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 2026

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 2026 (the "**Period**") together with comparative figures for the corresponding period of 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
Revenue	*4*	**110,422**	69,714
Cost of sales		**(70,965)**	(57,771)
Gross profit		**39,457**	11,943
Selling and marketing expenses		**(25,434)**	(13,043)
Administrative expenses		**(12,345)**	(8,459)
Research and development expenses		**(5,774)**	(1,471)
Other income, gains and losses	*5*	**(591)**	2,201
Share of result of an associate		**–**	2
Finance income	*6*	**231**	2,148
Finance costs	*6*	**(587)**	(383)
Loss before tax		**(5,043)**	(7,062)
Income tax expense	*7*	**–**	–
Loss for the period		**(5,043)**	(7,062)
Other comprehensive expense			
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		**(1,540)**	(2,019)
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**(422)**	(247)
Other comprehensive expense for the period		**(1,962)**	(2,266)
Total comprehensive expense for the period		**(7,005)**	(9,328)
Loss per share attributable to owners of the Company	*8*		
Basic and diluted loss per share (RMB)		**RMB(0.009)**	RMB(0.012)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**31,109**	31,150
Right-of-use assets		**12,181**	12,842
Interest in an associate		**116**	116
Restricted cash deposits		**173**	–
Long-term prepayments		**25**	25
		43,604	44,133
Current assets			
Inventories	*10*	**403,569**	340,943
Trade and retention receivables	*11*	**35,317**	28,637
Financial assets at fair value through other comprehensive income		**11,196**	2,963
Prepayments, deposits and other receivables		**25,235**	18,016
Bank deposits with original maturity over three months		**43,475**	42,651
Bank balances and cash		**33,720**	30,949
		552,512	464,159
Total assets		**596,116**	508,292

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	NOTE	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		–	3,730
Lease liabilities		5,975	6,098
Deferred income		1,283	1,437
		7,258	11,265
Current liabilities			
Trade payables	12	39,725	36,984
Accruals and other payables		11,356	11,113
Contract liabilities		428,393	328,571
Borrowings		–	3,889
Deferred income		308	308
Lease liabilities		1,000	1,081
Tax payables		3,703	3,703
		484,485	385,649
Total liabilities		491,743	396,914
Net assets		104,373	111,378
EQUITY			
Equity attributable to owners of the Company			
Share capital		38,510	38,510
Reserves		65,863	72,868
Total equity		104,373	111,378
Total equity and liabilities		596,116	508,292

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's principal place of business in Hong Kong is located at 40/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

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 denitration and other type of environmental protection 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 ("**USD**") and Euro ("**EUR**").

These condensed consolidated interim financial statements were approved by the board of directors of the Company for issue on 31 August 2026.

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 2026 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, these condensed consolidated interim financial statements are to be read in conjunction with the annual report for the year ended 31 December 2025 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 2025 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 2026 for the preparation of the Group's condensed consolidated financial statements:

For reporting entities applying IFRS Accounting Standards:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS Accounting Standard	Annual Improvements to IFRS Accounting Standards — Volume 11
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(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	**89,832**	7,325
• Honey-comb DeNOx catalysts	**20,170**	60,665
• DeNOx catalysts for vehicles	**420**	1,724
	110,422	69,714

All revenue from contracts with customers are recognised at a point in time for the six months ended 30 June 2026 and 2025.

5. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government grants *(note)*	**154**	154
Value-added tax credit	**456**	253
Sale of raw materials	**64**	1,134
Net foreign exchange (losses)/gains	**(1,401)**	523
Loss on disposal on property, plant and equipment	**(8)**	–
Others	**144**	137
	(591)	2,201

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 2025: RMB154,000).

The remaining amount represented the subsidy income granted to a subsidiary of the Company by the government in Hebei, the PRC. The government grants were one-off with no specific conditions.

6. FINANCE INCOME/FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Interest income	**231**	2,148
Finance costs		
Interest expenses on lease liabilities	**(125)**	(144)
Interest expenses on borrowings	**(223)**	(231)
Interest expenses on discounted bills	**(239)**	(8)
	(587)	(383)

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 2026 and 2025.

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 2026 and 2025.

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 2026 and 2025.

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 2026 and 2025.

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 2026 and 2025.

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	
	2026	2025
	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)	**(5,043)**	(7,062)
	Number of shares	Number of shares
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**592,844**	592,844

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 2026 and 2025.

9. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2026, nor has any dividend been proposed since the end of the interim reporting period (six months ended 30 June 2025: Nil).

