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 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