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DENOX ENVIRONMENTAL & TECHNOLOGY HOLDINGS LIMITED
迪諾斯環保科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1452)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Denox Environmental & Technology Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”) together with comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	189,256	108,963
Cost of sales		<u>(142,664)</u>	<u>(81,503)</u>
Gross profit		46,592	27,460
Selling and marketing expenses		(32,100)	(29,046)
Administrative expenses		(20,018)	(26,405)
Research and development expenses		(9,079)	(8,052)
Impairment loss recognised in respect of trade and retention receivables, net		(3,990)	(538)
Impairment loss recognised in respect of property, plant and equipment and right-of-use assets		(3,856)	(4,538)
Other income, gains and losses	4	3,635	2,898
Share of result of an associate		(9)	9
Finance income	5	2,544	1,462
Finance costs	5	<u>(987)</u>	<u>(577)</u>
Loss before tax		(17,268)	(37,327)
Income tax expense	6	<u>—</u>	<u>—</u>
Loss for the year	7	<u>(17,268)</u>	<u>(37,327)</u>
Other comprehensive (expense)/income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements from functional currency to presentation currency		<u>(2,626)</u>	<u>1,428</u>
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		<u>114</u>	<u>8</u>
Other comprehensive (expense)/income for the year		<u>(2,512)</u>	<u>1,436</u>
Total comprehensive expense for the year		<u>(19,780)</u>	<u>(35,891)</u>
Loss per share attributable to owners of the Company	8		
Basic and diluted loss per share (RMB)		<u>RMB(0.03)</u>	<u>RMB(0.06)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		31,150	35,303
Right-of-use assets		12,842	14,069
Interest in an associate		116	125
Long-term prepayments		25	147
		44,133	49,644
Current assets			
Inventories	<i>10</i>	340,943	297,545
Trade and retention receivables	<i>11</i>	28,637	16,671
Financial assets at fair value through other comprehensive income		2,963	495
Prepayments, deposits and other receivables		18,016	12,766
Bank deposits with original maturity over three months		42,651	41,736
Bank balances and cash		30,949	18,067
		464,159	387,280
Total assets		508,292	436,924
LIABILITIES			
Non-current liabilities			
Borrowings		3,730	–
Lease liabilities		6,098	6,851
Deferred income		1,437	1,745
		11,265	8,596

	<i>NOTE</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current liabilities			
Trade payables	<i>12</i>	36,984	33,462
Accruals and other payables		11,113	8,367
Contract liabilities		328,571	238,513
Borrowings		3,889	11,727
Deferred income		308	308
Lease liabilities		1,081	1,090
Tax payables		3,703	3,703
		<u>385,649</u>	<u>297,170</u>
Total liabilities		<u>396,914</u>	<u>305,766</u>
Net assets		<u>111,378</u>	<u>131,158</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		38,510	38,510
Reserves		72,868	92,648
Total equity		<u>111,378</u>	<u>131,158</u>
Total equity and liabilities		<u>508,292</u>	<u>436,924</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL

Denox Environmental & Technology Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 7 November 2014 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company’s principal place of business in Hong Kong is located at 40/F, Dah Sing Financial Centre, No. 248 Queen’s Road East, Wanchai, Hong Kong.

The Company is an investment holding company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in design, development, manufacture and sale of denitration and other type of environmental protection catalysts in the People’s Republic of China (the “**PRC**”). The ultimate holding company of the Group is Advant Performance Limited, a company incorporated in the British Virgin Islands (“**BVI**”) which is wholly-owned by Ms. Zhao Shu, an executive director and chairlady of the Company (the “**Controlling Shareholder**”).

On 12 November 2015, the Company’s shares were listed on The Stock Exchange of Hong Kong Limited.

Items included in the consolidated financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The consolidated financial statements are presented in Renminbi (“**RMB**”), which is the functional currency of the principal subsidiaries of the Group where the primary economic environment is in the PRC. Other than the subsidiaries established in the PRC which functional currencies are RMB, the functional currency of the Company and other subsidiaries is Hong Kong dollars (“**HK\$**”), United States dollars (“**USD**”) and Euro (“**EUR**”).