10. INVENTORIES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Raw materials	**28,773**	25,594
Work-in-progress	**2,677**	10,219
Finished goods	**25,290**	32,965
Goods in transit	**346,829**	272,165
	403,569	340,943

During the six months ended 30 June 2026, the cost of inventories recognised as expenses and included in cost of sales amounted to approximately RMB70,965,000 (six months ended 30 June 2025: approximately RMB57,771,000).

11. TRADE AND RETENTION RECEIVABLES

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade receivables	**28,820**	22,423
Retention receivables	**12,939**	12,952
	41,759	35,375
Less: allowance for impairment of trade and retention receivables	**(6,442)**	(6,738)
	35,317	28,637

The Group allows a credit period of 30 days to 60 days (31 December 2025: 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 reporting period:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**31,653**	25,133
1 year to 2 years	**2,404**	3,232
2 years to 3 years	**1,260**	272
	35,317	28,637

12. TRADE PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**39,725**	36,984

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

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 6 months	**29,290**	26,982
6 months to 1 year	**711**	254
1 year to 2 years	**4,198**	6,128
Over 2 years	**5,526**	3,620
	39,725	36,984

The average credit period on purchases is from 30 days to 60 days (31 December 2025: 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.

13. EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 June 2026, the Company entered into a share subscription agreement on 10 July 2026, pursuant to which the Group agreed to issue 177,853,320 subscription shares to Ms. Zhao Shu, (the "**Subscriber**") at a subscription price of HK$0.1368 per subscription share, for a total consideration of HK$24,330,334.18 in cash (the "**Share Subscription**").

Completion of the Share Subscription took place on 27 August 2026 after all conditions precedent under the share subscription agreement had been satisfied. Upon completion, the 177,853,320 subscription shares were duly allotted and issued to the Subscriber pursuant to the specific mandate approved by the independent shareholders at the extraordinary general meeting of the Company held on 21 August 2026.

For further details, please refer to the Company's announcement dated 10 July 2026 and the announcement dated 27 August 2026 respectively.

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 2026 and Outlook on the Work for the Second Half of 2026

I. Work overview of the Company for the first half of 2026

In the first half of 2026, China's GDP grew by 4.7% year-on-year. The economy maintained stable performance within a reasonable range, the development of new quality productive forces accelerated, high-tech industries posted robust growth, and employment and prices remained broadly stable, although the overall economy continued to face multiple domestic and external pressures. Total electricity consumption across society exceeded 5 trillion kilowatt-hours in the first half of 2026, up 5.3% year-on-year, with significant contribution from the tertiary industry, high-tech manufacturing, and new business formats such as computing power and battery charging/swapping services. In the first half of 2026, national power generation above designated size reached 4,750.1 billion kilowatt-hours, representing a year-on-year increase of 3.5%. Installed capacity of new energy sources continued to expand, overall power supply and demand remained balanced, and the power structure continued its transition toward green and low-carbon sources.

In the second half of 2026, China will adhere to the general principle of pursuing progress while ensuring stability, implement a more proactive fiscal policy and a moderately accommodative monetary policy, intensify counter-cyclical adjustments, unleash the potential of existing policies, and introduce incremental policies at an appropriate time.

(I) Market condition of the industrial catalysts

Through market research, participation in public tendering, and other approaches, the Group has summarized the market landscape for DeNOx catalysts across various downstream sectors during the first half of 2026 as follows:

1. Power industry

   DeNOx catalysts for thermal power remain the principal market segment of the industry, and market demand continues to be driven mainly by catalyst replacement in existing units. Given the continuously increasing share of new energy in total installed capacity, the demand for initial catalyst loading of newly added thermal power units is limited. Existing units are currently within their catalyst replacement cycles. Market competition in the industry is relatively intense, and product prices continue to face downward pressure.

2. Steel industry

   As ultra-low emission retrofits continue to advance in the steel industry, denitrification for sintering machines has emerged as a key incremental market in the non-power sector. Sintering flue gas contains relatively high concentrations of dust and alkali metals, placing stringent requirements on catalysts' resistance to abrasion and poisoning, which has driven an increased application share of medium- and low-temperature selective catalytic reduction ("**SCR**") catalysts. In the first half of 2026, tendering activities for related retrofits and catalyst replacements increased, but the implementation of certain projects was delayed due to fluctuations in industry profitability, resulting in a structural release of market orders. In addition, demand for carbon monoxide ("**CO**") removal catalysts in the steel industry remained robust during the first half of the year, with orders rising notably in regions such as Hebei. Nevertheless, the widespread financial difficulties across the steel industry have not improved significantly, which has constrained the release of effective market demand for catalysts and has placed pressure on catalyst manufacturers' receivables collection.

