whole, the Group's selling and marketing expenses increased by 10.2% to approximately RMB13.0 million for the Period from approximately RMB11.8 million of the same period in 2024.

Administrative expenses

Administrative expenses mainly consist of employee benefit expenses, depreciation and amortisation, and professional fees. During the Period, the Group's administrative expenses amounted to approximately RMB8.5 million, which decreased by 30.3% when compared with approximately RMB12.2 million of the same period in 2024, mainly due to the Group's enhanced cost control measures on administrative expenses.

Finance income/(costs)

Finance income includes interest income on bank balances, and bank deposits with original maturity over three months. Finance costs includes interest expenses on lease liabilities, borrowings and bill receivables. The Group recorded net finance income of approximately RMB1.8 million for the Period as compared to net finance income of approximately RMB1.2 million of the same period in 2024.

Loss attributable to owners of the Company

As a result of the foregoing, the loss attributable to owners of the Company for the Period amounted to approximately RMB7.1 million while the Group recorded loss attributable to owners of the Company of approximately RMB9.7 million of the same period in 2024.

Liquidity and capital resources

The Group's financial position remains solid and the Group possessed sufficient financial resources to meet its commitments and working capital requirements in the foreseeable future. As at 30 June 2025, the Group had net current assets of approximately RMB88.1 million (31 December 2024: approximately RMB90.1 million) of which cash and cash equivalents were approximately RMB48.0 million (31 December 2024: approximately RMB18.1 million) and were denominated in Euro, Hong Kong Dollars, RMB, and United States Dollars as at 30 June 2025.

Borrowings

As at 30 June 2025, the outstanding borrowings of the Group were approximately RMB9.7 million (31 December 2024: approximately RMB11.7 million), and all the borrowings were denominated in RMB.

Gearing Ratio

Our gearing ratio which is calculated by total borrowings divided by total assets was 2.2% as of 30 June 2025 (31 December 2024: 2.7%). The decrease in gearing ratio was mainly due to the decrease in borrowings.

Pledge of Assets

As of 30 June 2025, the Group has pledged certain machineries with the net carrying amount of approximately RMB6.4 million (31 December 2024: RMB8.8 million) and certain land and property with net carrying amount of Nil (31 December 2024: RMB11.6 million).

Use of Net Proceeds from the Global Offering

On 12 November 2015, the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The net proceeds received by the Group from the global offering (after deducting underwriting fees and relevant expenses) amounted to RMB171.0 million.

On 25 June 2025, the Board, after having considered the business environment and development of the Group has resolved to re-allocate the remaining net proceeds in the amount of RMB10.6 million, intentionally for the purpose of research and development of the Group to working capital and general corporate purposes of the Group. For details, please refer to the Prospectus and the announcements of the Company dated 28 December 2020, 28 December 2022 and 25 June 2025, respectively.

The re-allocation and the revised remaining net proceeds are summarised as follows:—

Purposes	Original allocation of net proceeds as stated in the Prospectus RMB'million	1st re-allocation of net proceeds on 28 December 2020 RMB'million (Note 1)	2nd reallocation of net proceeds on 28 December 2022 RMB'million (Note 1)	3rd re-allocation of net proceeds on 25 June 2025 RMB'million (Note 1)	Remaining balance of the unutilised amount of net proceeds as at 31 December 2024 RMB'million	Remaining balance of the unutilised amount of net proceeds upon reallocation on 25 June 2025 RMB'million	Amount of utilised net proceeds during the Period RMB'million	Remaining balance of the unutilised amount of net proceeds as at 30 June 2025 RMB'million	Expected timeline for fully utilising the remaining net proceeds (Note 2)
Development of DeNOX catalysts for diesel-powered vehicles	78.6	78.6	75.1	75.1	-	-	-	-	N/A
Acquisition of potential target companies in the Group's industry that can help to expand the Group's market coverage or key raw material suppliers	46.2	21.9	21.9	21.9	-	-	-	-	N/A
Research and development	17.1	17.1	33.2	22.6	10.7	-	0.1	-	N/A
Expansion of the Group's sales network and establishment of the Group's regional sales offices in China as well as Europe	6.9	6.9	5.9	5.9	-	-	-	-	N/A
Replacement of the Group's No.1 production line	5.1	3.5	3.5	3.5	-	-	-	-	N/A
Working capital and general corporate purposes	17.1	43.0	31.4	42.0	0.6	10.6	0.7	10.5	First quarter of 2027
Total	171.0	171.0	171.0	171.0	11.3	10.6	0.8	10.5	

Note 1: The utilisation of the net proceeds and the use of proceeds for the remaining balance of the unutilised amount of net proceeds from the Listing was updated. For details, please refer to the Prospectus and the announcements of the Company dated 28 December 2020, 28 December 2022 and 25 June 2025, respectively.

Note 2: The remaining balance of the unutilised amount of net proceeds for working capital and general corporate purposes is expected to be used up on or before the first quarter of 2027. The Company remains committed to using the remaining balance in a timely manner to support its business operation. The expected timeline was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions.