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (the “**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21 and IFRS1

Lack of Exchangeability

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to IFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 Presentation of Financial Statements. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE

Revenue represents revenue arising on sales of goods. An analysis of the Group's revenue for the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products		
– Sales of goods		
• Plate-type DeNOx catalysts	64,825	53,493
• Honey-comb DeNOx catalysts	121,543	49,794
• DeNOx catalysts for vehicles	2,888	5,676
	<u>189,256</u>	<u>108,963</u>

All revenue from contracts with customers are recognised at a point in time for both years.

Transaction price allocated to the remaining performance obligations for contracts with customers

As at 31 December 2025 and 2024, all of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially satisfied) as at the end of both reporting periods.

4. OTHER INCOME, GAINS AND LOSSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Government grants (note)	400	402
Net foreign exchange gain	211	814
Sales of scrap products	1,654	487
Gain on early termination of leases	–	272
Value-added tax credit	1,107	947
Penalty income	232	–
Others	31	(24)
	<u>3,635</u>	<u>2,898</u>

Note: The Group received in the past a government subsidy of approximately RMB3,080,000 for acquisition of machineries, which has been treated as deferred income and is amortised to profit or loss over the useful lives of the related machineries. This policy has resulted in a credit to profit or loss in the current year of approximately RMB308,000 (2024: approximately RMB308,000).

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

5. FINANCE INCOME/FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income		
Interest income	<u>2,544</u>	<u>1,462</u>
Finance costs		
Interest expenses on lease liabilities	(281)	(108)
Interest expenses on borrowings	(522)	(450)
Interest expenses on discounted bills	<u>(184)</u>	<u>(19)</u>
	<u>(987)</u>	<u>(577)</u>

6. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the years ended 31 December 2025 and 2024.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the years ended 31 December 2025 and 2024.

No provision for income tax of Italy and the United States has been made as the Group did not have any taxable profits subject to the income tax in accordance with the relevant tax laws and regulations in respective countries for the years ended 31 December 2025 and 2024.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of certain PRC subsidiaries of the Group is 25%.

Pursuant to the relevant laws and regulations in the PRC, the Group’s subsidiary, Gu’an Denox Environmental Equipment Manufacturing Co., Ltd., (“**Gu’an Denox**”), was accredited as high and new technology enterprises, and entitled to the preferential tax rate of 15% for the years ended 31 December 2025 and 2024.

No provision for PRC Enterprise Income Tax has been made as the Group has sufficient available tax losses to utilise for any taxable profits subject to PRC Enterprise Income Tax for the years ended 31 December 2025 and 2024.

7. LOSS FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss for the year has been arrived at after charging:		
Employee benefits expenses:		
Directors' emoluments	1,249	1,973
Other staffs' wages, salaries and bonuses	30,926	23,907
Other staffs' retirement benefits schemes contributions	3,680	3,204
Other staffs' welfare and allowance	<u>966</u>	<u>522</u>
Total employee benefits expenses	<u><u>36,821</u></u>	<u><u>29,606</u></u>
Auditor's remuneration	690	674
Depreciation of property, plant and equipment	6,208	6,012
Depreciation of right-of-use assets	1,350	1,937
Expenses relating to short-term leases	441	211
Amount of inventories, before write-down, recognised as cost of sales	141,444	80,666
Write-down recognised on inventories included in cost of sales	<u>1,220</u>	<u>837</u>
	<u><u>142,664</u></u>	<u><u>81,503</u></u>

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the following data:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(17,268)</u>	<u>(37,327)</u>
	Number of shares '000	Number of shares '000
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>592,844</u>	<u>585,825</u>

The diluted loss per share was the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the years ended 31 December 2025 and 2024.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

10. INVENTORIES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Raw materials	25,594	22,607
Work-in-progress	10,219	4,561
Finished goods	32,965	30,403
Goods in transit	<u>272,165</u>	<u>239,974</u>
	<u>340,943</u>	<u>297,545</u>

During the year ended 31 December 2025, write-down was recognised on inventories of approximately RMB1,220,000 (2024: RMB837,000).

