THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Denox Environmental & Technology Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

迪诺斯
Denox Environment

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)

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF THE EGM

Independent Financial Adviser to
The Independent Board Committees and the Independent Shareholders

綽耀資本
REDSOLAR

Capitalised terms used in this cover page have the same meanings as defined in this circular unless otherwise provided.

A letter from the Board is set out on pages 6 to 19 of this circular. A letter from the Connected Transaction IBC is set out on pages 20 to 21 of this circular. A letter from the Whitewash Waiver IBC is set out on pages 22 to 23 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committees and the Independent Shareholders is set out on pages 24 to 49 of this circular.

A notice convening the EGM to be held at Room 1506-1, 12th Floor, Block 2, No. 128 Western South Fourth Ring Road, Fengtai District, Beijing 100070, the PRC on Friday, 21 August 2026, at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether you are able to attend the EGM or not, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

31 July 2026

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below unless the context requires otherwise:

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Advant Performance"	Advant Performance Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Subscriber
"Announcement"	the announcement of the Company dated 10 July 2026 in relation to, among other things, the Share Subscription and the Whitewash Waiver;
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Beijing Denox"	Beijing Denox Environmental Protection Technology Company Limited* (北京迪諾斯環保科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Business Day(s)"	a day (excluding Saturday, Sunday, public holiday and any day on which "extreme conditions" is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general banking business throughout their normal business hours
"Company"	Denox Environmental & Technology Holdings Limited (迪諾斯環保科技控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Stock Exchange (stock code: 1452)
"Completion"	the completion of the Share Subscription pursuant to the terms and conditions of the Share Subscription Agreement
"Completion Date"	the third Business Day after all the conditions precedent to the Share Subscription Agreement have been fulfilled (or such other date and time as may be agreed by the Company and the Subscriber in writing)

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Connected Transaction IBC"	an independent committee of the Board comprising all the independent non-executive Directors who do not have a material interest in the Share Subscription (namely Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) and established pursuant to the requirements of the Listing Rules to advise the Independent Shareholders on the Share Subscription (including the grant of the Specific Mandate)
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Director"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened at Room 1506-1, 12th Floor, Block 2, No. 128 Western South Fourth Ring Road, Fengtai District, Beijing 100070, the PRC on Friday, 21 August 2026 at 10:30 a.m. or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, approving, among other things, the Share Subscription Agreement (including the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of her delegate(s)
"Finance Lease Agreement"	the finance lease agreement dated 29 May 2025 and entered into between Beijing Denox and Maxwealth Financial Leasing Co., Ltd (an indirect wholly-owned subsidiary of Bank of Ningbo Co., Ltd)
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committees"	collectively, the Connected Transaction IBC and the Whitewash Waiver IBC

"Independent Financial Adviser"	Red Solar Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser be appointed by the Independent Board Committees to advise the Independent Board Committees and the Independent Shareholders as to whether the terms of the Share Subscription Agreement and the transactions contemplated thereunder (including the Share Subscription), the grant of the Specific Mandate and the Whitewash Waiver are fair and reasonable and make recommendation as to voting
"Independent Shareholders"	Shareholders other than (i) the Subscriber, Advant Performance, their respective associates, and any parties acting in concert with the Subscriber or Advant Performance and (ii) all other Shareholders who are interested or involved in the Share Subscription and/or the Whitewash Waiver (if any)
"Latest Practicable Date"	28 July 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this circular
"Relevant Period"	the period commencing on the date falling six months immediately preceding the Announcement (i.e. 10 January 2026) and ending on the Latest Practicable Date
"RMB"	Renminbi, the lawful currency of the PRC
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of US$0.01 each in the share capital of the Company
"Shareholders"	holder(s) of the Share(s)
"Share Option Scheme"	the share option scheme adopted by the Company and took effect on 15 December 2025

"Share Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Share Subscription Agreement
"Share Subscription Agreement"	the conditional subscription agreement dated 10 July 2026 and entered into between the Company and the Subscriber in relation to the Share Subscription
"Specific Mandate"	the specific mandate to be sought from the Independent Shareholders at the EGM to grant the authority to the Board for the allotment and issuance of the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Ms. Zhao Shu, an executive Director and a controlling Shareholder
"Subscription Shares"	177,853,320 new Shares to be issued by the Company to the Subscriber pursuant to the Share Subscription Agreement
"Subscription Price"	HK$0.1368 per Subscription Share
"substantial Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Takeovers Code"	The Code on Takeovers and Mergers (as amended, modified and supplemented from time to time)
"US$"	United States dollar(s), the lawful currency of the United States of America
"Whitewash Waiver"	the whitewash waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber to make a mandatory general offer for all the issued Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance and parties acting in concert with any of them) which might otherwise arise as a result of the Subscriber subscribing for the Subscription Shares under the Share Subscription Agreement

"Whitewash Waiver IBC"	an independent committee of the Board comprising the non-executive Director and all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver (namely Mr. Li Xingwu, Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) and established pursuant to the requirements of the Takeovers Code to provide recommendations to the Independent Shareholders on the Share Subscription (including the grant of the Specific Mandate) and the Whitewash Waiver
"%"	per cent.

* *For identification purposes only.*

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)

Executive Directors:
Ms. ZHAO Shu *(Chairlady)*
Mr. LI Ke

Non-executive Director:
Mr. LI Xingwu

Independent Non-executive Directors:
Ms. CHAN Yeuk Wa
Dr. WANG Xueqian
Mr. ONG Chor Wei

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Principal place of business in the PRC:
Room 1506-1, 12th Floor Block 2,
No. 128 Western South Fourth Ring Road,
Fengtai District
Beijing 100070, PRC

31 July 2026

To the Shareholders:

Dear Sir/Madam,

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE;
(2) APPLICATION FOR WHITEWASH WAIVER;
AND
(3) NOTICE OF THE EGM

1. INTRODUCTION

Reference is made to the Announcement. On 10 July 2026 (after trading hours), the Company and the Subscriber entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 177,853,320 Subscription Shares at the Subscription Price of HK$0.1368 per Subscription Share for a total consideration of HK$24,330,334.18 in cash.

This circular sets out, among other things, (i) details of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate); (ii) the Whitewash Waiver; (iii) a letter of advice from the Independent Board Committees to the Independent Shareholders; (iv) the letter of advice from the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders in relation to the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver; and (v) a notice of the EGM.

2. THE SHARE SUBSCRIPTION

Principal terms of the Share Subscription Agreement

The principal terms of the Share Subscription Agreement are set out below:

Date	10 July 2026 (after trading hours)
Parties	(a) the Company (as issuer); and
	(b) the Subscriber (as subscriber)
Total Share Subscription consideration	HK$24,330,334.18
Subscription price per Subscription Share	HK$0.1368
Par Value of Subscription Shares	Ordinary shares of the Company with a par value of US$0.01 each

The Subscription Shares

177,853,320 Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription upon Completion, which represents:

(a) 30.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and

(b) approximately 23.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after Completion, assuming that there will be no change in the total number of issued Shares between the Latest Practicable Date and the Completion Date.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. The maximum aggregate nominal value of the Subscription Shares is US$1,778,533.20.

Ranking

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue.

The Subscription Price

The Subscription Price of HK$0.1368 per Subscription Share represents:

(a) a discount of approximately 16.59% to the closing price of HK$0.164 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement;

(b) a discount of approximately 10.59% to the average closing price of HK$0.153 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(c) a discount of approximately 15.56% to the average closing price of approximately HK$0.162 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(d) a discount of approximately 6.30% to the average closing price of approximately HK$0.146 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(e) a discount of approximately 18.57% to the closing price of HK$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(f) a discount of approximately 34.23% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2025 of approximately HK$0.2080 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB111,378,000 as at 31 December 2025 as extracted from the annual report of the Company for the year ended 31 December 2025 and 592,844,400 Shares then in issue (based on the exchange rate of HK$1:RMB0.90322 as at 31 December 2025 published by the State Administration of Foreign Exchange for illustration purposes); and

(g) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 3.83%, represented by the theoretical diluted price of approximately HK$0.158 per Share to the benchmarked price of approximately HK$0.164 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the Share Subscription Agreement of HK$0.164 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Share Subscription Agreement of HK$0.153 per Share).

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber taking into account, among other factors, that: (i) the Group is currently facing considerable operating cash pressure in settling trade payables, accruals and other payables; (ii) the Group has increased funding needs for the expansion of its production capacity and for procurement of core precious metals and other raw materials to support its business expansion, as further explained in the paragraph headed "3. Reasons for and Benefits of the Share Subscription and Use of Proceeds" in the Letter from the Board of this circular; (iii) the relatively low liquidity of the Shares, with approximately one-third of the 245 trading days in the past twelve months recording no trading volume, which has created practical difficulties for the Company in issuing significant amount of new Shares at the prevailing market price; (iv) the recent and historical market prices of the Shares, with less than 50% of the closing prices during the six-month period immediately preceding to the date of the Share Subscription Agreement exceeding the Subscription Price; (v) the Subscription Price represents a discount of approximately 16.5% to the benchmark price of approximately HK$0.164 per Share and that the Share Subscription would result in a theoretical dilution effect of approximately 3.83%, which is considered moderate; and (vi) the prevailing equity capital market conditions, noting that none of the securities brokerage firms approached by the Company expressed interest in the proposed capital raising exercise.

Having considered the above factors, the Board is of the view that Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The total consideration of HK$24,330,334.18 for the Subscription Shares shall be paid in full in a single lump sum by the Subscriber by bank transfer to the bank account designated by the Company prior to Completion and shall provide the Company with valid proof of bank remittance upon Completion.

Conditions precedent

Completion of the Share Subscription is conditional upon satisfaction of the following conditions:

(a) the Executive granting the Whitewash Waiver to the Subscriber, and such waiver not having been revoked or withdrawn, and any conditions attached thereto (if any) having been fulfilled prior to Completion;

(b) the Independent Shareholders passing, at the EGM, the resolutions required to give effect to the Share Subscription Agreement and the transactions contemplated thereunder in compliance with the Listing Rules and the Takeovers Code, including but not limited to the approval of (i) the execution, delivery and performance of the Share Subscription Agreement and the transactions contemplated thereunder; (ii) the granting of the Specific Mandate to the Directors to allot and issue the Subscription Shares in accordance with the Share Subscription Agreement; and (iii) the Whitewash Waiver;

(c) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Subscription Shares, and such approval not having been withdrawn or revoked by the Stock Exchange; and

(d) the representations and warranties given by the Company under the Share Subscription Agreement remaining true, accurate and correct in all material respects, without any material omission and not misleading in any material respect as at and up to the Completion Date.

As at the Latest Practicable Date, the Company does not intend to declare, pay and/or make any dividend or other distribution between the date of the Announcement up to the Completion Date. As at the Latest Practicable Date, the Company does not have any declared but unpaid dividend or other distribution.

The conditions as set out in paragraphs (a) to (d) above are non-waivable. As at the Latest Practicable Date, none of the conditions as set out above has been satisfied.

In the event that the conditions of the Share Subscription Agreement are not fulfilled on or before 4:00 p.m. on 30 September 2026 (or such later date and time as may be agreed between the parties to the Share Subscription Agreement in writing), the Share Subscription Agreement and the transactions contemplated thereunder (including the Share Subscription) shall terminate and lapse, and neither the Company nor the Subscriber shall have any claim against each other, except in respect of claims arising out of any antecedent breach of any of the provisions of the Share Subscription Agreement.

Completion of the Share Subscription

Completion of the Share Subscription shall take place on the third Business Day after satisfaction of the conditions under the Share Subscription Agreement (or such other date and time as may be agreed by the Company and the Subscriber in writing), upon which the Company shall allot and issue the Subscription Shares to the Subscriber and the Subscriber shall pay to the Company the total consideration for the Subscription Shares.

Information of the Company

The Company is an investment holding company with its principal subsidiaries engaged in design, development, manufacture and sale of denitration catalysts, carbon monoxide removal catalysts and other types of environmental protection catalysts in the PRC.

Information of the Subscriber

The Subscriber is an executive Director, chairlady of the Board and a controlling Shareholder. She is primarily responsible for the overall management of the Group. The Subscriber is also the general manager of Beijing Denox and Gu'an Denox Environmental Equipment Manufacturing Co., Ltd., both of which are wholly-owned subsidiaries of the Company.

As at the date of the Share Subscription Agreement and the Latest Practicable Date, the Subscriber personally holds 24,612,477 Shares, and through her controlled corporation, Advant Performance, holds 251,839,009 Shares. Fine Treasure Asia Holdings Limited, a company wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code, holds 2,962,474 Shares. Accordingly, the Subscriber, Advant Performance and the parties acting in concert with any of them directly and indirectly hold an aggregate of 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company. The Subscriber is therefore a connected person of the Company.

3. REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTION AND USE OF PROCEEDS

During the past twelve months, the Group has made significant technological and commercial progress in its two core growth drivers, namely (i) corrugated plate-type catalysts; and (ii) carbon monoxide removal catalysts, both of which possess substantial growth potential.

The Group has achieved a breakthrough in the development and industrialisation of its corrugated plate-type catalysts, which are well-positioned to meet increasingly stringent environmental emission standards. Over the past twelve months, the Group has successfully enhanced its production process and significantly improved the yield rates. The yield rate of the Group's new corrugated plate-type catalysts was much higher than the old version. Unlike the old version of corrugated plate-type catalysts, which primarily serving the petrochemical and waste incineration sectors with small-scale output, the application of the Group's new corrugated plate-type catalysts expands to the large-scale combustion engine turbine sector. These technological advancements have strengthened the overall competitiveness and commercial viability of the Group's corrugated plate-type catalysts. With the rollout of new corrugated plate-type catalysts, it is expected that the Group will be able to secure orders from new customers from combustion engine turbine manufacturers and anticipates a significant increase in export demand. In view of the expected growth in demand and the high utilisation rate of its existing production facilities, the Group intends to expand its production capacity for corrugated plate-type catalysts by adding relevant production equipment. This expansion will enable the Group to ensure timely delivery, maintain consistent product quality, and better capture opportunities in both domestic and overseas markets.

In February 2026, the Group further obtained an exclusive right to use the advanced carbon monoxide removal catalyst formula developed by Hainan Botuo Technology Company Limited* (海南博拓科技有限公司). Leveraging this proprietary technology, the Group has commenced production of carbon monoxide removal catalysts, which are currently undergoing on-site operational validation at customers' facilities. These products have demonstrated stable and satisfactory performance to date, laying a solid foundation for the Group's further expansion into the carbon monoxide removal market.