Save as disclosed above, there are no other changes to the use of the remaining balance of the unutilised amount of net proceeds from the Listing as of the date of this announcement.

Capital expenditures

The Group incurred capital expenditure to expand its operations, maintain its equipment and increase its operational efficiency. During the Period, the Group had invested approximately RMB1.9 million (six months ended 30 June 2024: RMB6.5 million) for the purchase of property, plant and equipment. These capital expenditures were financed by internal resources of the Group.

Capital commitment

As at 30 June 2025, the Group had capital commitment amounting to RMB1.4 million (31 December 2024: RMB1.4 million) for capital contribution to an associate company, Langfang Denox Environmental & Technology Co., Ltd., which is principally engaged in development and manufacture of DeNOx catalysts for vehicles.

As at 30 June 2025, the Group had capital commitment for acquisition of property, plant and equipment amounting to approximately RMB3.4 million (31 December 2024: RMB2.8 million).

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities, guarantees and litigations (31 December 2024: Nil).

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Saved as disclosed, there were no significant investments held (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2025), no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period and up to the date of this announcement.

There were no futures plan authorised by the Board for other material investments or additions of capital assets of the Group during the Period and up to the date of this announcement.

Important event affecting the Group after the Period

The Board is not aware of any other important event affecting the Group that have taken place subsequent to 30 June 2025 and up to the date of this announcement.

Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions originally denominated and settled in RMB, of which foreign exchange risk is considered insignificant. The Group is exposed to foreign exchange risk primarily relating to certain of its bank deposits which were denominated in Euro, Hong Kong Dollars and United States Dollars. The Group did not carry out any hedging activities against foreign currency risk during the Period. Any substantial fluctuation in exchange rate of foreign currencies against RMB may have a financial impact to the Group. The Group believes that the Group have sufficient foreign currencies to meet its foreign exchange needs and will take effective measures to prevent foreign exchange risks should the need arise.

Employees and Remuneration Policy

As at 30 June 2025, the Group had 186 employees (31 December 2024: 184 employees). The majority of our employees are based in the PRC. Remuneration of the employees of the Group amounted to RMB19.7 million for the Period (for the six months ended 30 June 2024: RMB15.7 million). Remuneration policies are reviewed regularly to ensure that the Group is offering competitive employment packages to employees. Remuneration of the Group's employees includes salaries, pension, discretionary bonus, medical insurance scheme and other applicable social insurance. The Group's remuneration policy for the Directors, senior management members and employees are based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors, senior management members and employees. Further, the Group has adopted the Share Option Scheme on 14 October 2015. Further information of the Share Option Scheme is available in the annual report of the Company for the year ended 31 December 2024. As the growth of the Group is dependent upon the skills and dedication of its employees, the Group recognises the importance of human resources in competitive industry and has devoted resources to training employees. The Group has established an annual training program for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasure shares (as defined under the Listing Rules)). The Company did not have any treasury shares (as defined under the Listing Rules) as at 30 June 2025.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2024: Nil).

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has complied with the applicable code provisions of the corporate governance code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange with the exception of code provision C.2.1 of Part 2 of the CG Code. Given the current stage of the development of the Group, the Board is of the view that vesting the two roles of chairperson and chief executive to Ms. Zhao Shu, the chairlady of the Board provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group’s business strategies which are in the best interests of the Company. The Board will continue to review and consider splitting the roles of chairperson of the Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

For further details of such deviation, please refer to the section headed “Corporate Governance Report – (D) Chairman and Chief Executive” on page 10 of the annual report of the Company for the year ended 31 December 2024.

To comply with the Listing Rules, the Company has updated the terms of reference of its nomination committee on 25 June 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors’ securities transactions. Having made specific enquiry with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the Period.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Ms. Chan Yeuk Wa, Dr. Wang Xueqian and Mr. Ong Chor Wei. Mr. Ong Chor Wei is an independent non-executive Director with appropriate professional qualifications under Rules 3.10(2) and 3.21 of the Listing Rules. Ms. Chan Yeuk Wa is the chairlady of the Audit Committee.

The Audit Committee, together with the management of the Company, has reviewed the unaudited consolidated interim financial statements for the Period, and also discussed the accounting policies, accounting standards and practices adopted by the Group.

The Audit Committee considered that the unaudited consolidated interim results for the Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

PUBLICATION OF 2025 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website (www.china-denox.com) and the Stock Exchange's website (www.hkexnews.hk), respectively. The Company's interim report for the six months ended 30 June 2025 will be available on the same websites and will be despatched to the Company's shareholders who requested the printed copy on or before the end of September 2025.

By Order of the Board
Denox Environmental & Technology Holdings Limited
Zhao Shu
Chairlady

Hong Kong, 29 August 2025

As at the date of this announcement, the Board comprises Ms. Zhao Shu and Mr. Li Ke as executive Directors; Mr. Li Xingwu as non-executive Director; and Ms. Chan Yeuk Wa, Dr. Wang Xueqian and Mr. Ong Chor Wei as independent non-executive Directors.