11. TRADE AND RETENTION RECEIVABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables	22,423	10,274
Retention receivables	12,952	9,601
	35,375	19,875
Less: Allowance for impairment of trade and retention receivables	(6,738)	(3,204)
	28,637	16,671

As at 1 January 2024, retention receivables amounted to approximately RMB6,141,000.

Retention receivables represent the money retained by the Group's customers to secure the due performance of the contracts. The customers normally withhold 3% to 10% of the certified amount payable to the Group as retention money (accumulated up to maximum 10% of contract sum), which is normally recoverable after the completion of defect liability period of the relevant contracts or in accordance with the terms specified in the relevant contracts, ranging from 1 year to 3 years from the date of completion of respective projects. The amount is unsecured and interest-free.

The Group allows a credit period of 30 days to 60 days (2024: 30 days to 60 days) to its customers. The following is an ageing analysis of trade and retention receivables, net of allowance for impairment of trade and retention receivables, presented based on the date of revenue recognition dates, at the end of the reporting period.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	25,133	13,535
1 year to 2 years	3,232	2,654
2 years to 3 years	272	376
Over 3 years	–	106
	28,637	16,671

12. TRADE PAYABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>36,984</u>	<u>33,462</u>

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 6 months	26,982	25,065
6 months to 1 year	254	3,123
1 year to 2 years	6,128	4,167
Over 2 years	<u>3,620</u>	<u>1,107</u>
	<u>36,984</u>	<u>33,462</u>

The average credit period on purchases is from 30 days to 60 days (2024: 30 days to 60 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2025, the grant of share options took place on 5 January 2026 in which the Group agreed to offer 28,826,468 share options to 2 executive directors and 40 employees of the Group at the subscription price of HK\$0.1154 per share in accordance with the terms and conditions of the share option agreement. For details, please refer to the Company's announcement dated 5 January 2026.

Moreover, the exclusivity license agreement and the technical support framework agreement took place on 11 February 2026 in which Hainan Botuo, wholly-owned by Mr. Chen, who is the son of Ms. Zhao, the executive director of the Group, agreed to grant the exclusive user right, pre-emption right and technical support services for the manufacture of HB DeCO Catalysts in consideration of both license fee and service and performance fee from the effective date of the agreement to 31 December 2028 in accordance with the terms and conditions of both exclusivity license and technical support agreement. For details, please refer to the Company's announcement dated 11 February 2026 and the Company's circular dated 17 March 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

PRINCIPAL ACTIVITIES

The Company is an investment holding company with its principal subsidiaries engaged in design, development, manufacture and sales of denitration 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.

THE GROUP'S MANAGEMENT ANALYSIS REPORT FOR 2025 AND OUTLOOK ON THE WORK FOR 2026

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. 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 catalysts 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.

- 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 a 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.

FINANCIAL REVIEW

Revenue from contracts with customers

The following table sets forth revenue generated from sales of plate-type DeNOx catalysts, honey-comb DeNOx catalysts and DeNOx catalysts for vehicles in absolute amount and as percentages of total revenue for the years indicated:

	2025		2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Plate-type DeNOx catalysts	64,825	34.3	53,493	49.1
Honey-comb DeNOx catalysts	121,543	64.2	49,794	45.7
DeNOx catalysts for vehicles	2,888	1.5	5,676	5.2
Total	<u>189,256</u>	<u>100.0</u>	<u>108,963</u>	<u>100.0</u>

The Group recorded a total revenue of approximately RMB189.3 million for the Reporting Period, representing a substantial increase of 73.7% as compared to approximately RMB109.0 million for the same period in 2024.

Plate-type DeNOx catalysts

Revenue generated from sales of plate-type DeNOx catalysts increased to approximately RMB64.8 million for the Reporting Period, representing an increase of 21.1% as compared to approximately RMB53.5 million for the same period in 2024, which was primarily attributable to the increase in average selling price of plate-type DeNOx catalysts during the Reporting Period. The average selling price of plate-type DeNOx catalysts per cubic metres (“m³”) increase by approximately 11.6% from RMB10,968 per m³ in 2024 to RMB12,245 per m³ for the Reporting Period, while the sales volume of plate-type DeNOx catalysts decrease by approximately 3.3% from 5,472 m³ in 2024 to 5,294 m³ for the Reporting Period. The plate-type DeNOx catalysts market was mainly derived from power plants, steel plants, cement plants, etc.