Meanwhile, the manufacturing of carbon monoxide removal catalysts requires costly precious metals that are integral to the product formulation. The supply of these precious metals is highly constrained and subject to significant price volatility. Securing a stable and sufficient supply is therefore critical to maintaining product quality, fulfilling anticipated commercial orders following successful validation, and mitigating risks associated with raw material price fluctuations. Accordingly, additional funding is required to support the procurement of these key materials and to facilitate commercial-scale production.

In view of the above developments, the Company intends to raise additional funds to (i) expand the production capacity of corrugated plate-type catalysts to meet expected overseas demand; (ii) procure core precious metals and other raw materials for carbon monoxide removal catalysts; and (iii) strengthen the Group's working capital position to support its business expansion.

As at 31 December 2025, the Group had bank balances and cash of approximately RMB30.9 million, while trade payables and accruals and other payables amounted to approximately RMB48.1 million. Hence, the Group is under considerable operating cash pressure. Since the rollout of the carbon monoxide removal catalyst, the product has continued to gain market traction. The Group also seeks to leverage its strong product quality to capture a larger share of the market. As each carbon monoxide removal catalyst order carries a relatively large contract value, this further intensifies the Group's funding pressure.

In addition, the Group's customers for carbon monoxide removal catalysts primarily comprise state owned enterprises and large private enterprises, which generally possess stronger bargaining power when negotiating payment terms under the supply contracts. Such contracts typically adopt stage payment arrangements that may extend over 24 months or longer. Conversely, the procurement of precious metals used in the production of carbon monoxide removal catalysts does not involve credit terms; payment is required in full before delivery. This mismatch between the cash inflow and cash outflow cycles associated with the production of carbon monoxide removal catalysts places additional pressure on the Group's operating cash flow.

With more competitors emerging in the carbon monoxide removal catalyst market, the Group aims to secure first mover advantages and further expand its customer base. In view of the foregoing, the Group's overall funding needs have increased significantly, and the Group considers it necessary to obtain additional financial resources to support its planned expansion.

The Board has considered various fund-raising alternatives, including bank borrowings and equity fund-raising exercises such as placement of Shares to independent third parties, rights issue, open offer and the Share Subscription. In light that the finance cost of the Group has been increasing in the past three financial years, the Directors have concluded that debt financing, such as bank borrowings, was less desirable as it would increase the Group's gearing level and incur ongoing finance costs, thereby imposing additional financial burden on the Company. As regards equity fund-raising alternatives, the Company approached several securities brokerage firms regarding the possibility and feasibility of acting as placing agent and/or underwriter. However, none of them expressed interest in the proposed capital raising exercise after considering the factors including: (i) the relatively low liquidity in the Shares, with approximately one-third of the 245 trading days in the past twelve months recording no trading volume; (ii) the recent surge of the trading price of the Shares, with the current prevailing price being approximately 38% above the average of the closing price over the past twelve months and approximately 20% above the average closing price over the past six months; and (iii) the prevailing unfavourable market conditions, which have adversely affected overall investor sentiment. In addition, any placing would only be conducted on best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from the placing being uncertain and subject to market conditions. A rights issue or open offer would require the preparation and despatch of listing documents and compliance with additional application and administrative procedures, which would require relatively longer time and incur higher administrative costs as compared to the Share Subscription.

Having considered the limitations and uncertainties associated with the alternative fund-raising methods, the Board noted that the Subscriber was the only party who expressed firm willingness to subscribe for the Subscription Shares at a price representing a similar level of reasonable discount to the prevailing market price. The Share Subscription enables the Company to raise a meaningful amount of proceeds that matches its current capital needs, secure funding certainty within a shorter timeframe, issue the Subscription Shares at a reasonable discount to the prevailing market price, and avoid additional finance costs or placing commissions that would otherwise be incurred under other fund-raising methods.

The gross proceeds from the Share Subscription will be approximately HK$24.33 million. The net proceeds (after deducting relevant costs and expenses) from the Share Subscription will be approximately HK$23.33 million and the net subscription price per Subscription Share will be approximately HK$0.1312.

The net proceeds from the Share Subscription are intended to be used as to (i) approximately 20% of the net proceeds (being approximately HK$4.665 million for enhancement and upgrading of production equipment for the manufacture of corrugated plate-type catalysts, which is expected to be utilized within the next 12 months; (ii) approximately 60% of the net proceeds (being approximately HK$14.0 million for the procurement of raw materials for carbon monoxide removal catalysts including but not limited to core precious metals, which is expected to be utilized within the next 12 months; and (iii) approximately 20% of the net proceeds (being approximately HK$4.665 million) for general working capital including, but not limited to, salary and marketing expenses, which is expected to be utilized within the next 12 months.

Based on the aforesaid, the Directors (other than the Independent Board Committees whose views are set forth in the "Letter from the Connected Transaction IBC" and the "Letter from the Whitewash Waiver IBC" after taking into consideration the advice from the Independent Financial Adviser), are of the view that the Share Subscription is fair and reasonable, on normal commercial terms and is in the interests of the Company and its Shareholders (including the Independent Shareholders) as a whole.

4. FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

The Subscriber considers and confirms that:

(a) it is intended that the Group will continue its existing business following Completion;

(b) she shares the view of the Company that the Share Subscription is in the interests of the Group, as disclosed in the paragraphs headed "Reasons for and Benefits of the Share Subscription and Use of Proceeds" above; and

(c) there is no intention to introduce any major changes to the existing business of the Group or the continued employment of the Group's employees, and there is no intention to redeploy the fixed assets of the Group other than in its ordinary course of business.

5. FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company had not conducted any fund-raising activities involving the issue of its equity securities in the twelve months immediately preceding the date of the Share Subscription Agreement and the Announcement.

6. EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately after Completion, assuming that there is no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date up to the Completion Date, are set out below:

	As at the Latest Practicable Date		**Immediately after Completion**	
Shareholders	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Subscriber, Advant Performance and parties acting, or presumed to be acting, in concert with any of them				
The Subscriber	24,612,477	4.15%	202,465,797	26.27%
Advant Performance *(Note 1)*	251,839,009	42.48%	251,839,009	32.68%
Fine Treasure Asia Holdings Limited *(Note 2)*	2,962,474	0.50%	2,962,474	0.38%
Subtotal	279,413,960	47.13%	457,267,280	59.33%
Other Non-public Shareholder				
EEC Technology Limited *(Note 3)*	51,075,015	8.62%	51,075,015	6.63%
Public Shareholders	262,355,425	44.25%	262,355,425	34.04%
Total	592,844,400	100.00%	770,697,720	100.00%

Notes:

(1) Advant Performance is wholly owned by the Subscriber.

(2) Fine Treasure Asia Holdings Limited is wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code.

(3) EEC Technology Limited is wholly owned by Mr. Li Xingwu, a non-executive Director. Mr. Li Xingwu has been a passive investor in the Group since its establishment, which he founded together with an independent third party (the "**I3P Founder**") in August 2010. Save for his role as the non-executive Director, Mr. Li Xingwu has not participated in the daily operation or management of the Group. Meanwhile, the Subscriber acquired a controlling interest in the Group from the I3P Founder in June 2011 and has since assumed a management role in the Group. Prior to the Subscriber's acquisition of equity interest in the Group and her joining the Group in June 2011, Mr. Li Xingwu and the Subscriber had never worked together nor had they engaged in any form of co-investment. In connection with the Company's application for listing on the Stock Exchange in or around 2015, Mr. Li Xingwu and the Subscriber did not enter into any concert party arrangement to consolidate or collaborate in exercising control over the Group, as they considered themselves independent of each other. They do not have, and have never had, any intention, agreement, or understanding (whether formal or informal) to act in concert to obtain or consolidate control (as defined under the Takeovers Code) of the Company through the acquisition of voting rights by either of them. Furthermore, Mr. Li Xingwu was neither involved in nor interested in the negotiation of the Share Subscription. Based on the foregoing, Mr. Li Xingwu is not acting in concert with the Subscriber.

(4) The percentage figures as set out above are subject to rounding adjustments.

As at the Latest Practicable Date, the Company has an issued share capital of US$5,928,444.00 divided into 592,844,400 Shares. In addition, the Company has outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 28,826,468 Shares at a subscription price of HK$0.1154 per Share with the expiry of the exercise period up to 31 December 2033. Among all the share options granted, 592,252 share options and 1,778,536 share options were granted to the Subscriber and Mr. Li Ke respectively. The share options will vest in four equal tranches starting from 1 April 2027, 1 October 2027, 1 April 2028 and 1 October 2028 respectively. Hence, none of the share options will be exercised prior to the Completion. Save for the aforesaid share options, the Company does not have any other outstanding convertible securities, options, warrants or other derivatives in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Save as disclosed in the table above, none of the Directors hold shares in the Company.

7. APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

8. TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them hold 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company. Upon Completion, the shareholding of the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them will increase to approximately 59.33% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance and parties acting in concert with any of them), unless the Whitewash Waiver is granted by the Executive.

An application has been made by the Subscriber to the Executive for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance and parties acting in concert with any of them) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

The Subscriber, Advant Performance, their respective associates, and any parties acting in concert with any of them, Fine Treasure Asia Holdings Limited and the Shareholders who are involved in or interested in the Share Subscription and/or the Whitewash Waiver, will be required to abstain from voting in respect of the resolution(s) to approve the Share Subscription and the Whitewash Waiver at the EGM.

The Executive has indicated that it is minded, subject to approval by the Independent Shareholders in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code, to waive any obligations to make a general offer which might result from the Share Subscription.

As at the Latest Practicable Date, the Company does not believe that the Share Subscription gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this circular, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible. The Company notes that the Executive may not grant the Whitewash Waiver if the Share Subscription does not comply with other applicable rules and regulations.

9. LISTING RULES IMPLICATIONS

As described in the section headed "Information of the Subscriber" in this circular, the Subscriber directly holds 24,612,477 Shares, whilst Advant Performance, a company wholly-owned by the Subscriber, holds 251,839,009 Shares. The Subscriber is therefore a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders' approval requirements.

10. ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules, the Connected Transaction IBC (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription, namely Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) has been formed to advise the Independent Shareholders as to whether the Share Subscription is fair and reasonable and make recommendation as to voting.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising the non-executive Director and all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Li Xingwu, Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) has also been formed to advise the Independent Shareholders as to whether the Share Subscription and the Whitewash Waiver are fair and reasonable and make recommendation as to voting.

In this connection, Red Solar Capital Limited has been appointed and approved by the Independent Board Committees as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders as to whether the Share Subscription Agreement and the transactions contemplated thereunder (including the Share Subscription) and the Whitewash Waiver are fair and reasonable and make recommendation on voting.

11. GENERAL

The EGM will be convened to consider and, if thought fit, pass the requisite resolutions to approve, among other things: (i) the Share Subscription Agreement (including the transactions contemplated thereunder and the Specific Mandate); and (ii) the Whitewash Waiver.

Resolutions approving the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver will be proposed at the EGM to be approved by the Independent Shareholders. The Whitewash Waiver will be proposed by way of a resolution to be passed by at least 75%, and the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) will be proposed by way of resolution(s) to be passed by more than 50%, of the votes cast by the Independent Shareholders that are cast either in person or by proxy, respectively, at the EGM. The voting at the EGM will be conducted by way of poll.

The Subscriber, Advant Performance and the parties acting in concert with any of them, Fine Treasure Asia Holdings Limited, and all other Shareholders who are interested or involved in the Share Subscription and/or the Whitewash Waiver (if any) are required to abstain from voting on the resolutions approving the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver at the EGM.

Save as disclosed above and in the sections headed "Effects on Shareholding Structure of the Company" and "Letter from the Board" in this circular, as at the Latest Practicable Date, no other Shareholder had any material interest in the Share Subscription and the Whitewash Waiver, and no other Shareholder was required to abstain from voting at the EGM on the resolutions approving the Share Subscription and the Whitewash Waiver.

A notice convening the EGM to be held at Room 1506-1, 12th Floor, Block 2, No. 128 Western South Fourth Ring Road, Fengtai District, Beijing 100070, the PRC on Friday, 21 August 2026 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is also enclosed in this circular. Such form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.china-denox.com). Whether you intend to attend the EGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited (the "**Branch Registrar**") at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so wish and in such event, the form of proxy shall be deemed to be revoked.

12. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of Shareholders who are entitled to attend and vote at forthcoming EGM, the register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Branch Registrar for registration no later than 4:30 p.m. on Monday, 17 August 2026. The record date for determining the entitlement of Shareholders to attend and vote at the EGM is Friday, 21 August 2026.

13. RECOMMENDATION

Your attention is drawn to: (i) the letter from the Connected Transaction IBC as set out on pages 20 to 21 of this circular and (ii) the letter from the Whitewash Waiver IBC as set out on pages 22 to 23 of this circular, containing its recommendation to the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and (iii) the letter from the Independent Financial Adviser as set out on pages 24 to 49 of this circular, containing its advice to the Independent Board Committees and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver.

The Directors (including the members of the Connected Transaction IBC and Whitewash Waiver IBC, whose views are set out in the letter from the Connected Transaction IBC and letter from the Whitewash Waiver IBC, respectively) consider that the terms and conditions of the Share

Subscription Agreement (including the Subscription Price) and the Whitewash Waiver are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

As the Subscriber is considered as having a material interest in the Share Subscription and the Whitewash Waiver, and that Mr. Li Ke is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code, both the Subscriber and Mr. Li Ke have abstained from voting on the board resolutions of the Company for approving the Share Subscription and the Whitewash Waiver. Save as disclosed above, none of the other Directors had a material interest in the Share Subscription and the Whitewash Waiver, and no other Director has abstained from voting on the relevant resolutions of the Board.

14. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Since Completion is subject to the fulfilment of the conditions precedent as set out in the Share Subscription Agreement, the Share Subscription may or may not proceed.

The Whitewash Waiver may or may not be granted by the Executive and if granted, will, among other things, be subject to the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM. Completion of the Share Subscription is conditional upon, among other things, the Whitewash Waiver being granted by the Executive and approved by the Independent Shareholders.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and are recommended to consult their stockbroker, bank manager, solicitor or other professional adviser if they are in any doubt about their position and as to actions that they should take.

