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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)

**ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION
PROVISIONS UNDER PART XIVA OF THE SECURITIES AND FUTURES
ORDINANCE**

This announcement is made by Denox Environmental & Technology Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

POTENTIAL DISPOSAL OF SHARES AND FRAMEWORK AGREEMENT

The board of directors of the Company has been informed by its controlling shareholder, namely Advant Performance Limited, that it and parties acting in concert with it as well as two substantial shareholders, EEC Technology Limited and Kickstart Holdings Limited, and other management shareholders (together, the “**Relevant Shareholders**”) has entered into framework agreements with TianXing Vermilion Bird Limited (the “**Potential Purchaser**”) on January 21, 2019, regarding a possible acquisition by the Potential Purchaser of the Relevant Shareholders’ aggregate shareholding of 276,143,020 ordinary shares in the Company, representing approximately 55.75% of the entire issued share capital of the Company (assuming all ordinary shares that have already been bought back by the Company are cancelled) (the “**Potential Disposal**”) (the “**Framework Agreements**”).

The Potential Purchaser is a company incorporated under the laws of the British Virgin Islands with limited liability, and whose ultimate sole shareholder is Mr. Liu Fangxin (劉放心).

The Framework Agreements became effective on the date of signing, i.e., January 21, 2019 (the “**Effective Date**”), and will automatically terminate on the earlier of the date of the signing of the definitive sale and purchase agreement or March 31, 2019 (unless otherwise extended by the parties in writing).

Except for the provisions in relation to the duration of the Framework Agreements, confidentiality, governing laws and dispute resolutions of the Framework Agreements, no other provision of the Framework Agreements is legally binding and the entering into of the Framework Agreements do not constitute legally binding commitments from the Relevant Shareholders and the Potential Purchaser. Further, as at the date of this announcement, no formal or legally binding definitive agreement has been entered into in respect of the Potential Disposal. The Potential Disposal may or may not materialise and complete.

If the Potential Disposal eventually materialises, the Potential Purchaser and parties acting in concert with it will make an general offer for all the issued ordinary shares in the Company (other than those already owned or agreed to be acquired by the Potential Purchaser and parties acting in concert with it) in accordance with the Takeovers Code.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

DEALING DISCLOSURE

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement, being 24 January 2019.

As at the date of this announcement, the Company has 496,758,000 ordinary shares in issue (of which 1,409,000 ordinary shares which have already been bought back by the Company are subject to cancellation) and does not have other outstanding convertible securities, options and warrants. In accordance with Rule 3.8 of the Takeovers Code, the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company comprised 495,349,000 ordinary shares as at the date of this announcement. Save as disclosed above, the Company has no other relevant securities as at the date of this announcement.

Associates (as defined in the Takeovers Code and including, among others, persons who own or control 5% or more of the relevant securities) of the Company and the Potential Purchaser are hereby reminded to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

“Executive” referred to above has the meaning ascribed to it under the Takeovers Code.

There is no assurance that the Potential Disposal or any transactions referred to in this announcement will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under the Takeovers Code. The Potential Disposal may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By Order of the Board

Denox Environmental & Technology Holdings Limited
Zhao Shu
Chairlady

Hong Kong, 24 January 2019

As at the date of this announcement, the Board comprises Ms. Zhao Shu, Mr. Kong Hongjun and Mr. Li Ke as executive Directors; Mr. Li Xingwu and Mr. Teo Yi-Dar as non-executive Directors; and Mr. Li Min, Mr. Lam Yiu Por and Mr. Ong Chor Wei as independent non-executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.