3. Cement industry

   Cement kiln flue gas is characterized by high dust concentrations and complex alkali metal compositions, making catalysts prone to plugging and poisoning. As a result, demand for high-temperature-resistant and poisoning-resistant catalysts has increased. The cement segment market remained generally stable, but the operating performance of cement customers has been affected by the downturn in the real estate sector, resulting in generally poor cash flows. In response, the Group has prioritized screening and maintaining follow-up on projects with better payment collection records.

4. Petrochemical Industry

The overall market size for denitrification catalysts in the petrochemical sector is relatively limited, with applications primarily focused on flue gas denitrification from acrylonitrile units, fired heaters, and other installations. The market is mainly driven by catalyst replacement in existing facilities and environmental upgrade retrofits. The flue gas composition is complex, with sulfur and heavy metals readily causing catalyst poisoning, leading to strong demand for sulfur-tolerant specialty catalysts. While individual project scales tend to be sizable, the overall number of tenders is relatively low, and industry entry barriers remain comparatively high.

5. Waste-to-Energy Industry

The upgrading of flue gas emission standards in the waste-to-energy industry has driven the growth of demand for DeNOx catalysts, while the application scenarios for low-temperature SCR catalysts continue to expand. Waste-to-energy flue gas conditions fluctuate significantly, and the chlorine and heavy metal components in the flue gas can readily cause catalyst poisoning, resulting in actual catalyst service life falling below design values and a relatively high replacement frequency. The market features demand from both new project supporting equipment and existing facility retrofits. However, catalyst activity decay under low-temperature conditions remains a prominent issue, making products with superior poisoning resistance more competitive in the market. Intensified competition within the industry has exerted downward price pressure on certain products.

(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 2026, the Group completed nearly one thousand customer enquiries and technical support cases for catalysts, participated in 229 formal tenders for thermal power plants and other industrial customers, and signed 88 technical agreements and commercial contracts. Overall, the Group's marketing workload continued to increase year-on-year, and the total contract value in the first half of 2026 also increased year-on-year.

Notable highlights of the Group's market development efforts during the first half of 2026 include:

- The plate-type catalyst achieved a performance breakthrough in steel sintering machines, laying a foundation for the further penetration of plate-type catalysts into the sintering market.

- The CO removal catalyst progressed steadily, with contracts signed for multiple projects, and the market share showed an upward trend.

- Both honey-comb and plate-type catalysts were admitted under PetroChina's annual framework, further validating the Group's annual framework execution capabilities.

- China Huaneng Group, an annual framework contract customer, continued to place substantial orders for plate-type catalysts with the Group.

- The Group secured multiple honey-comb catalyst projects with Weiqiao Group, further validating its product quality in the aluminum-power sector.

- The plate-type catalyst made its debut into Liuzhou Steel Group, further enhancing the Group's brand recognition in Southwest China.

2. Product manufacturing

In the first half of 2026, the Group completed production for a total of 77 orders. While order volume remained largely unchanged, overall production output increased. Particularly, plate-type catalyst production rose significantly year-on-year, whereas honey-comb catalyst production declined year-on-year, indicating that the product quality and overall cost-effectiveness of the Group's plate-type catalysts have gained customer recognition. The declines in both production volume and gross profit margin of honey-comb catalysts indicate that market competition in the honey-comb catalyst segment has intensified compared with the first half of 2025.

Production of CO removal catalysts has gradually entered a phase of stable, scaled-up output. Currently, the Group's CO removal catalysts have achieved a maximum continuous operating time of nearly one year, with overall performance remaining robust and demonstrating strong competitive advantages, which lays a solid foundation for the Group to further expand its CO removal catalyst business in the future.

In the first half of 2026, the Group made further progress in quality enhancement and cost reduction, with particularly notable improvements in plate-type catalysts. In addition, the Group upgraded and renovated its mesh-stretching machines, which had been in operation for many years, further reducing mesh plate costs and strengthening the overall competitiveness of its plate-type catalysts. Meanwhile, the decline in honey-comb catalyst orders of the Group during the first half of the year led to further increases in production costs, potentially reflecting gaps in formulation and process technology compared with competitors. In response, the Group is benchmarking against industry-leading practices in honey-comb catalyst production to identify areas for improvement and formulate its upcoming business strategies.