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

The following is the full text of the letter from the Connected Transaction IBC to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

迪诺斯
Denox Environment

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)

31 July 2026

To the Independent Shareholders

Dear Sir or Madam,

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 31 July 2026 issued by the Company (the "**Circular**") of which this letter forms part. Capitalised terms defined in the Circular have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the members of the Connected Transaction IBC to advise the Independent Shareholders as to whether the terms of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders how to vote at the EGM.

Red Solar Capital Limited has been appointed to act as the Independent Financial Adviser with our approval to advise the Connected Transaction IBC and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate). The text of the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 24 to 49 of the Circular.

Independent Shareholders are recommended to read the letter of advice from the Independent Financial Adviser, the letter from the Board contained in the Circular as well as the additional information set out in the appendices to the Circular. Having considered the terms of the Share Subscription and the advice from the Independent Financial Adviser, we consider that the Share Subscription (including the Share

Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) are fair and reasonable, on normal commercial terms, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) to be proposed at the EGM.

Yours faithfully,
For and on behalf of the
Connected Transaction IBC

Ms. Chan Yeuk Wa	**Mr. Ong Chor Wei**	**Dr. WANG Xueqian**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from the Whitewash Waiver IBC to the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

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)

31 July 2026

To the Independent Shareholders

Dear Sir or Madam,

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

We refer to the circular dated 31 July 2026 issued by the Company (the "**Circular**") of which this letter forms part. Capitalised terms defined in the Circular have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as the members of the Whitewash Waiver IBC under the Takeovers Code to advise the Independent Shareholders as to whether the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned and to advise the Independent Shareholders how to vote at the EGM.

Red Solar Capital Limited has been appointed to act as the Independent Financial Adviser with our approval to advise the Whitewash Waiver IBC and the Independent Shareholders in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver. The text of the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation is set out on pages 24 to 49 of the Circular.

Independent Shareholders are recommended to read the letter of advice from the Independent Financial Adviser, the letter from the Board contained in the Circular as well as the additional information set out in the appendices to the Circular. Having considered the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and the advice from the Independent Financial Adviser, we consider that the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned, and although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver to be proposed at the EGM.

Yours faithfully,
For and on behalf of the
Whitewash Waiver IBC

Mr. Li Xingwu	**Ms. Chan Yeuk Wa**	**Mr. Ong Chor Wei**	**Dr. Wang Xueqian**
Non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter of advice from Red Solar Capital Limited, the Independent Financial Adviser to the Independent Board Committees and the Independent Shareholders, in respect of the Share Subscription Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.

Unit 402B, 4/F
China Insurance Group Building
No.141 Des Voeux Road Central
Central, Hong Kong

31 July 2026

To: The Independent Board Committees and the Independent Shareholders of Denox Environmental & Technology Holdings Limited

Dear Sirs or Madams,

(1) CONNECTED TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE; AND (2) APPLICATION FOR WHITEWASH WAIVER

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders regarding the entering into of the Share Subscription Agreement and the transactions contemplated thereunder (collectively, the "**Transactions**"), details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 31 July 2026 (the "**Circular**"), of which this letter of advice forms part. Unless the context requires otherwise, capitalised terms used in this letter of advice shall have the same meanings as defined in the Circular.

On 10 July 2026 (after trading hours), the Company and the Subscriber entered into the Share Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 177,853,320 Subscription Shares at the Subscription Price of HK$0.1368 per Subscription Share for a total consideration of HK$24,330,334.18 in cash.

As at the Latest Practicable Date, there are 592,844,400 Shares in issue. 177,853,320 Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription, which represents:

(a) 30.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and

(b) approximately 23.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after completion of the Share Subscription.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

As at the Latest Practicable Date, the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them hold an aggregate of 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company. Upon completion of the Share Subscription, assuming that there is no other change in the issue share capital of the Company between the Latest Practicable Date and the date of completion (save and except for the Share Subscription), the shareholding of the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them will increase to approximately 59.33% of the issued share capital of the Company as enlarged by the Subscription Shares.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and parties acting in concert with any of them), unless the Whitewash Waiver is granted by the Executive.

The Subscriber has made an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the allotment and issuance of the Subscription Shares to the Subscriber. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

The Subscriber, Advant Performance, their respective associates, and any parties acting in concert with any of them, Fine Treasure Asia Holdings Limited and the Shareholders who are involved in or interested in the Share Subscription and/or the Whitewash Waiver, will be required to abstain from voting in respect of the resolution(s) to approve the Share Subscription and the Whitewash Waiver at the EGM.

The Executive may or may not grant the Whitewash Waiver. The Share Subscription will not proceed if the Whitewash Waiver is not granted or approved.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Subscriber directly holds 24,612,477 Shares, whilst Advant Performance, a company wholly-owned by the Subscriber, holds 251,839,009 Shares. Moreover, Fine Treasure Asia Holdings Limited, which is wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code, holds 2,962,474 Shares as at the Latest Practicable Date. Accordingly, the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them directly and indirectly holds an aggregate of 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company. The Subscriber is therefore a connected person of the Company. Accordingly, the Share Subscription constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and will be subject to announcement, reporting and the Independent Shareholders' approval requirements.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Pursuant to the Listing Rules, the Connected Transaction IBC (comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription, namely Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) has been formed to advise the Independent Shareholders as to whether the Share Subscription is fair and reasonable and make recommendation as to voting.

Pursuant to Rule 2.8 of the Takeovers Code, the Whitewash Waiver IBC (comprising the non-executive Director and all the independent non-executive Directors who have no direct or indirect interest in the Share Subscription and the Whitewash Waiver, namely Mr. Li Xingwu, Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian) has also been formed to advise the Independent Shareholders as to whether the Share Subscription and the Whitewash Waiver are fair and reasonable and make recommendation as to voting.

In this connection, we, Red Solar Capital Limited, have been appointed and approved by the Independent Board Committees as the Independent Financial Adviser to advise the Independent Board Committees and the Independent Shareholders as to whether the Share Subscription Agreement and the transactions contemplated thereunder (including the Share Subscription and the grant of the Specific Mandate) and the Whitewash Waiver are fair and reasonable and make recommendation on voting.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, we had acted as the independent financial advisor to the independent board committee and independent shareholders of the Company regarding the continuing connected transactions of the Company in relation to the technical support framework agreement, details of which are set out in the circular of the Company dated 17 March 2026 (the "**Previous Engagement**"). Under the Previous Engagement, (i) save and except for acting as the independent financial advisor as explained above, no other engagement nor relationship has been formed between us and the Group, the other party(ies) to the transactions contemplated thereof, or close associate or core connected person of any of them; (ii) we did not have any interest in the Group, the other party(ies) to the transactions contemplated thereof, close associate or core connected person of any of them, or any other parties that could reasonably be regarded as relevant to our independence; and (iii) apart from the normal advisory fee payable to us by the Company in connection with our engagement, no arrangement exists whereby we shall receive any other fees or benefits from the Group, the other party(ies) to the transactions contemplated thereof, or close associate or core connected person of any of them.

Save and except for the Previous Engagement which have been explained above, during the past two years immediately preceding the Latest Practicable Date, other than this engagement of us as the Independent Financial Adviser, no other engagement nor relationship has been formed between us and the Group, the other party(ies) to the Transactions, or close associate or core connected person of any of them. As at the Latest Practicable Date, we did not have any interest in the Group, the other party(ies) to the Transactions, close associate or core connected person of any of them, or any other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us by the Company in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Group, the other party(ies) to the Transactions, or close associate or core connected person of any of them.

Based on the above, we considered that we are independent to act as the Independent Financial Adviser in respect of the Transactions pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committees and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Announcement and the Circular). We have reviewed documents including but not limited to (i) the Announcement; (ii) the Circular and the Letter from the Board contained therein; (iii) the Share Subscription Agreement; (iv) the annual reports of the Company for the year ended 31 December 2024 and 2025, respectively (the "**2024 Annual Report**" and "**2025 Annual Report**", respectively); and (v) relevant supporting documents provided by the Company to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Company in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted our own desktop search and we are not aware of material deviation between our search results and the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to suspect that any material fact or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us up to the Latest Practicable Date, which could be subject to subsequent developments and changes from time to time. The Shareholders will be notified of any material changes to or update of facts, circumstances and this letter of opinion after the Latest Practicable Date as soon as possible. Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been carefully extracted. We have not, however, conducted any independent in-depth investigation nor verification of such information.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the (i) Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading; and (ii) Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in this circular misleading.

The Subscriber accepts full responsibility for the accuracy of the information contained in the Circular (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in the Circular (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Transactions, we have considered the following principal factors and reasons:

1. Background of and reasons for the Transactions

(a) Background information of the Company and the Group

The Company is an investment holding company with its principal subsidiaries engaged in design, development, manufacture and sales of denitration catalysts, carbon monoxide removal catalysts and other types of environmental protection catalysts in the PRC.

The following table sets out key consolidated financial information of the Group for each of the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**", respectively) as extracted from the 2024 Annual Report and 2025 Annual Report, respectively:

	For FY2025	**For FY2024**	**For FY2023**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	189,256	108,963	126,392
Gross profit	46,592	27,460	24,528
Loss for the year	(17,268)	(37,327)	(25,434)

	As at 31 December 2025 *RMB'000*	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Non-current assets	44,133	49,644	46,019
Current assets	464,159	387,280	325,106
Current liabilities	385,649	297,170	203,043
Net current assets	78,510	90,110	122,063
Non-current liabilities	11,265	8,596	4,116
Net assets	111,378	131,158	163,966

Comparison of performance and financial positions between FY2023 and FY2024

The Group recorded total revenue of approximately RMB109.0 million for FY2024, representing a decrease of 13.8% from approximately RMB126.4 million in FY2023. As set out in the 2024 Annual Report, this decline was primarily driven by a substantial reduction in sales from the vehicle catalysts segment, partially offset by growth in the honey-comb catalysts segment. In particular, from FY2023 to FY2024, (i) revenue from Plate-type DeNOx catalysts, which primarily serve markets such as power plants, steel plants, and cement plants, decreased by 8.5% from approximately RMB58.5 million to approximately RMB53.5 million, mainly due to a drop in average selling price per cubic meter despite an increase in sales volume; (ii) revenue from Honey-comb DeNOx catalysts, which also primarily target power, steel, and cement industries, increased by 136.0% from approximately RMB21.1 million to approximately RMB49.8 million, attributed to a 204.5% surge in sales volume, offsetting a 30.9% decline in average selling price per cubic meter; and (iii) revenue from DeNOx catalysts for vehicles fell sharply by 87.8% from approximately RMB46.7 million to approximately RMB5.7 million reflecting reduced orders and a strategic contraction of this segment.

Gross profit rose by 12.2% to approximately RMB27.5 million in FY2024 from approximately RMB24.5 million in FY2023. This improvement was primarily attributed to increased production volumes in the honey-comb segment, which lowered unit production costs. The gross profit margin expanded from 19.4% in FY2023 to 25.2% in FY2024, benefiting from cost efficiencies despite downward pressure on selling prices across segments.

The Group reported a net loss of approximately RMB37.3 million in FY2024, widening by 46.8% from a net loss of approximately RMB25.4 million in FY2023. This deterioration was influenced by higher administrative expenses, impairments, and the revenue decline in the vehicle segment, despite gross profit gains.

As at 31 December 2024, the Group's total assets stood at approximately RMB436.9 million, as compared to approximately RMB371.1 million as at 31 December 2023. Key movements included an increase in inventories due to higher production volumes in the honey-comb segment, alongside changes in trade and retention receivables. Non-current assets increased mainly due to an increase in right-of-use assets, partially offset by decline in property, plant and equipment.

Total liabilities increased from approximately RMB207.2 million to approximately RMB305.8 million between 31 December 2023 and 2024, respectively, primarily due to higher contract liabilities associated with order backlog, while borrowings and lease liabilities were managed prudently. Net assets decreased in line with the net loss recorded for the year.

Comparison of performance and financial positions between FY2024 and FY2025

The Group recorded total revenue of approximately RMB189.3 million for FY2025, representing a substantial increase of approximately 73.7% from approximately RMB109.0 million in FY2024. According to the 2025 Annual Report, this growth was primarily driven by the continued expansion of the Group's traditional plate-type and honey-comb DeNOx catalysts business, which maintained a steady upward trend and essentially secured a firm foothold amidst persistently fierce market competition. Additionally, amid a supportive macro-economic environment in the PRC, the Group achieved its annual predetermined goals and made breakthroughs in key operational indicators. Performance in areas such as contract value, customer delivery, cost control, and the overseas market basically met or exceeded expected levels, contributing to the overall revenue growth. The Group also made significant progress in new products during the year. Corrugated plate-type catalysts and carbon monoxide removal catalysts both achieved breakthrough progress. In particular, the carbon monoxide removal catalyst saw substantial advancements in the second half of 2025 following strategic adjustments and resource mobilisation, with products currently undergoing successful on-site operational validation at customer facilities.

Gross profit rose by approximately 69.7% to approximately RMB46.6 million in FY2025 from approximately RMB27.5 million in FY2024. This improvement was primarily attributable to substantial revenue growth driven by steady expansion in traditional plate-type and honey-comb DeNOx catalysts and initial contributions from new products. While the gross profit margin slightly reduced from 25.2% in FY2024 to 24.6% in FY2025, the Group emphasized that unit production costs remained stable and controllable through strengthened manufacturing expense controls and high production utilisation. The Group also highlighted improved procedures for product cost analysis and control, alongside ongoing efforts to consolidate cost reduction achievements for mature products and replicate these efficiencies for new offerings such as corrugated plate-type and carbon monoxide removal catalysts through process optimisation and intelligent tools.

The Group reported a net loss of approximately RMB17.3 million in FY2025, representing a significant narrowing of 53.7% from a net loss of approximately RMB37.3 million in FY2024. This improvement was mainly attributable to higher revenue and gross profit, lower administrative expenses, partially offset by increased selling and marketing expenses, research and development expenses, and certain impairment losses, among other minor fluctuations.

Comparing between 31 December 2024 and 2025, respectively, total assets increased to approximately RMB508.3 million from RMB436.9 million, primarily driven by higher inventories, reflecting production ramp-up, together with rises in trade and retention receivables and bank balances and cash. Non-current assets declined modestly to RMB44.1 million from RMB49.6 million, mainly due to depreciation of property, plant and equipment and right-of-use assets, plus impairment losses recognised during the year.

Total liabilities rose to approximately RMB396.9 million from RMB305.8 million, largely attributable to an increase in contract liabilities. Net assets decreased to RMB111.4 million from RMB131.2 million, which is consistent with the net loss recorded for the year. Borrowings remained well-managed, with overall liquidity supported by improved cash position and stable working capital management.