Honey-comb DeNOx catalysts

Revenue generated from sales of honey-comb DeNOx catalysts increased by 144.0% from approximately RMB49.8 million for the same period in 2024 to approximately RMB121.5 million for the Reporting Period, which was primarily due to the increase in sales volume of honey-comb DeNOx catalysts during the Reporting Period. The average selling price of honey-comb DeNOx catalysts per m³ decrease by approximately 5.9% from RMB14,441 per m³ in 2024 to RMB13,591 per m³ for the Reporting Period, and the sales volume of honey-comb catalysts increased by approximately 156.9% from 3,481 m³ in 2024 to 8,942 m³ for the Reporting Period. The honey-comb DeNOx catalysts market was mainly derived from power plants, steel plants, cement plants, etc.

DeNOx catalysts for vehicles

During the Reporting Period, the Group recorded revenue from sales of DeNOx catalysts for vehicles of approximately RMB2.9 million which represented a decrease of 49.1% as compared with the revenue of approximately RMB5.7million for the same period in 2024. The significant decrease in the revenue from DeNOx catalysts for vehicles as compared to the same period in 2024 was primarily due to the significant decrease in sales orders of vehicle catalysts.

Gross profit

During the Reporting Period, the Group recorded a gross profit of approximately RMB46.6 million representing an increase of 69.5% as compared to the same period in 2024 primarily attributable to increased production of catalyst products, process enhancements and formula optimisation.

Selling and marketing expenses

Selling and marketing expenses primarily consist of transportation cost, consulting service expenses and employee benefit expenses, etc. The Group's sales and marketing expenses increase for the Reporting Period as compared to the same period in 2024, mainly due to the increased marketing efforts in promoting our products to overseas markets, representing 26.6% and 17.0% of the Group's total revenue from contracts with customers in 2024 and 2025, respectively.

Administrative expenses

Administrative expenses mainly consist of employee benefit expenses, depreciation and amortisation and professional fees. The Group's administrative expenses decreased by 24.2% from approximately RMB26.4 million in 2024 to approximately RMB20.0 million for the Reporting Period which was primarily attributable to decrease in bonuses paid to senior management, share issuance expenses.

Finance income/(costs)

Finance income includes interest income on bank balances and bank deposits with original maturity over three months. Finance costs includes interest expenses on lease liabilities, borrowing and bill receivables. The Group recorded net finance income of approximately RMB1.5 million for the Reporting Period as compared to approximately RMB0.9 million in the same period in 2024.

Loss attributable to owners of the Company

As a result of the foregoing and an impairment loss recognised for property, plant and equipment, the loss attributable to owners of the Company decreased by 53.9% from approximately RMB37.3 million in 2024 to approximately RMB17.2 million for the Reporting Period.

Other performance indicators

The following table sets forth other performance indicators of the Group as at the dates or for the years indicated:

	As at or for the year ended	
	31 December	
	2025	2024
Current Ratio (<i>Note 1</i>)	1.2 times	1.3 times
Quick Ratio (<i>Note 2</i>)	0.3 times	0.3 times
Return on equity (<i>Note 3</i>)	N/A	N/A
Return on total assets (<i>Note 4</i>)	N/A	N/A

Notes:

- (1) Current ratio is calculated based on total current assets of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (2) Quick ratio is calculated based on total current assets of the Group less inventories of the Group divided by total current liabilities of the Group as at the end of the respective year.
- (3) Return on equity is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total equity attributable to owners of the Company.
- (4) Return on total assets is calculated by dividing profit attributable to owners of the Company for the year by the arithmetic mean of the opening and closing balance of total assets of the Group.

Current ratio and quick ratio

The Group's current ratio decreased from 1.3 times as at 31 December 2024 to 1.2 times as at 31 December 2025 and quick ratio remained stable at 0.3 times as at 31 December 2025 and 2024. Such decrease was mainly due to the increase in down payment from customers of approximately RMB238.5 million as at 31 December 2024 to approximately RMB328.6 million as at 31 December 2025.