3. Product research and development

In the first half of 2026, the Group's research and development center closely focused on three core objectives of "performance optimization of corrugated plate-type DeNOx catalysts, cost reduction and efficiency enhancement for CO removal catalysts used in steel sintering machines, and forward-looking catalyst technology reserves" to solidly promote various research and development and technical support work by leveraging internal and external technical research and development resources. With the dedicated efforts of all personnel, the research and development center continuously tackled key technical challenges in priority areas including CO removal catalysts for sintering machines, corrugated plate-type SCR catalysts, high-temperature molecular sieve catalysts, ammonia oxidation catalysts, and AI-assisted research and development, and achieved phased progress, laying a solid foundation for subsequent product upgrading, process optimization, and new technology reserves.

II. Key work arrangements of the Group for the second half of 2026

1. Continue to focus on the sales of DeNOx catalysts across key markets, including power, steel, cement, petrochemical, and waste-to-energy sectors.

   (1) Continue to leverage the core advantages of plate-type catalysts, and strive to further expand market share;

   (2) Given the considerable pressure in market expansion for honey-comb catalyst products, the Group will follow up key accounts and their annual framework procurement projects;

   (3) For corrugated plate-type catalysts, while further enhancing performance and product quality, the Group will build up track records in key petrochemical and gas turbine sectors;

   (4) During the peak usage season for CO removal catalysts this winter, the Group will prioritize deployment in key sectors such as steel and gas turbines, both domestically and internationally;

2. After years of dedicated efforts, the Group's overseas business has demonstrated a stable upward trajectory. Overseas markets typically impose more stringent standards on product quality, which pushes the Group to refine its internal capabilities and pursue relentless excellence in product quality.

3. The Group will further refine its institutional frameworks, strengthen the recruitment of technical research and development personnel, and accelerate its AI development. By leveraging AI tools, the Group aims to enhance both office and production efficiency, while enhancing its research and development capabilities.

4. In the second half of 2026, all personnel will align their efforts with core business objectives to strive to turn the Group's operating performance from loss to profit, so as to further incentivize employees and lay a foundation for the successful implementation of the employee share option scheme in 2027.

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			
	2026		2025	
	RMB'000	*%*	*RMB'000*	*%*
Plate-type DeNOx catalysts	**89,832**	**81.4**	7,325	10.5
Honey-comb DeNOx catalysts	**20,170**	**18.3**	60,665	87.0
DeNOx catalysts for vehicles	**420**	**0.3**	1,724	2.5
Total	**110,422**	**100.0**	69,714	100.0

The Group recorded a total revenue of approximately RMB110.4 million for the Period, representing an increase of 58.4% as compared to approximately RMB69.7 million for the same period in 2025.

Plate-type DeNOx catalysts

Revenue generated from sales of plate-type DeNOx catalysts increased to approximately RMB89.8 million for the Period, representing an increase of 1,130.1% as compared to approximately RMB7.3 million for the same period in 2025, which was primarily attributable to the increase in average selling price and sales volume of plate-type DeNOx catalysts during the Period.

Honey-comb DeNOx catalysts

Revenue generated from sales of honey-comb DeNOx catalysts decreased to approximately RMB20.2 million for the Period, representing a decrease of 66.7% as compared to RMB60.7 million for the same period in 2025, which was primarily due to decrease in sales volume of honey-comb DeNOx catalysts during the Period.

DeNOx catalysts for vehicles

During the Period, the Group recorded revenue from sales of DeNox catalysts for vehicles of approximately RMB420,000, representing a decrease of 75.3% as compared with the revenue of approximately RMB1.7 million of the same period in 2025. The decrease in the revenue from DeNOx catalysts for vehicles as compared to the same period in 2025 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 RMB39.5 million representing an increase of 231.9% as compared to the same period in 2025 primary attributable to increase in average selling price of plate-type DeNOx catalysts during the Period.

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 2025, mainly due to the increase in overseas selling expenses and employee salary and benefit expenses, etc, representing 23.0% and 18.7% of the Group's total revenue from contracts with customers for the six months ended 30 June 2026 and 2025, respectively. As a whole, the Group's selling and marketing expenses increased by 95.4% to approximately RMB25.4 million for the Period from approximately RMB13.0 million of the same period in 2025.

Administrative expenses

Administrative expenses mainly consist of employee benefit expenses, depreciation and amortisation, and professional fees. The Group's administrative expenses increased by 44.7% from RMB8.5 million of the same period in 2025 to approximately RMB12.3 million for the Period, mainly due to increase in employee salary and benefit 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 expense of approximately RMB356,000 for the Period as compared to net finance income approximately RMB1.8 million of the same period in 2025.

Loss attributable to owners of the Company

As a result of the foregoing, the loss attributable to owners of the Company decreased by 29.6% from approximately RMB7.1 million in the same period of 2025 to approximately RMB5.0 million for the Period.