Market outlook of the Group

In the 2025 Annual Report, the Board expressed a cautiously optimistic outlook for 2026, focusing on consolidating operational strengths while accelerating innovation and market expansion. Key priorities include further cost reduction and efficiency enhancement for mature products, with accelerated efforts extended to new products to maintain and improve gross profit margins through process optimisation, equipment upgrades, and intelligent tools. The Group plans to refine new product planning, strengthen internal and external resource coordination, and introduce additional market-aligned catalysts on a continuous basis. Market initiatives include dividing the domestic market into distinct sales regions and solidifying regional sales accountability, emphasizing high-value segments such as waste-to-energy and petrochemicals, key customer engagement, corrugated plate-type and carbon monoxide removal catalyst expansion, and intensifying overseas efforts. Manufacturing cost controls, raw material procurement optimisation, and new product research and development ("**R&D**") will continue to be strengthened to mitigate pressures and stabilise margins. Additional focus areas encompass financial budgeting, compensation optimisation, internal controls, and capital market engagement to support overall performance improvement.

To further understand the market outlook of the principal business engaged by the Group, being the design, development, manufacture and sales of denitration catalysts, carbon monoxide removal catalysts and other types of environmental protection catalysts in the PRC, we have performed independent research on the latest development of the aforementioned business and industry.

We first studied national policies relevant to the Group's denitration catalysts and carbon monoxide removal catalysts products, and the power industry and non-power industries such as metallurgy, cement, glass, and aluminum in the PRC, which are the major target markets of them. In this relation, we noted that it is the PRC's general direction to advance carbon peaking and carbon neutrality with the decarbonization of the thermal power industry and steel and other heavy industries identified as key priority, and a few influential policies have been put forth.

In particular, the 2024-2025 Energy Conservation and Carbon Reduction Action Plan (2024-2025年節能降碳行動方案)[1] (the "**Action Plan**") issued by the State Council of the PRC established a dual approach to fossil energy reduction and non-fossil energy promotion to meet binding targets, set out certain annual CO2 reductions targets, and mandated sector-specific measures. For thermal power industry, the Action Plan explicitly demanded strict and reasonable control over fossil fuels consumption and pollution, instructed the promotions of low-carbon and energy saving modifications and constructions in thermal power sites, and encouraged uses of cleaner energy sources such as advanced biofuels and sustainable aviation fuels. For heavy industries, including steel manufacturing, the Action Plan emphasised accelerated energy-efficiency retrofits, stricter control over fossil fuel consumption, and enhanced carbon-intensity management. These measures are supported by complementary policies, such as central government budget investments, government-guided funds, and green finance initiatives, aimed at reducing the cost of decarbonization projects. The Action Plan also linked implementation progress to performance assessment and compliance mechanisms to ensure the achievement of the targets set out in the "14th Five-Year Plan".

On 15 July 2024, the National Development and Reform Commission of the PRC issued the The Action Plan for Low-Carbon Transformation and Construction of Coal Power (2024-2027) (煤電低碳化改造建設行動方案(2024-2027年))[2], which outlined targeted measures to advance the low-carbon upgrading of existing coal-fired power units and the construction of new ones, aiming to enhance clean and efficient coal utilisation and support China's carbon peaking and neutrality goals. Its key targets include commencing initial transformation projects by 2025 with carbon emissions per kWh reduced by approximately 20% versus 2023 averages, and by 2027 achieving further technology cost reductions with emissions lowered by around 50%, approaching natural gas levels. Its core approaches encompass biomass co-firing and green ammonia co-firing, each targeting not less than 10% blend to cut coal use and emissions, as well as other measures like carbon capture, utilisation, and storage ("**CCUS**") via chemical, adsorption, or membrane methods, with geological or chemical utilisation.

On 20 March 2025, the Ministry of Ecology and Environment of the PRC ("**MEE**") issued the Work Plan for Expanding National Carbon Emission Trading Market Coverage to the Steel, Cement, and Aluminum Smelting Industries (全國碳排放權交易市場覆蓋鋼鐵、水泥、鋁冶煉行業工作方案)[3], which generally provided for the orderly inclusion of the steel, cement, and aluminum smelting sectors into the national carbon emission trading market ("**NCETM**") with the aims to improve the carbon pricing mechanism, optimise the allocation of carbon emission reduction resources, reduce the overall societal cost of carbon emission reduction, and promote the establishment of a more effective, dynamic, and internationally influential carbon market.

1 https://www.gov.cn/zhengce/content/202405/content_6954322.htm

2 https://www.ndrc.gov.cn/xxgk/zcfb/tz/202407/P020240715557072565689.pdf

3 https://www.mee.gov.cn/xxgk2018/xxgk/xxgk03/202503/W020250326367625819894.pdf

MEE further issued the Opinions of the General Offices of the CPC Central Committee and the State Council on Carrying Out Energy Conservation and Carbon Reduction Work at a Higher Level and with Higher Quality (中共中央辦公廳國務院辦公廳關於更高水準更高品質做好節能降碳工作的意見)[4] on 11 April 2026 which promoted further measures to advance energy conservation and carbon reduction as a key lever for achieving carbon peaking and neutrality and green transformation, while safeguarding energy security and upgrading industries. Its core requirements focus on curbing irrational growth in total energy consumption, continuously improving energy resource utilisation efficiency, and reducing carbon emissions from the source. Key areas include (i) coordinating energy conservation/carbon reduction with industrial optimisation by controlling high-energy/high-emission projects, phasing out inefficient capacity, and developing green low-carbon industries and zero-carbon parks; (ii) aligning with energy transition through strict fossil fuel controls (especially coal and oil), promoting non-fossil energy, new power systems, and green electricity consumption; (iii) targeted actions in industry (e.g., steel, cement, chemicals), buildings (new ultra-low energy and retrofits), transport (green multimodal and low-carbon vehicles), digital infrastructure, and public institutions.

From the aforementioned policies of the PRC government, we noted that its general direction can be summarized as promoting less fossil fuel uses, emission and pollution, greener energies and industrial productions, as well as imposing increasingly stringent environment protection standards and requirements. Overall, we considered the aforementioned policies supportive for the Group's market outlook. As reflected in the 2025 Annual Report, the thermal power market is already quite saturated as thermal power plants or facilities have largely completed the installation of catalysts solutions and equipment and the focus of this market has generally shifted from "new installs" to "maintenance, replacements and restocks". The national installed capacity of thermal power has also seen minimal growth recently, and its share of the total national installed power generation capacity is declining year by year. However, the promotion of biomass co-firing, green ammonia co-firing, and CCUS technologies for coal-fired units may open up new markets for more advanced denitration catalysts because the flue gas characteristics and therefore emissions management under these new operation and co-firing conditions may become more complex, so the use of more advanced denitration catalysts may be required for controlling the emissions and pollution thereunder. In this relation, we noted from the 2024 Annual Report and 2025 Annual Report that the Company has been active and possesses experience in developing new catalyst products to fulfill evolving market demands and regulatory requirements, and considered that it would be able to leverage on such experience and try to research and develop new and/or more advanced products should new market opportunities arise. Meanwhile, the ultra-low emission retrofits for steel, cement kilns, and glass furnaces industries may also encourage demand for more advanced denitration catalysts as regulators' requirements on pollutant control and environmental protection become increasingly stringent. On the other hand, carbon monoxide removal catalysts and related technologies will likely benefit from accelerated CCUS deployment and carbon capture system optimisation. Expansion of the carbon market to steel, cement, and aluminum smelting may also intensify demand for high-performance denitration and carbon monoxide removal solutions in these sectors, as enterprises seek to lower compliance costs through improved

4 https://www.mee.gov.cn/zcwj/zyygwj/202604/t20260422_1149910.shtml

emission control and efficiency. The broader energy conservation and carbon reduction opinions as reflected in the aforementioned policies of the PRC government further reinforce the catalyst market by prioritising industrial energy efficiency upgrades, green technology retrofits, and strict controls on high-emission projects, creating sustained tailwinds for catalyst demand across power, industrial, and related applications. We also enquired and understood from the Company that the regulators' push for hydrogen development and non-fossil integration would likely indirectly boosts catalyst needs in steam methane reforming, electrolysis, and biomass gasification, where catalysts like nickel-based or precious metals enhance efficiency.

However, there are some important conditions for the Group being able to capture the aforementioned market opportunities. There exist other dominant players in the PRC denitration catalysts and other environmental protection catalysts industry, and competitions are notable as reflected in the 2024 Annual Report and 2025 Annual Report, including but not limited to price competitions as evidenced by the downward pressure on selling prices across the Group's segments. To thrive in this market under a competitive environment, we considered it important for the Group being able to (i) expand and optimise production capacity and efficiency promptly to meet delivery windows required by its customers and lower unit production cost, so as to compete on both volume and unit price with other players and defend the Group's margins in a price-sensitive market; (ii) differentiate with other players through continuous R&D and enhancing application performance, demonstrating that the Group's products and technical services can help customers meet the evolving and increasingly stringent environment protection standards and requirements, which may help the Group compete with other players in terms other than price and counter pure-price competition pressure to a certain extent; and (iii) secure capital timely and on competitive terms in pursuit of the aforesaid production capacity and efficiency expansion and optimization and continuous R&D and application performance enhancement. If the Group is unable to achieve any or all of the above, it risks losing to its competitors in terms such as unit price and volume, timely delivery of products, profit margins and customer confidence and loyalty.

Based on all the above, we considered that government policies are supportive towards the business and industry of the Group, and the Group's market outlook is generally optimistic, but it is crucial for the Group to secure capital timely for expanding and optimising production capacity and efficiency, continuous R&D and enhancing application performance.

(b) Information on the Subscriber

The Subscriber is an executive Director, chairlady of the Board and a controlling Shareholder. She is primarily responsible for the overall management of the Group. The Subscriber is also the general manager of Beijing Denox and Gu'an Denox Environmental Equipment Manufacturing Co., Ltd., both of which are wholly-owned subsidiaries of the Company.

As at the date of the Share Subscription Agreement and the Latest Practicable Date, the Subscriber personally holds 24,612,477 Shares, and through her controlled corporation, Advant Performance, holds 251,839,009 Shares. Moreover, Fine Treasure Asia Holdings Limited, which is wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code, holds 2,962,474 Shares as at the Latest Practicable Date. Accordingly, the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them directly and indirectly hold an aggregate of 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company as at the Latest Practicable Date. The Subscriber is therefore a connected person of the Company.

(c) Reasons for and benefits of the Transactions

As set out in the Letter from the Board, the net proceeds from the Share Subscription are intended to be used as to (i) approximately 20% of the net proceeds (being approximately HK$4.665 million for enhancement and upgrading of production equipment for the manufacture of corrugated plate-type catalysts; (ii) approximately 60% of the net proceeds (being approximately HK$14.0 million for the procurement of raw materials for carbon monoxide removal catalysts including but not limited to core precious metals; and (iii) approximately 20% of the net proceeds (being approximately HK$4.665 million) for general working capital.

It is explained that the Group has achieved a breakthrough in the development and industrialisation of its corrugated plate-type catalysts, which are positioned for the increasingly stringent environmental emission standards. The Group's new corrugated plate-type catalysts can be applied to the large-scale combustion engine turbine sector and has a much higher yield rate, while the old version generally applies to the petrochemical and waste incineration sectors with small-scale output. The Group expects to secure orders from new customers from combustion engine turbine manufacturers and anticipates a significant increase in export demand. The Group also intends to expand its production capacity for corrugated plate-type catalysts by adding relevant production equipment in view of the expected growth in demand and the high utilisation rate of its existing production facilities, and believes that this expansion will enable the Group to ensure timely delivery, maintain consistent product quality, and better capture opportunities in both domestic and overseas markets.

In view of the above, we enquired the Company and understood that the production capacity of the Group's existing corrugated plate-type catalyst production equipment is insufficient such that the Group turned down certain orders for corrugated plate-type catalyst from customers because the Group considered itself unable to fulfill the orders within the specified time period under the existing production capacity. We obtained communication records from the Company and confirmed the above. By expanding the production capacity of corrugated plate-type catalyst, the Group believes that it can secure higher volume orders from customers and ensure timely delivery. In this relation, we also enquired the Company about upcoming and potential orders of corrugated plate-type catalyst from customers. We understood that the Group has started securing orders from new customers from combustion engine turbine manufacturers since around end of 2025. We have also obtained copies of such orders from the Company and noted that the aggregate order sum of them exceeded RMB1.5 million as at the Latest Practicable Date. We also understood from the Company that they are in negotiations for a number of potential orders of corrugated plate-type catalyst from customers, including those in overseas. Therefore, we concurred with the Company's view that the Group could secure orders from new customers from combustion engine turbine manufacturers for its new version of corrugated plate-type catalysts, and there could be expected growth in demand for the same. We further understood from the Company that the proposed expansion of production capacity of the Group's existing corrugated plate-type catalyst includes addition and upgrading of production equipment to cater for a more optimised production of the Group's new version of corrugated plate-type catalyst which, when compared to the old version, has improved functionality in neutralising more types of emissions and pollutants. By the aforementioned addition and upgrading of production equipment, the Group can produce both old and new versions of corrugated plate-type catalyst efficiently, and can fulfill different needs of its customers. In light of the increasingly stringent environmental emission standards imposed by regulators, details of which have been discussed in the section headed "1. – (a) – Market outlook of the Group" above, we agreed that the above will enhance the Group's competitive edge in the market. The Company's plan to enhance and upgrade production equipment for the manufacture of corrugated plate-type catalysts is also in line with our analysis in the section headed "1. – (a) Background information of the Company and the Group – Market outlook of the Group" that it is crucial for the Group to expand and optimise production capacity and efficiency and enhance application performance in order to compete with other players and thrive in the industry. Based on the above, we concurred with the Company that it is necessary for the Group to expand its production capacity for corrugated plate-type catalysts in view of the expected growth in demand and add or upgrade relevant production equipment.