Return on equity and return on total assets

The Group did not record a return on equity and return on total assets in 2024 and 2025, as it has recorded a loss attributable to owners of the Company for the years ended 31 December 2024 and 2025.

Liquidity and Capital Resources

The Group's financial position remains solid and the Group possessed sufficient financial resources to meet its commitments and working capital requirements in the foreseeable future. As at 31 December 2025, the Group had net current assets of approximately RMB78.6 million (2024: RMB90.1 million) of which cash and cash equivalents were approximately RMB30.9 million (2024: RMB18.1 million) and were denominated in Euro, Hong Kong Dollars, RMB, Macau Pataca (“**MOP**”) and United States Dollars as at 31 December 2025.

Gearing Ratio

Our gearing ratio which is calculated by total borrowings divided by total assets was 1.5% as of 31 December 2025 (2024: 2.7%). The decrease in gearing ratio was mainly due to decrease in bank borrowings.

Use of net proceeds from the Listing

As at 31 December 2025, the remaining balance of the unutilised amount of net proceeds from the listing (the “**Listing**”) of the shares (the “**Shares**”) of the Company on the Stock Exchange on 12 November 2015 of approximately RMB2.7 million were re-allocated from purpose of research and development of the Group to working capital and general corporate purposes of the Group. After the Listing, a part of these net proceeds have been applied according to the section headed “Use of proceeds” of the prospectus of the Company dated 30 October 2015, taking into account the reallocations as set out in the announcements of the Company dated 28 December 2020, 28 December 2022 and 25 June 2025 respectively.

Purposes	Original allocation of net proceeds as stated in the Prospectus RMB'million	Re-allocation of net proceeds on 28 December 2020 (Note 1) RMB'million	Re-allocation of net proceeds on 28 December 2022 (Note 1) RMB'million	Remaining balance of the unutilized net proceeds as at 31 December 2024 RMB'million	Remaining balance of the unutilized net proceeds as at 25 June 2025 RMB'million	Re-allocation of net Proceeds on 25 June 2025 (Note 1) RMB'million	Utilized net Proceed during the Reporting Period RMB'million	Remaining balance of the unutilized net proceeds as at 31 December 2025 RMB'million	Expected timeline for fully utilization of the remaining net proceeds (Note 2)
Development of DeNOx catalysts for diesel-powered vehicles	78.6	78.6	75.1	-	-	-	-	-	N/A
Acquisition of potential target companies in the Group's industry that can help to expand the Group's market coverage or key raw material suppliers	46.2	21.9	21.9	-	-	-	-	-	N/A
Research and development	17.1	17.1	33.2	10.7	10.6	(10.6)	0.1	-	N/A
Expansion of the Group's sales network and establishment of the Group's regional sales offices in China as well as Europe	6.9	6.9	5.9	-	-	-	-	-	N/A
Replacement of the Group's No. 1 production line	5.1	3.5	3.5	-	-	-	-	-	N/A
Working capital and general corporate purposes	17.1	43	31.4	0.6	-	10.6	8.5	2.7	Fourth quarter of 2027
Total	171	171	171	11.3	10.6	-	8.6	2.7	

Note 1: The utilisation of the net proceeds and the use of net proceeds for the remaining balance of the unutilised net proceeds from the Listing was updated. For details, please refer to the announcements of the Company dated 28 December 2020, 28 December 2022 and 25 June 2025 respectively.

Note 2: The expected timeline for fully utilising the remaining balance of the unutilised net proceeds was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions and has been updated to the fourth quarter of 2027.

Borrowings

The Group has outstanding borrowings carried interest of fixed rate at approximately RMB7.6 million as at 31 December 2025 (2024: RMB11.7 million).

Pledge of Assets

As of 31 December 2025, the Group has pledged certain machineries with the net carrying amount of approximately RMB5.1 million (2024: RMB8.8 million) and certain land and property with net carrying amount of Nil (2024: RMB11.6 million).

