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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)

CHANGE IN USE OF PROCEEDS

References are made to (1) the prospectus of Denox Environmental & Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 October 2015 (the “**Prospectus**”) in which the original use of the net proceeds at the time of preparing the Prospectus was disclosed; (2) the announcements of the Company dated 28 December 2020 and 28 December 2022, respectively, in relation to the re-allocation of net proceeds (the “**Announcements**”); and (3) the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report**”) in which the utilisation of the net proceeds up to 31 December 2024 was disclosed. Unless otherwise defined herein, capitalised terms in this announcement shall have the same meaning as defined in the Prospectus, the Announcements and the Annual Report.

USE OF PROCEEDS

The Company’s net proceeds from the Global Offering (the “**Net Proceeds**”), after deduction of the underwriting fees and commissions and other expenses payable by the Company amounted to RMB171.0 million. As at the date of this announcement, the Net Proceeds of RMB160.4 million has been utilised in accordance with their intended purposes as disclosed in the Prospectus, the Announcements and the Annual Report. The amount of unutilised remaining Net Proceeds intended to be used by the Group for research and development of the Group up to the date of this announcement is RMB10.6 million (the “**Remaining Net Proceeds**”).

CHANGE IN USE OF PROCEEDS

On 25 June 2025, the Board, after having considered the business environment and development of the Group and for reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” below in this announcement, resolved to re-allocate the Remaining Net Proceeds in the amount of RMB10.6 million from the research and development of the Group to working capital

and general corporate purposes of the Group. The re-allocation of the Remaining Net Proceeds up to the date of this announcement and the revised use of Remaining Net Proceeds are summarised as follows:

Purposes	Original allocation of Net Proceeds as stated in the Prospectus RMB'million	1 st re-allocation of Net Proceeds on 28 December 2020 RMB'million (Note 1)	2 nd re-allocation of Net Proceeds on 28 December 2022 RMB'million (Note 1)	3 rd re-allocation of Net Proceeds on 25 June 2025 RMB'million (Note 1)	Amount of utilised Remaining Net Proceeds as at the date of this announcement RMB'million	Amount of unutilised Remaining Net Proceeds as at the date of this announcement RMB'million	Re-allocation of Remaining Net Proceeds as at the date of this announcement RMB'million	Revised use of Remaining Net Proceeds RMB'million	Updated 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	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	21.9	-	-	-	N/A
Research and development	17.1	17.1	33.2	22.6	22.6	10.6	(10.6)	-	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	5.9	-	-	-	N/A
Replacement of the Group's No. 1 production line	5.1	3.5	3.5	3.5	3.5	-	-	-	N/A
Working capital and general corporate purposes	17.1	43.0	31.4	42	31.4	-	10.6	10.6	First quarter of 2027
Total	171.0	171.0	171.0	171.0	160.4	10.6	-	10.6	

Notes:

1. The utilisation of the Net Proceeds and the use of the Remaining Net Proceeds as at the date of this announcement was updated.
2. The Remaining Net Proceeds is expected to be used up on or before the first quarter of 2027. The Company remains committed to using the Remaining Net Proceeds in a timely manner to support its business operation. The expected timeline for fully utilising the Remaining Net Proceeds 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 Net Proceeds as of the date of this announcement.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In view of the ever-changing global economy and in consideration of the uncertainties affecting both the local and global catalyst markets, the Board has carefully evaluated the potential benefits and risks of the Company's business development plan. After thorough evaluation, the Board concluded that (1) in the field of vehicle catalysts, the Group will continue to implement the strategy adopted in 2024 to reduce the investment of research and development in vehicle catalysts; and (2) in the field of industrial catalysts, the Group will continue to decrease the investment of research and development in general industrial catalyst products with intense competition, while adopting a targeted and efficient approach to investment of research and development in emerging industrial catalyst products. Overall, under the current market conditions, the Group's research and development funding usage is limited, therefore continuing to allocate the Remaining Net Proceeds to the investment of research and development in catalyst products may not be in the best interests of the Group. Currently, the Group deposited the Remaining Net Proceeds into interest bearing bank accounts with licensed commercial banks.

As the Group continues to expand its business presence in overseas market, and for replenishing the funds required for working capital and general corporate purposes, after careful consideration, the Board has resolved to re-allocate the Remaining Net Proceeds that were originally intended for research and development of the Group to meet the urgent needs of funds required for working capital and general corporate purposes of the Group, which will enhance the Group's financial management flexibility and alleviate the Group's pressure in respect of, among others, staff costs and administrative expenses. This flexibility will enable the Company to lessen its reliance on the financial resources generated from the Group's operational activities.

GENERAL

The Board, including the independent non-executive Directors, confirms that there are no material changes to the nature of the business as set out in the Prospectus, the Announcements and the Annual Report, and considers that the above changes in the use of the Remaining Net Proceeds will promote the efficient use of the Company's financial resources and enhance the future development of the Company and is in the interest of the Company and its Shareholders as a whole.

The Board will continuously monitor the use of the Remaining Net Proceeds and may revise or amend such plan where necessary to respond to the changing market conditions and strive for better performance of the Group. The Company will provide update on the use of the Remaining Net Proceeds to its Shareholders through disclosures in its annual report and interim report. The Company will make further announcement(s) in accordance with the requirements under the Listing Rules as and when appropriate.

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

Hong Kong, 25 June 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, Mr. Ong Chor Wei and Dr. Wang Xueqian as independent non-executive Directors.