On the other hand, in February 2026, the Group further obtained an exclusive right to use the advanced carbon monoxide removal catalyst formula developed by Hainan Botuo Technology Company Limited* (海南博拓科技有限公司), and has commenced production of carbon monoxide removal catalysts leveraging on it, which are currently undergoing on-site operational validation at customers' facilities. These products have demonstrated stable and satisfactory performance to date, laying a solid foundation for the Group's further expansion into the carbon monoxide removal market. In this relation, we enquired with the Company and understood that since around the fourth quarter of 2025 and up to the Latest Practicable Date, leveraging on the advanced carbon monoxide removal catalyst formula developed by Hainan Botuo, it has already secured 14 contracts with independent third-party customers with aggregate contract sum exceeding RMB200 million as at the Latest Practicable Date. We also reviewed the Company's calculations on the historical average unit costs of the carbon monoxide removal catalyst, and noted that the costs of precious metals contributed a significant part of that. We also noted from the Group's contracts with independent third-party customers for the carbon monoxide removal catalyst that the customers usually pay the Group in instalments, and the last instalment payable to the Group could be up to 42 months after the Group's delivery. On contrary, we obtained and reviewed the Group's orders for procuring precious metals used in the production of carbon monoxide removal catalysts, and noted that payment is required in full upon delivery. Based on the above, we concurred with the Company that the Group requires additional funds to procure core precious metals and other raw materials for carbon monoxide removal catalysts, especially under the associated mismatch between cash inflow and cash outflow cycles as explained above.

The Board has considered various fund raising alternatives, including bank borrowings and equity fund-raising exercises such as placement of Shares to independent third parties, rights issue, open offer and the Share Subscription. In light that the finance cost of the Group has been increasing in the past three financial years, the Directors have concluded that debt financing, such as bank borrowings, was less desirable as it would increase the Group's gearing level and incur ongoing finance costs, thereby imposing additional financial burden on the Company. In this relation, we agreed that debt financing may incur financial costs and may be subject to lengthy due diligence and negotiations with lenders. Given the Group's consecutive net losses over recent years, we consider that debt financing would increase the Group's financial burden, further undermine the Group's financial performance and is not the most appropriate financing method for the Company. As regards equity fund raising alternatives, the Company approached several securities brokerage firms regarding the possibility and feasibility of acting as placing agent and/or underwriter. However, none of them expressed interest in the proposed capital raising exercise after considering the factors including the relatively low liquidity in the Shares, the recent surge of the trading price of the Shares, and the prevailing unfavourable market conditions, which have adversely affected overall investor sentiment. In addition, any placing would only be conducted on best-effort basis, rendering the outcome and the exact amount of proceeds to be raised from the placing being uncertain and subject to market conditions. A rights issue or open offer would require the preparation and despatch of listing documents and compliance with additional application and administrative procedures, which would require relatively longer time and incur higher administrative costs as compared to the Share Subscription. We agreed with the aforesaid views of the Company regarding equity fund raising alternatives, and further considered that placing, rights issue and open offer would incur additional costs such as placing or underwriting commission as compared to the Share Subscription, which is unfavourable to the Group given its consecutive net losses over recent years. We also noted that the liquidity of the Shares in the 12 months immediately prior to the date of the Share Subscription Agreement (i.e. from 11 July 2025 to 10 July 2026, both dates inclusive) has been thin. Particularly, based on the data available on the website of the Stock Exchange, (i) nil Share trading volume was recorded on 77 trading days among the 245 trading days in such 12-month period, representing a nil-trading percentage of approximately 31.4%; and (ii) based on the total issued 592,844,400 Shares as at the end of July 2025 up to July 2026, the daily trading volume of the Shares during such 12-month period averaged at only approximately 0.08% of the number of total issued Shares, with a median of only approximately 0.01%. We considered that the thin liquidity of the Shares in such 12-month period, coupled with the consecutive loss of the Group in the past three years, would likely discourage potential investors to participate in the Company's equity fund raising activities at competitive terms, if at all. Based on all the above, we considered that placing, rights issue and open offer are not the most appropriate financing methods for the Company.

Having taken into consideration the above factors, we consider that although the Share Subscription is not conducted in the ordinary and usual course of business of the Company, it is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and already represents the most appropriate funding option currently available to the Company.

2. The Share Subscription Agreement

(a) Principal terms of the Share Subscription Agreement

The principal terms of the Share Subscription Agreement are as follows:

Date:	10 July 2026 (after trading hours)
Parties:	(a) the Company (as issuer); and (b) the Subscriber (as subscriber)
Total Share Subscription consideration:	HK$24,330,334.18
Subscription price per Subscription Share:	HK$0.1368
Par Value of Subscription Shares:	Ordinary shares of the Company with a par value of US$0.01 each

The Subscription Shares

177,853,320 Shares will be issued at the Subscription Price per Subscription Share under the Share Subscription upon Completion, which represents:

(a) 30.00% of the existing issued share capital of the Company as at the Latest Practicable Date; and

(b) approximately 23.08% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares immediately after Completion, assuming that there will be no change in the total number of issued Shares between the Latest Practicable Date and the Completion Date.

The Subscription Shares shall be allotted and issued pursuant to the Specific Mandate to be sought from the Independent Shareholders at the EGM. The maximum aggregate nominal value of the Subscription Shares is US$1,778,533.20.

(b) Subscription Price

The Subscription Price of HK$0.1368 per Subscription Share represents:

(a) a discount of approximately 16.59% to the closing price of HK$0.164 per Share as quoted on the Stock Exchange on the date of the Share Subscription Agreement;

(b) a discount of approximately 10.59% to the average closing price of HK$0.153 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(c) a discount of approximately 15.56% to the average closing price of approximately HK$0.162 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(d) a discount of approximately 6.30% to the average closing price of approximately HK$0.146 per Share as quoted on the Stock Exchange for the last sixty consecutive trading days immediately prior to the date of the Share Subscription Agreement;

(e) a discount of approximately 18.57% to the closing price of HK$0.168 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(f) a discount of approximately 34.23% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2025 of approximately HK$0.2080 per Share calculated based on the audited consolidated net asset of the Group attributable to the Shareholders of approximately RMB111,378,000 as at 31 December 2025 as extracted from the annual report of the Company for the year ended 31 December 2025 and 592,844,400 Shares then in issue (based on the exchange rate of HK$1:RMB0.90322 as at 31 December 2025 published by the State Administration of Foreign Exchange for illustration purposes); and

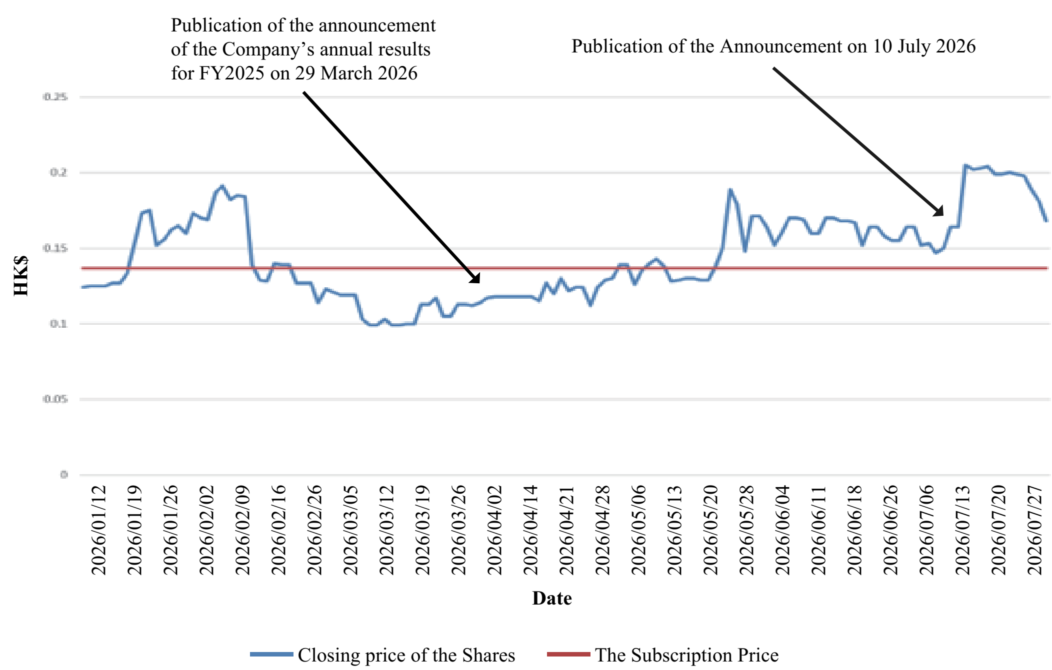
(g) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 3.83%, represented by the theoretical diluted price of approximately HK$0.158 per Share to the benchmarked price of approximately HK$0.164 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the Share Subscription Agreement of HK$0.164 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Share Subscription Agreement of HK$0.153 per Share).

The Subscription Price was determined after arm's length negotiations between the Company and the Subscriber taking into account, among other factors, that: (i) the Group is currently facing considerable operating cash pressure in settling trade payables, accruals and other payables; (ii) the Group has increased funding needs for the expansion of its production capacity and for procurement of core precious metals and other raw materials to support its business expansion, as further explained in the paragraph headed "3. Reasons for and Benefits of the Share Subscription and Use of Proceeds" in the Letter from the Board of the Circular; (iii) the relatively low liquidity of the Shares, with approximately one-third of the 245 trading days in the past twelve months recording no trading volume, which has created practical difficulties for the Company in issuing significant amount of new Shares at the prevailing market price; (iv) the recent and historical market prices of the Shares, with less than 50% of the closing prices during the six-month period immediately preceding to the date of the Share Subscription Agreement exceeding the Subscription Price; (v) the Subscription Price represents a discount of approximately 16.5% to the benchmark price of approximately HK$0.164 per Share and that the Share Subscription would result in a theoretical dilution effect of approximately 3.83%, which is considered moderate by the Company; and (vi) the prevailing equity capital market conditions, noting that none of the securities brokerage firms approached by the Company expressed interest in the proposed capital raising exercise.

3. Discussion on the Subscription Price

(a) Historical Share price performance

Set out below is the historical price performance of the Shares as quoted on the Stock Exchange during the six-month period prior to and including the date of the Share Subscription Agreement (i.e. 10 July 2026) (the "**Pre-Agreement Period**"), and up to and including the Latest Practicable Date (the "**Post-Agreement Period**", together with the Pre-Agreement Period, the "**Review Period**"). We considered the Review Period appropriate as (i) it reflects the general trend and recent market valuation of the Shares up to immediately prior to the date of the Share Subscription Agreement; (ii) a shorter period (e.g. 3 months) may not sufficiently illustrate a meaningful historical trend for a proper assessment; and (iii) a longer period (e.g. 1 year) may have been too distant in time, making such historical trend less relevant within the context of the Share Subscription and with reference to the prevailing market conditions.



Source: website of the Stock Exchange

During the Pre-Agreement Period, the closing prices of the Shares ranged from the lowest of HK$0.099 per Share, to the highest of HK$0.191 per Share with an average closing price of approximately HK$0.1397 per Share. The Subscription Price of HK$0.1368 per Subscription

Share is within the aforesaid price range of the Shares and is lower than the average closing price. Nevertheless, we noted that the Shares had been traded at below the Subscription Price for approximately 50.83% of the time during the Pre-Agreement Period.

As depicted in the chart above, the closing prices of the Shares were below the Subscription Price around the beginning of the Review Period before surging at around end of January 2026 and reaching the peak at HK$0.191 on 6 February 2026. After reaching the peak, the closing prices of the Shares started to decline sharply, closing at below the Subscription Price on 13 February 2026, and continued to stay below the Subscription Price for most of the time up to around mid-May 2026. The closing prices of the Shares then rebounded and generally stabilised at above the Subscription Price with minor fluctuations up to and including the date of the Share Subscription Agreement, where it closed at HK$0.164 per Share. After publication of the Announcement in relation to, among other things, the Share Subscription Agreement, the closing price of the Shares increased to HK$0.205 per Share on 13 July 2026, and remained generally stable up to 27 July 2026, after which it dropped to HK$0.168 per Share on the Latest Practicable Date. We have enquired the Directors about possible reason(s) behind the fluctuations in Share prices during the Pre-Agreement Period, and they were not aware of any such reason. We have also reviewed the announcements made by the Company during the Pre-Agreement Period, and considered the announcement of the Company's annual results for FY2025 on 29 March 2026 to be the only material announcement of the Company during the Pre-Agreement Period which may have material impact on Share prices. Nevertheless, even such annual results announcement of the Company appears to have no material impact on the closing prices of the Shares around the material time. Therefore, we have similar view with the Directors that the fluctuations in Share prices during the Pre-Agreement Period were mainly attributable to market forces. We have also enquired the Directors about possible reason(s) behind the increase in Share prices after publication of the Announcement, and they were also not aware of any such reason other than possibly the publication of the Announcement itself.

Despite that the Subscription Price of HK$0.1368 per Subscription Share represents discounts when compared to the prevailing closing prices of the Shares prior to and including the date of the Share Subscription Agreement, and that it is lower than the average closing price of the Shares of approximately HK$0.1397 per Share during the Pre-Agreement Period, having considered that (i) the Subscription Price falls within the historical Share price range during the Review Period; (ii) the Shares had been traded at below the Subscription Price for approximately 50.83% of the time during the Pre-Agreement Period; (iii) the liquidity of the Shares in the 12 months immediately prior to the date of the Share Subscription Agreement (i.e. from 11 July 2025 to 10 July 2026, both dates inclusive) has been thin and approximately 31.4% of the trading days during the period recorded nil trading of Shares, details of which are discussed in the paragraph headed "1. – (c) Reasons for and benefits of the Transactions" above; (iv) the Share Subscription is already the most appropriate funding method currently available to the Company when compared with debt financing alternatives and other equity financing alternatives such as placing, rights issue and open offer, details of which are discussed in the paragraph headed "1. – (c) Reasons for and benefits of the Transactions" above; and (v) a discount to recent market price would incentivize the Subscriber to participate in the Share Subscription, which is favourable to the Company and the Shareholders (including Independent Shareholders) as a whole as the Group can promptly obtain the proceeds from the

Share Subscription for uses including production capacity and efficiency expansion and optimization and raw material procurement, which is crucial for the Group to compete other players in the market, we are of the view that the Subscription Price is fair and reasonable.

(b) Comparison companies

In assessing the fairness and reasonableness of the Subscription Price, we have also performed a comparable companies analysis.