Capital expenditures

The Group incurred capital expenditures to expand its operations, maintain its equipment and increase its operational efficiency. During the Reporting Period, the Group had invested approximately RMB5.7 million (2024: RMB8.5 million) for the purchase of property, plant and equipment. These capital expenditures were financed by internal resources of the Group.

Capital commitment

As at 31 December 2025, the Group had capital commitment amounting to approximately RMB1.4 million (2024: RMB1.4 million) for capital contribution to an associate company, Langfang Denox Environmental & Technology Co., Ltd., which is principally engaged in development and manufacture of DeNOx catalysts for vehicles.

As at 31 December 2025, the Group had capital commitment for acquisition of property, plant and equipment amounting to approximately RMB2.1 million (2024: RMB2.8 million).

Contingent liabilities

The Group did not have any material contingent liabilities, guarantees and litigation as at 31 December 2024 and 2025.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

Save as disclosed, there were no significant investments held (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2025), no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

There were no future plans authorised by the Board for other material investments or additions of capital assets of the Group during the Reporting Period.

Employees and Remuneration Policy

As at 31 December 2025, the Group had 189 employees (2024: 184 employees). The majority of our employees are based in the PRC. Remuneration policies are reviewed regularly to ensure that the Group is offering competitive employment packages to employees. Remuneration of the Group's employees includes salaries, pension, discretionary bonus, medical insurance scheme and other applicable social insurance. The Group's remuneration policy for the Directors, senior management and employees are based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors, senior management members and employees.

Further, upon the expiry of the 2015 Share Option Scheme, the Company adopted the 2025 Share Option Scheme. For further information of the 2025 Share Option Scheme, please refer to the Company's announcement dated 19 November 2025, and the circular dated 25 November 2025. As the growth of the Group is dependent upon the skills and dedication of employees, the Group recognises the importance of human resources in competitive industry and has devoted resources to training employees. The Group has established an annual training program for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills.

Finance Lease Agreement

On 29 May 2025, Maxwealth Financial Leasing Co., Ltd.* (永贏金融租賃有限公司), a wholly-owned subsidiary of Bank of Ningbo Co., Ltd.* (寧波銀行), as lessor has entered into a finance lease agreement with Beijing Denox Environmental & Technology Co., Ltd.* (北京迪諾斯環保科技有限公司), an indirect wholly owned subsidiary of the Company, as lessee, pursuant to which (i) the lessee has agreed to sell the leased assets to the lessor at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,144,000); and (ii) the lessor has agreed to leaseback the leased assets to the lessee for a term of 36 months for a total lease payment of RMB10,886,768 (equivalent to approximately HK\$12,132,214). For further details, please refer to the Company's announcement dated 9 September 2025.

2025 Share Option Scheme

In view of the expiration of the 2015 Share Option Scheme, on 15 December, 2025, the Company adopted the 2025 Share Option Scheme, with a term of 10 years and a scheme mandate limit of 59,284,440 Shares, representing 10% of the Company's issued share capital. The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares to the Directors and employees of the Group being (the "**Eligible Participants**") to attract and retain the best available and high calibre personnel of the Group, to provide additional incentives to the Eligible Participants and to promote the overall success of the business of the Group. For further details, please refer to the Company's announcement dated 19 November 2025 and the Company's circular of the dated 25 November 2025.

Events after the Reporting Period

Subsequent to 31 December 2025, the grant of share options took place on 5 January 2026 in which the Group agreed to offer 28,826,468 share options to 2 executive Directors and 40 employees of the Group at the subscription price of HK\$0.1154 per share under the 2025 Share Option Scheme. For details, please refer to the Company's announcement dated 5 January 2026.

Moreover, the exclusivity license agreement and the technical support framework agreement took place on 11 February 2026 in which Hainan Botuo Technology Company Limited* (海南博拓科技有限公司), wholly-owned by Mr. Chen Qizhao, who is the son of Ms. Zhao Shu, the executive Director, agreed to grant the exclusive user right, pre-emption right and technical support services for the manufacture of HB DeCO Catalysts in consideration of both license fee and service and performance fee from the effective date of the agreement to 31 December 2028 in accordance with the terms and conditions of both exclusivity license and technical support agreement. For details, please refer to the Company's announcement dated 11 February 2026 and the Company's circular of the dated 17 March 2026.