Liquidity and capital resources

The Group's financial position remained solid. In order to further strengthen its capital base and support long-term strategic development, the Company entered into a share subscription agreement with its controlling shareholder, Ms. Zhao Shu. The subscription has been duly approved by the independent Shareholders at the extraordinary general meeting held on 21 August 2026. The allotment of new Shares to Ms. Zhao has been completed on 27 August 2026. The Group expects to have sufficient financial resources to meet its commitments and working capital requirements in the foreseeable future.

As at 30 June 2026, the Group had net current assets of approximately RMB68.0 million (31 December 2025: approximately RMB78.5 million) of which cash and cash equivalents were approximately RMB33.7 million (31 December 2025: approximately RMB30.9 million) and were denominated in Euro, Hong Kong Dollars, RMB, and United States Dollars as at 30 June 2026.

Borrowings

The Group has no outstanding borrowings as at 30 June 2026 (31 December 2025: approximately RMB7.6 million).

Gearing Ratio

Our gearing ratio which is calculated by total borrowings divided by total assets was Nil as of 30 June 2026 (31 December 2025: 1.5%). The decrease mainly due to fully repayment of its outstanding borrowings during the Period.

Pledge of Assets

As of 30 June 2026, the Group has no pledged assets (31 December 2025: pledged certain machineries with the net carrying amounts of approximately RMB5.1 million).

Use of Net Proceeds from the Global Offering

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 re-allocation 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 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 2026 *RMB'million* *(Note 2)*	Expected timeline for fully utilising the remaining net proceeds
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	–	–	–	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	31.4	42	2.7	2.7	0	N/A
Total	171.0	171.0	171.0	171.0	2.7	2.7	0	

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 : As of the date of 30 June 2026, all the net proceeds from the Listing has been fully utilised.

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 RMB3.3 million (six months ended 30 June 2025: approximately RMB1.9 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 2026, the Group had capital commitment amounting to RMB1.4 million (31 December 2025: 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 2026, the Group had capital commitment for acquisition of property, plant and equipment amounting to approximately RMB2.4 million (31 December 2025: approximately RMB2.1 million).

Contingent liabilities

The Group did not have any material contingent liabilities, guarantees and litigations as at 30 June 2025 and 2026.

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 2026), no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

There were no future plans 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

Subsequent to 30 June 2026, the Company entered into a share subscription agreement on 10 July 2026, pursuant to which the Group agreed to issue 177,853,320 subscription shares to Ms. Zhao Shu, (the "**Subscriber**") at a subscription price of HK$0.1368 per subscription share, for a total consideration of HK$24,330,334.18 in cash (the "**Share Subscription**").

Completion of the Share Subscription took place on 27 August 2026 after all conditions precedent under the share subscription agreement had been satisfied. Upon completion, the 177,853,320 subscription shares were duly allotted and issued to the Subscriber pursuant to the specific mandate approved by the independent shareholders at the extraordinary general meeting of the Company held on 21 August 2026.

For further details, please refer to the Company's announcement dated 10 July 2026 and the announcement dated 27 August 2026 respectively.

Save as disclosed, the Board is not aware of any other important event affecting the Group that have taken place subsequent to 30 June 2026 and up to the date of this announcement.

Use of Proceeds from Share Subscription

The net proceeds from the Share Subscription, after deducting the placing commission and other relevant costs and expenses, amounted to approximately HK$23.33 million.

The Company intends to apply approximately 20% of the net proceeds, or approximately HK$4.665 million, towards the enhancement and upgrading of production equipment for the manufacture of corrugated plate-type catalysts; approximately 60%, or approximately HK$14.0 million, towards the procurement of raw materials for CO removal catalysts, including, but not limited to, core precious metals; and the remaining approximately 20%, or approximately HK$4.665 million, towards general working capital, including salary and marketing expenses.

As at the date of this announcement, the net proceeds from the Share Subscription has not yet been utilised and the Company expects to utilise the net proceeds for the above purposes within the next 12 months.

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 2026, the Group had 202 employees (31 December 2025: 189 employees). The majority of our employees are based in the PRC. 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 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 and employees.

The Group has adopted the 2025 share option scheme on 15 December 2025 (the "**2025 Share Option Scheme**") in view of the expiration of the 2015 share option scheme. Further information of the 2025 Share Option Scheme is available in the 2025 annual report of the Company. 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 treasury 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 2026.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2025: 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 – Chairman and Chief Executive" on page 12 of the annual report of the Company for the year ended 31 December 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 2026 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 2026 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 2026.

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

Hong Kong, 31 August 2026

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.