Given that the Company is listed on the Main Board and the Group is principally engaged in the design, development, manufacture and sales of denitration catalysts, carbon monoxide removal catalysts and other types of environmental protection catalysts in the PRC, we have attempted to identify companies who are listed on the Main Board and generated the majority of its revenue from similar businesses. However, to our best knowledge, we were unable to identify companies whose businesses are strictly limited to the design, development, manufacture and sales of such catalysts. Therefore, we have broaden the criteria of business scope of the comparable companies to also include companies engaging in providing flue gas desulfurisation and denitrification/environmental pollution prevention/particulate emission control equipment or device, engineering, installation services, solutions and/or operation services. We considered comparable companies with such broaden business scope still meaningful for comparison with the Company as they are still in the same industry with the Company, and we understood that the Company would also provide certain engineering, installation, trial testing and operation consultation and services to its customers, such that the difference between the business scopes of the Company and the comparable companies is not too material. Based on the aforesaid criteria, we have identified, to the best of our knowledge, an exhaustive list of three comparable companies (the "**Comparable Company(ies)**").

We then considered a few commonly seen valuation metrics to be adopted in our comparable analysis. We noted that the Company's business nature is not asset-heavy, and therefore considered price-to-book ratio inappropriate as it primarily measures the net book value of the company being valued and could understate the true economic value of companies which are not asset-heavy, like the Company. We also noted that the Company is loss-making in its latest audited financial year, which rendered the price-to-earnings ratio inapplicable. Therefore, we adopted the price-to-sales ratio (the "**P/S Ratio**"), a valuation metric that compares the share price of a business to its revenue and a measure of how much the financial markets value each dollar of a company's sales, in our comparable analysis.

Although there are only three Comparable Companies, they were already selected exhaustively with a 100% coverage of all suitable Comparable Companies satisfying the above selection criteria under an unbiased selection process. In addition, despite differences in financial conditions, target customers and market capitalisation between the Company and the Comparable Companies, as the Comparable Companies are engaged in similar principal activities and also listed on the Stock Exchange, we considered that they are likely to be influenced by similar macro-economic factors as the Group. In light of the above, we are of the view that the Comparable Companies are a fair and representative sample and can serve as a reference to the fairness and reasonableness of the Subscription Price.

The following table sets out our analysis on the Comparable Companies:

Company name	Stock code	Principal business	Market capitalisation on the date of the Share Subscription Agreement (i.e. 10 July 2026) *(Note 1)* *HK$ million*	P/S Ratio *(Note 2)* *times*
Datang Environment Industry Group Co., Ltd.* – H shares (大唐環境產業集團股份有限公司 – H股) ("**Datang Env**")	1272	Mainly engaged in environmental protection and energy-saving solutions, including flue gas desulfurisation and denitrification facilities concession operation for coal-fired power plants, the manufacture and sale of denitrification catalysts, engineering for coal-fired power plants, water treatment, the engineering general contracting for newly-built wind power plants, biomass power plants and photovoltaic power plants, the engineering procurement construction services for thermal power plants, fiberglass chimney anti-corrosion and air cooling system engineering general contracting.	655.5	0.49
Zhejiang Tengy Environmental Technology Co., Ltd – H shares ("**Zhejiang Tengy Env**")	1527	Principally engaged in the design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products; and general contractor for air pollution control projects, including precipitators and flue gas desulfurization and denitrification devices in China, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries, its atmospheric pollution control solutions include engineering design, equipment procurement and manufacturing, supervision of installation and commissioning, customer training, and repair and maintenance services.	64.8	0.28

Company name	Stock code	Principal business	Market capitalisation on the date of the Share Subscription Agreement (i.e. 10 July 2026) *(Note 1)* *HK$ million*	P/S Ratio *(Note 2)* *times*
China Boqi Environmental (Holding) Co., Ltd.	2377	Principally engaged in providing independent flue gas treatment service and environmental protection solution service, including flue gas treatment environmental protection facility engineering, operation and maintenance, investment projects and others, water treatment project engineering and design, procurement of equipment and materials, project construction, equipment installation, commissioning services and the sewage treatment service, detoxification, reduction and resource treatment and disposal of bulk solid waste and industrial hazardous waste, and dual-carbon new energy business.	718.1	0.28
			Maximum	**0.49**
			Minimum	**0.28**
			Average	**0.35**
			Median	**0.28**
The Share Subscription			**81.1** *(Note 3)*	**0.37** *(Note 4)*

* *for identification purposes only*

Source: website of the Stock Exchange

Notes:

1. Based on the closing price of the share of the respective Comparable Company as quoted on the Stock Exchange as at 10 July 2026 and their respective issued shares (excluding treasury shares) (mean issued H shares for Datang Env and Zhejiang Tengy Env) as quoted on their published monthly return for June 2026 available on the website of the Stock Exchange.

2. The figures are calculated based on the market capitalisation of the respective Comparable Company (please refer to note 1 above) (for Datang Env and Zhejiang Tengy Env, their respective market capitalisation are first divided by the respective percentage of their H shares to their total issued shares) divided by the revenue of the respective Comparable Company in the latest financial year.

3. Being the market capitalisation of the Company implied by the Subscription Price.

4. The figure is calculated by dividing the market capitalisation of the Company implied by the Subscription Price and the revenue of the Company for FY2025 from the 2025 Annual Report.

As illustrated above, the P/S Ratios of the Comparable Companies ranged from approximately 0.28 times to approximately 0.49 times (the "**P/S Ratio Range**"), with an average of approximately 0.35 times and median of approximately 0.28 times. The P/S Ratio of the Company implied by the Subscription Price of approximately 0.37 times is within the P/S Ratio Range, and higher than the average and median of the P/S Ratios of the Comparable Companies. Based on the result of this comparable companies analysis, we considered the Subscription Price fair and reasonable.

(c) Comparison transactions

We have also conducted an exhaustive search on the Website of the Stock Exchange to identify recent market practices involving the issuance of new shares under a specific mandate. We identified an exhaustive list of eight comparable transactions (the "**Comparable Transactions**") based on the following criteria: (i) transactions announced by companies listed on the Main Board of the Stock Exchange during the period from 11 July 2025 to the date of the Share Subscription Agreement (i.e. 10 July 2026), being an approximate one-year period; (ii) transactions involving a connected subscription of new shares under specific mandate; and (iii) transactions that did not involve debt capitalisation, issue of convertible notes/bonds, acquisitions, restructuring, rights issues, open offers, issue of A shares or warrants. Such transactions were excluded as the pricing of such transactions may be influenced by factors and conditions that are not comparable to the Share Subscription. The one-year review period also ensures a reliable reflection of the prevailing market sentiment. We did not adopt whether whitewash waiver application is involved as a selection criteria, as we considered that there is no obvious correlation between it and the pricing discount/premium. In particular, from the table below setting out details of the Comparable Transactions, it can be observed that both transactions with and without whitewash waiver application have been carried out at both generally discounted and/or premium prices to or over their respective prevailing share prices. We also did not adopt subscription size and dilution effect as selection criteria as we also considered them to have no obvious correlation with the pricing discount/premium.

Shareholders should note that although the businesses, operations, market capitalisation and prospects of the Company are not the same as the subject companies of the Comparable Transactions, the Comparable Transactions can demonstrate the recent market practices of subscription transactions conducted by companies listed on the Main Board of the Stock Exchange.

Company name (stock code)	Date of announcement	Whether whitewash waiver application is involved (Yes (Y)/ No (N))	Premium over/ (Discount) to the respective share closing price on the respective date of the share subscription agreement	Premium over/ (Discount) to the respective average closing price of the share for the last five consecutive trading days immediately prior to and including the respective date of the share subscription agreement	Premium over/ (Discount) to the respective average closing price of the share for the last 30 consecutive trading days immediately prior to and including the respective date of the share subscription agreement	Premium over/ (Discount) to the respective average closing price of the share for the last 60 consecutive trading days immediately prior to and including the respective date of the share subscription agreement	Premium over/ (Discount) to the respective latest published audited/ unaudited consolidated net asset value per share attributable to the shareholders	Dilution *(Note)*
CAI Corp (80)	29 May 2026	N	10.0%	8.2%	(5.4%)	(9.4%)	151.9%	6.4%
Huicheng International Holdings Limited (1146)	26 May 2026	Y	88.7%	93.8%	92.7%	113.2%	(65.1%)	1.5%
China Youran Dairy Group Limited (9858)	16 January 2026	Y	(8.8%)	(17.9%)	(15.2%)	(3.4%)	16.2%	4.7%
Energy International Investments Holdings Limited (353)	24 December 2025	N	(18.3%)	(19.41%)	(22.79%)	(23.54%)	(80.77%)	21.4%
BeijingWest Industries International Limited (2339)	17 November 2025	N	(34.2%)	(20.0%)	(18.17%)	(2.35%)	(22.80%)	9.6%
China Wacan Group Company Limited (1920)	10 November 2025	N	4.3%	2.19%	0.00%	(7.05%)	514.70%	10.8%
WuXi XDC Cayman Inc. (2268)	3 September 2025	N	(12.16%)	(1.42%)	0.32%	14.19%	797.86%	0.5%
China Suntien Green Energy Corporation Limited – H shares (956)	27 August 2025	Y	16.6%	16.4%	16.1%	15.5%	(11.5%)	3.0%
	Maximum		88.7%	93.8%	92.7%	113.2%	797.9%	21.4%
	Minimum		(34.2%)	(20.0%)	(22.8%)	(23.5%)	(80.8%)	0.5%
	Average		5.8%	7.7%	5.9%	12.2%	162.6%	7.2%
	Median		(2.3%)	0.4%	(2.7%)	(2.9%)	2.6%	5.6%
The Share Subscription	10 July 2026	Y	(16.59%)	(10.59%)	(15.56%)	(6.30%)	(34.23%)	10.21%

Note: Being the decrease in the shareholding interests of public Shareholders.

As illustrated above, the discounts represented by the Subscription Price is within range of the premiums/discounts of the subscription prices in the Comparable Transactions over/to all parameters. Although the discounts represented by the Subscription Price are below the average and median of the premiums/discounts of the subscription prices in the Comparable Transactions over/to all parameters, having considered that (i) the discounts represented by the Subscription Price is within range of the premiums/discounts of the subscription prices in the Comparable Transactions over/to all parameters; (ii) the reasons for and benefits of the Share Subscription as discussed in the section headed "1. – (c) Reasons for and benefits of the Transactions"; (iii) the Share Subscription is already the most appropriate funding method currently available to the Company when compared with debt financing alternatives and other equity financing alternatives such as placing, rights issue and open offer; (iv) the thin liquidity of the Shares in the 12 months immediately prior to the date of the Share Subscription Agreement (i.e. from 11 July 2025 to 10 July 2026, both dates inclusive); (v) a discount to recent market price would incentivize the Subscriber to participate in the Share Subscription, which is favourable to the Company and the Shareholders (including Independent Shareholders) as a whole as the Group can promptly obtain the proceeds from the Share Subscription for uses including production capacity and efficiency expansion and optimization and raw material procurement, which is crucial for the Group to compete other players in the market; (vi) the Subscription Price falls within the historical Share price range during the Review Period; and (vii) the P/S Ratio of the Company implied by the Subscription Price of approximately 0.37 times is within the P/S Ratio Range, and higher than the average and median of the P/S Ratios of the Comparable Companies, we were of the view that the Subscription Price is fair and reasonable.

(d) Overall comments

After taking into account our analysis of the Subscription Price in respect of the historical Share price performance, Comparable Companies and Comparable Transactions as a whole, we were of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

4. Dilution effect on the shareholding interests of the existing public Shareholders

As illustrated by the table under the section headed "Effects on shareholding structure of the Company" of the Letter from the Board, immediately following the completion of the Share Subscription, the shareholding interests of the existing Public Shareholders in the Company would be diluted from 44.25% to 34.04%. Nonetheless, in view of (i) the reasons for and the benefits of the Share Subscription, which is the most appropriate fund-raising method currently available to the Company when compared with debt financing alternatives and other equity financing alternatives such as placing, rights issue and open offer; and (ii) the Share Subscription (including the Subscription Price) being on normal commercial terms and fair and reasonable, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

5. Whitewash Waiver

As at the Latest Practicable Date, the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited (which is wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code) and the parties acting in concert with any of them hold 279,413,960 Shares, representing approximately 47.13% of the issued share capital of the Company. Upon Completion, the shareholding of the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and the parties acting in concert with any of them will increase to approximately 59.33% of the issued share capital of the Company.

As such, under Rule 26.1 of the Takeovers Code, the allotment and issuance of the Subscription Shares under the Share Subscription Agreement to the Subscriber will give rise to an obligation on the part of the Subscriber to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and parties acting in concert with any of them), unless the Whitewash Waiver is granted by the Executive.

An application has been made by the Subscriber to the Executive for the Whitewash Waiver from compliance with the obligations to make a mandatory general offer for all Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Subscriber, Advant Performance, Fine Treasure Asia Holdings Limited and parties acting in concert with any of them) under Rule 26.1 of the Takeovers Code as a result of the allotment and issuance of the Subscription Shares to the Subscriber. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by at least 75% of the votes cast by the Independent Shareholders by way of poll in respect of the Whitewash Waiver and more than 50% of the votes cast by the Independent Shareholders by way of poll in respect of the Share Subscription, respectively, at the EGM.

The Subscriber, Advant Performance, their respective associates, and any parties acting in concert with any of them, Fine Treasure Asia Holdings Limited (which is wholly owned by Mr. Li Ke, an executive Director, who is presumed to be acting in concert with the Subscriber under the Class (6) presumption of the definition of "acting in concert" under the Takeovers Code) and the Shareholders who are involved in or interested in the Share Subscription and/or the Whitewash Waiver, will be required to abstain from voting in respect of the resolution(s) to approve the Share Subscription and the Whitewash Waiver at the EGM.

Completion of the Share Subscription is conditional upon the granting of the Whitewash Waiver, which is non-waivable. Having taken into consideration (i) the reasons for and benefits of the Share Subscription as discussed in the section headed "1. – (c) Reasons for and benefits of the Transactions"; (ii) that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Share Subscription would not proceed and the Company would consequently be unable to obtain the expected equity funding under the Share Subscription if the Whitewash Waiver is not approved, we are of the view that the approval of the Whitewash Waiver is in the interests of the Company and the Shareholders as a whole and is fair and reasonable.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver, although not in the ordinary and usual course of business of the Group, are (i) in the interests of the Company and the Independent Shareholders as a whole; and (ii) the terms of the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committees to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
RED SOLAR CAPITAL LIMITED

Ernest Lam — *Managing Director*

Leo Chan — *Managing Director*

Mr. Ernest Lam is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over 23 years of experience in the corporate finance industry.