Saved from the above disclosed, the Board is not aware of any other important event affecting the Group that have taken place subsequent to 31 December 2025 and up to the date of this announcement.

Foreign exchange risk

The Group mainly operates in the PRC with most of the transactions originally denominated and settled in RMB, of which foreign exchange risk is considered insignificant. The Group is exposed to foreign exchange risk primarily relating to certain of its bank deposits which were denominated in Euro, Hong Kong Dollars, MOP and United States Dollars. The Group did not carry out any hedging activities against foreign currency risk during the Reporting Period. Any substantial fluctuation in the exchange rate of foreign currencies against RMB may have a financial impact to the Group. The Group believes that the Group have sufficient foreign currencies to meet its foreign exchange needs and will take effective measures to prevent foreign exchange risks should the need arise.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Reporting Period (2024: Nil), in order to retain funds to support the Group's ongoing research and development activities and general business needs.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the Annual General Meeting to be held on Thursday, 18 June 2026, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 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 Annual General Meeting, all transfers documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, 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 Friday, 12 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury Shares) during the Reporting Period. The Company did not have any treasury Shares as at 31 December 2025.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix C3 to the Rules Governing the listing of Securities in the Stock Exchange (the "**Listing Rules**") as its own code of conduct regarding directors' securities transactions. Having made specific enquiries to all the Directors of the Company, each of the Directors has confirmed that he/she has complied with the required standards set out in the Model Code during the Reporting Period and up to the date of this announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the corporate governance code set out in Appendix C1 to the Listing Rules (the "**CG Code**") as its own code to govern its corporate governance practices. The Company has been conducting its business according to the principles of the CG Code during the Reporting Period. Throughout the Reporting Period, the Company has complied with the relevant code provisions of the CG Code with the exception of code provision C.2.1 of part 2 of the CG Code. Pursuant to code provision C.2.1 of part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

In considering that (a) the day-to-day responsibilities of the chief executive officer have been assumed by Ms. Zhao Shu, who is also the chairlady of the Company; and (b) Ms. Zhao Shu is the chairlady of the Group and has extensive experience in the Group's business operations and management in general, there is no separation of the roles of the chairlady and the chief executive officer of the Company. Given the current stage of the development of the Group, the Board is of the view that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies which are in the best interests of the Company.

Under the leadership of Ms. Zhao Shu, the Board works efficiently and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspective. The Board is of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board.

The Board shall review the structure and composition of the Board from time to time in light of prevailing circumstances, as to maintain a high standard of corporate governance practices of the Company. Save as disclosed above, the Company has complied with all relevant code provisions as set out in the CG Code during the Reporting Period.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian. Ms. Chan Yeuk Wa and Mr. Ong Chor Wei are independent non-executive Directors with appropriate professional qualification under Rules 3.10(2) and Rule 3.21 of the Listing Rules. Ms. Chan Yeuk Wa is the chairlady of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 December 2025 in conjunction with the Company's auditor and management and has also discussed auditing, risk management, internal control and financial reporting matters including accounting practices and principles adopted by the Group.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Rongcheng (Hong Kong) CPA Limited, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 27 March 2026. The work performed by Rongcheng (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Rongcheng (Hong Kong) CPA Limited on the preliminary announcement.

PUBLICATION OF 2025 ANNUAL RESULTS ANNOUNCEMENT AND 2025 ANNUAL REPORT

This annual results announcement is published on the Company's website (www.china-denox.com) and the Stock Exchange's website (www.hkexnews.hk). The Company's annual report for the year ended 31 December 2025 and notice of the Annual General Meeting will be made available on the websites of the Company and the Stock Exchange and will be despatched to the shareholders of the Company who have requested the printed copy on or before the end of April 2026.

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

Hong Kong, 27 March 2026

As at the date of this announcement, the Board comprises Ms. Zhao Shu and Mr. Li Ke as executive Directors; Mr. Li Xingwu as non-executive Director; and Ms. Chan Yeuk Wa, Mr. Ong Chor Wei and Dr. Wang Xueqian as independent non-executive Directors.

* *for identification purpose only*