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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)

**COMPLETION OF THE CONNECTED TRANSACTION IN RELATION TO
THE SUBSCRIPTION OF SHARES UNDER SPECIFIC MANDATE**

References are made to (i) the announcement (the “**Announcement**”) of Denox Environmental & Technology Holdings Limited (the “**Company**”) dated 6 November 2023; (ii) the circular (the “**Circular**”) and the notice of the EGM (the “**Notice**”) both dated 15 December 2023 issued by the Company in relation to, among other things, the Share Subscription and the Whitewash Waiver; and (iii) the announcement of the Company dated 5 January 2024 in relation to the poll results of the EGM and the grant of the Whitewash Waiver. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Circular.

COMPLETION OF THE SHARE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent under the Share Subscription Agreement as set out in the sub-section headed “Conditions precedent” of the Circular have been satisfied and completion of the Share Subscription took place on 26 January 2024 in accordance with the terms and conditions of the Share Subscription Agreement. Upon completion of the Share Subscription, 98,807,400 Subscription Shares were duly allotted and issued by the Company to the Subscriber at the Subscription Price of HK\$0.048 per Subscription Share pursuant to the Specific Mandate sought from the Independent Shareholders at the EGM. The Subscription Shares represent approximately 20% of the issued share capital of the Company immediately before completion of the Share Subscription and approximately 16.67% of the issued share capital of the Company immediately after completion of the Share Subscription.

The net proceeds (after deducting placing commission and other relevant costs and expenses) from the Share Subscription will be approximately HK\$3,362,755.2. The net proceeds from the Share Subscription are intended to be used as to (i) approximately 30% of the net proceeds (being

approximately HK\$1,008,826.6) for the development of coated products, which is expected to be utilized during first half of 2024; (ii) approximately 50% of the net proceeds (being approximately HK\$1,681,377.6) for the expansion of overseas markets, including in the Italian Republic, Republic of India and the USA by setting up branches and employing local staff therein, which is expected to be utilized during the first half of 2024; and (iii) approximately 20% of the net proceeds (being approximately HK\$672,551.0) for general working capital, including employee remuneration and material costs, which is expected to be utilized during the first half of 2024.

EFFECTS OF THE SHARE SUBSCRIPTION ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Share Subscription:

Shareholders	Immediately before completion of the Share Subscription		Immediately after completion of the Share Subscription	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Subscriber, Ms. Zhao Shu and parties acting, or presumed to be acting, in concert with any of them				
The Subscriber (<i>Note 1</i>)	153,031,609	30.98%	251,839,009	42.48%
Ms. Zhao Shu	24,612,477	4.98%	24,612,477	4.15%
Fine Treasure Asia Holdings Limited (<i>Note 3</i>)	2,962,474	0.60%	2,962,474	0.50%
Subtotal	180,606,560	36.56%	279,413,960	47.13%
Other Non-public Shareholder (<i>Note 4</i>)				
EEC Technology Limited (<i>Note 2</i>)	51,075,015	10.34%	51,075,015	8.62%
Subtotal	51,075,015	10.34%	51,075,015	8.62%
Public Shareholders	262,355,425	53.10%	262,355,425	44.25%
Total	494,037,000	100.00%	592,844,400	100.00%

Notes:

- (1) The Subscriber is wholly owned by Ms. Zhao Shu.
- (2) EEC Technology Limited is wholly owned by Mr. Li Xingwu.
- (3) Fine Treasure Asia Holdings Limited is wholly owned by Mr. Li Ke, who is presumed to be acting in concert with Ms. Zhao Shu under the Class (6) presumption of the definition of “acting in concert” under the Takeovers Code.
- (4) Save as disclosed, none of the Directors hold shares in the Company.
- (5) The percentage figures as set out above are subject to rounding adjustments.

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

Hong Kong, 26 January 2024

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. Li Min and Mr. Ong Chor Wei as independent non-executive Directors.

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