Mr. Leo Chan is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and has over 21 years of experience in corporate finance industry.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following summary of financial information for each of the years ended 31 December 2023, 2024 and 2025 as extracted from the relevant annual reports of the Company:

	2023 (audited) *RMB'000*	2024 (audited) *RMB'000*	2025 (audited) *RMB'000*
Revenue	126,392	108,963	189,256
Cost of sales	(101,864)	(81,503)	(142,664)
Gross profit	24,528	27,460	46,592
Selling and marketing expenses	(28,688)	(29,046)	(32,100)
Administrative expenses	(16,778)	(26,405)	(20,018)
Research and development expenses	(7,476)	(8,052)	(9,079)
Impairment loss reversed (recognised) in respect of trade and retention receivables, net	(122)	(538)	(3,990)
Impairment loss recognised in respect of property, plant and equipment and right-of-use assets	0	(4,538)	(3,856)
Other income, gains and losses	1,737	2,898	3,635
Share of result of an associate	8	9	(9)
Finance income	1,850	1,462	2,544
Finance costs	(493)	(577)	(987)
Loss before tax	(25,434)	(37,327)	(17,268)
Income tax expenses	–	–	–
Loss for the year	(25,434)	(37,327)	(17,268)
Other comprehensive income (expense) for the year	725	1,436	(2,512)
Total comprehensive expense for the year	(24,709)	(35,891)	(19,780)
Loss for the year attributable to owners of the Company	(24,709)	(35,891)	(19,780)
Total comprehensive expense for the year attributable to owners of the Company	(25,434)	(37,327)	(17,268)
Loss per share attributable to owners of the Company			
Basic and diluted (RMB per share)	(0.05)	(0.06)	(0.03)
Dividend	–	–	–
Dividend per share	–	–	–

Save as disclosed above, the Group had no other material income or expense for the years ended 31 December 2023, 2024 and 2025.

The auditors of the Group for the year ended 31 December 2023, 2024 and 2025 were Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited). No modified opinion, emphasis of matter or material uncertainty related to going concern was given by the auditors of the Group in respect of the Group's audited consolidated financial statements for the three years ended 31 December 2023, 2024 and 2025.

The Company is required to set out or refer to in this circular the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of financial position, the consolidated statements of cash flows, and any other primary statements for the three years ended 31 December 2023, 2024 and 2025 as shown in the (i) audited consolidated financial statements of the Group for the year ended 31 December 2023; (ii) audited consolidated financial statements of the Group for the year ended 31 December 2024; and (iii) audited consolidated financial statements of the Group for the year ended 31 December 2025, together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to an appreciation of the above financial information.

The financial information of the Group for the years ended 31 December 2023, 2024 and 2025 are disclosed in the annual reports of the Company for the years ended 31 December 2023, 2024 and 2025, which have been published on the websites of the Company (www.china-denox.com) and the Stock Exchange (www.hkexnews.hk) as follows and are incorporated by reference into this circular:

(i) from pages 115 to 187 of the annual report of the Company for the year ended 31 December 2023 published on 24 April 2024, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0424/2024042401910.pdf

(ii) from pages 132 to 205 of the annual report of the Company for the year ended 31 December 2024 published on 29 April 2025, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042902658.pdf

(iii) from pages 157 to 229 of the annual report of the Company for the year ended 31 December 2025 published on 28 April 2026, which can be accessed via the link at https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0428/2026042800860.pdf

2. INDEBTEDNESS

As at the close of business on 31 May 2026, being the latest practicable date for the purpose of this statement of indebtedness of the Group prior to the printing of this circular, the Group had lease liabilities of approximately RMB5.95 million.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, term loans, other borrowings or indebtedness in the nature of borrowing, mortgages or charges, contingent liabilities or guarantees.

3. MATERIAL CHANGE

The Directors confirm that, save and except for the entering into of the Share Subscription Agreement, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up to, and including the Latest Practicable Date.

4. WORKING CAPITAL

Taking into account the estimated net proceeds from the Share Subscription and the financial resources available to the Group, the Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital to satisfy its requirements for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company with its principal subsidiaries engaged in design, development, manufacture and sales of denitration catalysts, carbon monoxide removal catalysts and other types of environmental protection catalysts in the PRC.

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

I. WORK OVERVIEW OF THE GROUP FOR 2025

According to preliminary calculations by the National Bureau of Statistics of China, China's GDP reached RMB140.19 trillion in 2025, surpassing RMB140 trillion for the first time, and representing a year-on-year increase of 5.0%, with the growth rate remaining unchanged from the previous year. In 2025, the total social electricity consumption increased by 5.0% year-on-year, and the national accumulated installed capacity of power generation reached 3.89 billion kilowatts, representing an increase of 16.1% year-on-year. Specifically, installed capacity of solar power reached 1.2 billion kilowatts, representing a year-on-year increase of 35.4%; installed capacity of wind power reached 640 million kilowatts, representing a year-on-year increase of 22.9%; and installed capacity of thermal power reached 1.54 billion kilowatts, representing a year-on-year increase of 6.3%, with the proportion of thermal power further decreasing to 39.55% (44.14% in 2024). China's energy structure is undergoing rapid and irreversible changes. Under the national "carbon peak" and "carbon neutrality" energy strategy, the catalyst business related to traditional energy sector continues to face pressure, and the Group is striving to identify new opportunities within the context of this dual-carbon strategy.

(I) Traditional plate-type and honey-comb DeNOx catalysts 1

1. Current market situation

(1) Power industry

The thermal power catalyst market continues to exhibit the intensely competitive landscape seen in recent years. The national installed capacity of thermal power has seen minimal growth, and its share of the total national installed power generation capacity is declining year by year. Currently, there is no trend indicating a further increase in the number of competing catalyst manufacturers. However, the competition for the existing market share has become fiercely intense. Coupled with a clear upward trend in raw material prices during the second half of the year, all participating catalyst manufacturers are generally facing a difficult situation.

(2) Other industrial sectors

Non-power industries, mainly including sectors such as metallurgy, cement, glass, and aluminum, have largely completed the installation of new denitrification catalysts, and subsequently competition will shift to the existing market, similar to that of the power industry. Additionally, there are several new growth areas for catalysts, primarily including:

a) Relatively niche industrial sectors, including waste incineration, biomass power generation, and gas power generation, are also becoming drivers of growth in the denitrification catalyst market;

b) In addition to denitrification catalysts, demand for carbon monoxide removal catalysts in the metallurgical industry, and NMHC removal catalysts and ammonia removal catalysts in the petrochemical industry, is also gradually increasing.

2. The Group's key work

(1) Marketing and sales efforts

In 2025, the Group completed catalyst technical solutions for more than 1,500 projects (basically flat compared to 2024), submitted nearly 400 official bids (basically flat compared to 2024) with customers such as power generation companies, local power plants and other industries, and entered into a total of over 180 supply contracts (an increase compared to 2024) throughout the year. Overall, the Group made further progress in marketing efforts in 2025.

Notable highlights of the Group's market development efforts in 2025 include:

- The Group has signed a dioxin removal 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 plate-type catalysts product quality has gained widespread recognition from international customers;

- The Group's plate-type 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 DeNOx catalysts have made a breakthrough in low temperature, high-moisture projects;

- The Group has further expanded the application of its honey-comb DeNOx catalysts in waste liquid incinerators in the petrochemical industry;

- The Group has broken the record of zero performance in honey-comb carbon monoxide removal catalysts, further increasing its domestic market share;

- The Group has broken the record of zero performance in honey-comb DeNOx catalysts for black liquor recovery boilers; and

- The Group has broken the record of zero performance in plate-type DeNOx catalysts for high-arsenic pelletizing projects, and secured several orders.

(2) Product manufacturing

In 2025, the Group's total catalyst production continued to steadily increase from that of 2024. Particularly, honey-comb catalyst output continued to rise, plate-type catalyst output remained largely stable, newly added corrugated plate-type catalyst output was in a ramp-up phase, and the vehicle catalyst business continued to be marginalized. In 2025, the Group's safety production department further strengthened control over product manufacturing expenses and production costs. As a result, the overall unit production costs remained stable and controllable. The Group overall maintained a high level of production load and operating rate throughout the year.

(3) Carbon monoxide removal catalyst products

In 2025, the Group continued to place significant emphasis on carbon monoxide removal catalysts for the metallurgical industry, and achieved significant breakthroughs through joint efforts with external partners. Based on the delivery status to date, the overall performance of the carbon monoxide removal catalysts has been relatively stable. However, as the carbon monoxide removal catalyst market saw a significant increase in the second half of 2025, the Group's carbon monoxide removal catalyst products, as well as those from other manufacturers, have been operating at customer facilities for less than one year. Therefore, it is still too early to fully confirm the quality stability and whether the products meet the required lifecycles of customers. To date, the carbon monoxide removal catalysts, jointly developed and produced with external technical partners, have demonstrated relatively stable performance, laying a solid foundation for the Group to further develop in this business area.

II. KEY WORK ARRANGEMENTS OF THE GROUP FOR 2026

(I) Key Business Initiatives of the Group

1. Since the market is always the driving force for enterprise development, the Group will, as always, intensify its market development efforts, including:

(1) Divide the domestic market into distinct sales regions, solidify accountability, define clear targets, and continue to deepen the presence in traditional denitrification catalyst markets across all regions;

(2) Focus on high-value-added catalyst industries and continue monitoring the demand for denitrification catalysts in sectors such as waste-to-energy, black liquor recovery boilers, and petrochemicals.

(3) Strengthen communication and engagement with key major customers to maintain market share among existing key customers, while simultaneously acquiring new key customers and striving to achieve breakthroughs in performance with these new key customers.

(4) Enhance sales efforts for corrugated plate-type catalysts in both domestic and international markets, focus on promoting corrugated plate-type catalysts within the petrochemical sector and waste incineration projects, and assign dedicated personnel to liaise with key customers, striving for greater breakthroughs in the sales of corrugated plate-type catalysts.

(5) Vigorously strengthen the market expansion for carbon monoxide removal catalysts, and seize the valuable time window presented by the market's concentrated surge to thoroughly survey customer information across all regions. Based on the market experience gained in 2025, the Group will enhance comprehensive cooperation with general contractors. By leveraging the general contractors' familiarity with end-users and their financial strengths, the Group will guide end-users towards adopting carbon monoxide removal catalysts to reduce energy consumption, conserve energy, and generate benefits.

(6) In 2026, the Group plans to continue intensifying its product sales efforts in overseas markets, striving to build on the achievements of 2025 to make further breakthroughs in both the variety of catalyst products and sales revenue.

2. Continue to strengthen joint research and development efforts with external technical forces on new catalyst products such as industrial HCN removal catalysts and deammoniation catalysts, while enhancing market tracking, understanding, and promotional efforts including market trials.

3. Solidify the Group's capability to control manufacturing costs and expenses for mature products, promptly intensify cost-reduction efforts for the Group's new products, and mitigate operational pressures arising from potential raw material price increases as much as possible through controlling various manufacturing expenses, striving to stabilize the Group's product gross profit margin.

4. Since the Group's carbon monoxide removal catalyst utilizes a precious metal-based approach, the price of precious metal significantly impacts the product gross profit margin. Coupled with potential upward trends in other raw material prices, the Group must strengthen its ability to analyze and forecast raw material price trends, striving to control the procurement costs of bulk raw materials.

(II) Other key work of the Group

In 2026, the Group will further strengthen its operations and management, mainly including:

1. Continue to improve the Group's operational planning, financial budgeting and final accounts, capital management, and accounts receivable collection to further enhance the Group's operational management ability.

2. Continuously optimize the compensation system, dynamically assess its alignment with the Group's business development, and ensure the system's fairness and equity to motivate employees' work enthusiasm, thereby translating it into the improved operational performance.

3. While the Group's business operations show an improving trend, strengthen efforts in areas such as listing maintenance, internal control management, and investor relations maintenance. Following the adoption of the Share Option Scheme for its core employees in 2025, the Group will strive to achieve the profit targets set forth in the Share Option Scheme, and endeavor to gain recognition from the capital market for its operations while enabling core employees to exercise their share options and receive returns.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

The circular includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statements in this circular misleading.

The Subscriber accepts full responsibility for the accuracy of the information contained in this circular (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this circular (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement in this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date was, and as a result of the allotment and issue of the Subscription Shares will be, as follows:

(a) As at the Latest Practicable Date

Authorised:	*US$*	*US$*
5,000,000,000	Share of US$0.01 each	50,000,000.00
Issued and fully paid:		
592,844,400	Share of US$0.01 each	5,928,444.00

(b) Immediately following the allotment and issuance of the Subscription Shares

Authorised:	*US$*	*US$*
5,000,000,000	Share of US$0.01 each	50,000,000.00
Issued and fully paid:		
592,844,400	Share of US$0.01 each	5,928,444.00
177,853,320	Subscription Shares to be allotted and issued under the Share Subscription of US$0.01 each	1,778,533.20
770,697,720	**Share of US$0.01 each**	**7,706,977.20**

As at the Latest Practicable Date, the Company (i) has outstanding share options granted under the Share Option Scheme entitling the holders thereof to subscribe for an aggregate of 28,826,468 Shares at a subscription price of HK$0.1154 per Share with the expiry of the exercise period up to 31 December 2033; and (ii) does not hold any treasury shares and there is no repurchased Share pending cancellation.

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital.

Save for the Subscription Shares to be issued under the Share Subscription, the Company had not issued any Shares since 31 December 2025.

No application is being made or is currently proposed or sought for the Shares or the Subscription Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed above, the Company does not have any outstanding options, warrants or derivatives or other securities which are convertible into Shares as at the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing price of the Shares on the Stock Exchange on (i) the last trading day of each of the six calendar months immediately preceding the date of the Announcement and up to the Latest Practicable Date; (ii) the last full trading day immediately preceding the release of the Announcement; and (iii) the Latest Practicable Date:

Date	Closing price per Share
	HK$
30 January 2026	0.160
27 February 2026	0.127
31 March 2026	0.112
30 April 2026	0.130
29 May 2026	0.171
30 June 2026	0.164
10 July 2026 (being the last full trading day immediately preceding the release of the Announcement)	0.164
28 July 2026 (being the Latest Practicable Date)	0.168

The highest and lowest closing prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK$0.205 on 13 July 2026 and HK$0.099 on 11 March 2026, 12 March 2026, 16 March 2026 and 17 March 2026, respectively.

4. DISCLOSURE OF INTERESTS

(A) Directors' and chief executives' Interests and Short Positions in Shares and Underlying Shares and Debentures of the Company or any of its Associated Corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO, or which are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Directors	Capacity	Number of Shares held *(Note 1)*	Approximate percentage of shareholding *(Note 2)*
The Subscriber	Beneficial owner *(Note 3)*	25,204,729 (L)	4.25%
	Interest in controlled corporation *(Note 4)*	251,839,009 (L)	42.48%
Mr. Li Xingwu	Interest in controlled corporation *(Note 5)*	51,075,015 (L)	8.62%
Mr. Li Ke	Beneficial owner *(Note 6)*	1,778,536 (L)	0.30%
	Interest in controlled corporation *(Note 7)*	2,962,474 (L)	0.50%

Notes:

(1) The letter "L" denotes the person's long position in the Shares.

(2) The percentages are calculated based on 592,844,400 Shares in issue as at the Latest Practicable Date.

(3) This represents (i) 24,612,477 Shares held by the Subscriber personally; and (ii) entitlement of the Subscriber to subscribe for 592,252 Shares pursuant to the exercise of options granted to her under the Share Option Scheme, subject to the vesting conditions of those options.

(4) These 251,839,009 Shares are held by Advant Performance Limited which is wholly-owned by the Subscriber. The Subscriber is deemed to be interested in these Shares by virtue of the SFO.

(5) These 51,075,015 Shares are held by EEC Technology Limited which is wholly-owned by Mr. Li Xingwu. Mr. Li Xingwu is deemed to be interested in these Shares by virtue of the SFO.

(6) This represents entitlement of Mr. Li Ke to subscriber for 1,778,536 Shares pursuant to the exercise of options granted to him under the Share Option Scheme, subject to the vesting conditions of those options.

(7) These 2,962,474 Shares are held by Fine Treasure Asia Holdings Limited ("**Fine Treasure**") which is wholly-owned by Mr. Li Ke. Mr. Li Ke is deemed to be interested in these Shares by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept pursuant to section 352 of the SFO, or is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(B) Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at the Latest Practicable Date, so far as the Directors were aware of, the following persons' (other than the Directors and chief executive of the Company) interests or short position in the Shares and underlying shares of the Company, being interests of 5% or more, as recorded in the register required to be kept pursuant to section 336 of the SFO were as follows:

Name of Shareholder	**Capacity**	**Number of Shares held** *(Note 1)*	**Approximate percentage of shareholding** *(Note 2)*
Advant Performance Limited	Beneficial owner	251,839,009 (L)	42.48%
EEC Technology Limited	Beneficial owner	51,075,015 (L)	8.62%

(1) The letter "L" denotes the person's long position in the Shares.

(2) The percentages are calculated based on the 592,844,400 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) having an interest or short position in the Shares and underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any subsidiary or associated company of the Company which (a) (including continuous and fixed term contracts) had been entered into or amended within six months before the date of the Announcement; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The Directors are eligible for re-election at the shareholders' meetings of the Company in accordance with the Listing Rules, the memorandum and articles of association of the Company and any other applicable laws. Under the letters of appointment of Ms. Zhao Shu, Mr. Li Ke, Mr. Li Xingwu, Ms. Chan Yeuk Wa, Dr. WANG Xueqian and Mr. Ong Chor Wei, the Company shall reimburse each of them of all expenses properly and reasonably incurred by them in the performance of their duties or in connection with the business of the Company.

6. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

(a) none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and

(b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Group.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

A deed of non-competition dated 25 October 2015 (the "**Deed of Non-Competition**") was entered into between the Company and the controlling Shareholders, namely Ms. Zhao Shu and Advant Performance Limited, each of whom has undertaken to the Company that she/it would not, and would procure her/its close associates (other than members of the Group) not to directly or indirectly be involved in or undertake any business (other than the Group's business) that directly or indirectly, competes, or may compete, with the Group's business or undertaking, or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time, unless otherwise permitted according to the Deed of Non-Competition. The Company has received an annual written confirmation from each of the controlling Shareholders in respect of the compliance by them and their close associates with the Deed of Non-Competition.

Each of the Subscriber and Advant Performance Limited has confirmed to the Company that each of them and its close associates has complied with the non-compete undertaking given by her/it to the Company under the Deed of Non-competition. The independent non-executive Directors have reviewed the status of compliance and enforcement of the non-compete undertaking and confirmed that all the undertakings thereunder have been complied with up to the Latest Practicable Date.

Save as disclosed above, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

8. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date, other than the Share Subscription Agreement:

(a) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscriber, Advant Performance and the parties acting in concert with any of them and any Director, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Share Subscription Agreement or the Whitewash Waiver;

(b) there was no agreement, arrangement or understanding between any Director and any other person which is conditional on or dependent upon the outcome of, or otherwise connected with, the Share Subscription Agreement or the Whitewash Waiver;

(c) there was no agreement, arrangement or understanding (including any compensation agreement) existing between the Subscriber or any person acting in concert with her and any Director regarding any benefit to any Director as compensation for loss of office or otherwise in connection with the Share Subscription Agreement or the Whitewash Waiver; and

(d) none of the Directors was materially interested in any material contract entered into by the Subscriber.

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS PURSUANT TO THE TAKEOVERS CODE

As at the Latest Practicable Date, other than the holdings of Shares and the Subscription Shares which are proposed to be subscribed for under the Share Subscription as disclosed in the section headed "Effects on Shareholding Structure of the Company" in the "Letter from the Board" in this circular, the Subscriber confirms that:

(a) save for the Share Subscription Agreement, none of the Subscriber, Advant Performance or parties acting in concert with any of them has dealt in any Shares, acquired or entered into any agreement or arrangement to acquire any voting rights in the Company during the Relevant Period;

(b) other than the Share Subscription, none of the Subscriber, Advant Performance or parties acting in concert with any of them has made or will make any acquisitions or disposals of voting rights in the Company which constitute disqualifying transactions (within the meaning of the Takeovers Code) in the period between the date of the Announcement and the Completion;

(c) save as disclosed in the section headed "Effects on Shareholding Structure of the Company" in the "Letter from the Board" in this circular, there is no holding of voting rights in the Company or rights over any Shares which is owned, controlled or directed by the Subscriber, Advant Performance or parties acting in concert with any of them;

(d) save for the 592,252 share options held by the Subscriber and 1,778,536 share options held by Mr. Li Ke, none of the Subscriber, Advant Performance or parties acting in concert with any of them holds any other outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;

(e) Mr. Li Xingwu, the non-executive Director interested in 51,075,015 Shares (representing approximately 8.62% of the total issued Shares as at the Latest Practicable Date), had indicated his intention to vote in favour of the resolutions to approve the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder and the Specific Mandate) and the Whitewash Waiver and to be proposed at the EGM. Save for Mr. Li Xingwu and Mr. Li Ke (who will abstain from voting on all of the resolutions to be proposed at the EGM), none of the Directors held any beneficial shareholdings in the Company that would entitle them to vote at the EGM;

(f) save for the Share Subscription Agreement, there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) between the Subscriber, or any person acting in concert with the Subscriber, and any other persons in relation to the Shares or shares of the Subscriber and which might be material to the transactions contemplated under the Share Subscription Agreement and/or the Whitewash Waiver;

(g) none of the Subscriber, Advant Performance or parties acting in concert with any of them has received any irrevocable commitment from any person as to whether they will vote for or against the resolution approving the Share Subscription Agreement and the transactions contemplated thereunder, the Specific Mandate and/or the Whitewash Waiver;

(h) save for the Share Subscription Agreement, there are no agreements or arrangements to which the Subscriber is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Share Subscription or the Whitewash Waiver;

(i) none of the Subscriber, Advant Performance or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(j) none of the Subscriber, Advant Performance or parties acting in concert with any of them had intention to transfer, charge or pledge the Subscription Shares to any other persons upon Completion;

(k) save for the Subscription Price for the Subscription Shares payable under the Share Subscription Agreement, none of the Subscriber, Advant Performance or parties acting in concert with any of them has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any of the parties acting in concert with it in relation to the Share Subscription;

(l) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between, the Subscriber, Advant Performance or parties acting in concert with any of them on the one hand and any of the Shareholders on the other hand; and

(m) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber, Advant Performance or parties acting in concert with them on the one hand and the Company, its subsidiaries or associated companies on the other hand.

As at the Latest Practicable Date, other than the Subscription Shares which are proposed to be subscribed for under the Share Subscription as disclosed in the section headed "Effects on Shareholding Structure of the Company" in the "Letter from the Board" in this circular, the Company confirms that:

(a) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Company, its subsidiaries or associated companies on the one hand and any of the Shareholders on the other hand;

(b) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Subscriber, Advant Performance or parties acting in concert with them on the one hand and the Company, its subsidiaries or associated companies on the other hand;

(c) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(d) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company, or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code, and any other person; and

(e) no fund manager (other than exempt fund managers) connected with the Company managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis.

10. DEALINGS IN SHARES

During the Relevant Period,

(a) save for the Share Subscription Agreement, neither the Subscriber nor any of the parties acting in concert with her had dealt for value in any Shares, convertible securities, warrants, options and derivatives in respect of the Shares or had acquired or entered into any agreement or arrangement to acquire any voting rights in the Company;

(b) there were no Shares or convertible securities, warrants, options and derivatives of the Company which the Subscriber or the parties acting in concert with it, or the Directors have borrowed or lent;

(c) no subsidiary of the Company, no pension fund of the Company or of a subsidiary of the Company and no person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal traders and exempt fund managers) had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(d) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" under the Takeovers Code had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares; and

(e) no fund manager (other than exempt fund managers) connected with the Company who managed any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares on a discretionary basis had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares.

11. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

12. MATERIAL CONTRACTS

The following contracts (not being contract in the ordinary course of business carried on or intended to be carried on by the members of the Group) have been entered into by the members of the Group within the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date, which are or may be material:

(a) the Finance Lease Agreement;

(b) the exclusivity license agreement dated 11 February 2026 and entered into between Beijing Denox and Hainan Botuo Technology Company Limited* (海南博拓科技有限公司) ("**Hainan Botuo**") in relation to, among others, the grant of the exclusive right to use the advanced carbon monoxide removal catalyst formula developed by Hainan Botuo; and

(c) the Share Subscription Agreement.

13. EXPERT

The following sets out the name and qualification of the expert who has given opinion or advice which is contained in this circular:

Name	**Qualification**
Red Solar Capital Limited	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their letters, reports, advice and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

14. CORPORATE AND OTHER INFORMATION

(a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong.

(b) The joint company secretaries of the Company are Mr. Liu Lianchao and Ms. Yu Anne.

(c) The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The principal place of business of the Independent Financial Adviser is Unit 402B, 4/F, China Insurance Group Building, No. 141 Des Voeux Road Central, Central, Hong Kong.

(e) As at the Latest Practicable Date, the correspondence address of the Subscriber and Advant Performance is at Room 1506-1, 12th Floor Block 2, No. 128 Western South Fourth Ring Road, Fengtai District Beijing 100070, PRC.

(f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk), the SFC (www.sfc.hk) and the Company (www.china-denox.com) from the date of this circular up to the date of the EGM:

(a) this circular;

(b) the third amended and restated memorandum and articles of association of the Company;

(c) the published annual reports of the Company containing audited consolidated financial statements of the Company for each of the three years ended 31 December 2023, 31 December 2024 and 31 December 2025;

(d) the letter from the Board, the text of which is set out in the section headed "Letter from the Board" in this circular;

(e) the letter from the Connected Transaction IBC, the text of which is set out in the section headed "Letter from the Connected Transaction IBC" in this circular;

(f) the letter from the Whitewash Waiver IBC, the text of which is set out in the section headed "Letter from the Whitewash Waiver IBC" in this circular;

(g) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed "Letter from the Independent Financial Adviser" in this circular;

(h) the written consents referred to in the paragraph headed "13. Expert" in this Appendix; and

(i) the material contracts referred to in the paragraph headed "12. Material Contracts" in this Appendix.

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)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of Denox Environmental & Technology Holdings Limited (the "**Company**") will be held at Room 1506-1, 12th Floor, Block 2, No. 128 Western South Fourth Ring Road, Fengtai District, Beijing 100070, the PRC on Friday, 21 August 2026 at 10:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolution and special resolution of the Company:

ORDINARY RESOLUTION

1. **THAT**

(a) the share subscription agreement (the "**Share Subscription Agreement**") dated 10 July 2026 and entered into between the Company and Ms. Zhao Shu (the "**Subscriber**") in relation to the Share Subscription and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) all the transactions contemplated under the Share Subscription Agreement, including but not limited to the specific mandate to allot and issue the Subscription Shares by the Company to the Subscriber pursuant to the Share Subscription Agreement (the "**Specific Mandate**"), be and are hereby approved and the Board be and is hereby authorised to allot and issue the Subscription Shares to the Subscriber pursuant to the Share Subscription Agreement; and

(c) the Board be and is hereby authorised to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Share Subscription Agreement and the transactions contemplated thereunder, including to the Specific Mandate, and the allotment and issue of the Subscription Shares and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.

SPECIAL RESOLUTION

2. **THAT** subject to the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of her delegate(s) and any conditions that may be imposed thereon, the waiver (the "**Whitewash Waiver**") of the obligation on the part of the Subscriber to make a mandatory general offer for all the

issued shares and other securities of the Company (other than those already owned or agreed to be acquired by Subscriber and parties acting in concert with it) which might otherwise arise as a result of the Subscriber subscribing for the Subscription Shares under the Share Subscription Agreement pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code be and is hereby approved, and that any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents under seal where applicable as he/she considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to any of the matters relating to, or incidental to, the Whitewash Waiver.

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

Hong Kong, 31 July 2026

Notes:

1. Details of the above resolutions are set out in the circular of the Company dated 31 July 2026 (the "**Circular**"). Unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Circular.

2. Any member of the Company entitled to attend and vote at the meeting or any adjournment thereof (as the case may be) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. For avoidance of doubt, the holder(s) of treasury shares, if any, shall abstain from voting on matters that require Shareholders' approval as required under the Listing Rules.

3. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof.

4. For determining the entitlement of Shareholders who are entitled to attend and vote at forthcoming EGM, the register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the forthcoming EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 17 August 2026. The record date for determining the entitlement of Shareholders to attend and vote at the EGM is Friday, 21 August 2026.

5. The EGM is expected to last for less than one day. The Shareholders and proxies attending the EGM shall be responsible for their own travelling and accommodation expenses.

As at the date of this notice, 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.