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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)

INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING IN RESPECT OF
A POTENTIAL ACQUISITION

This announcement is made by Denox Environmental & Technology Holdings Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby announces that the Company has signed a non-legally binding memorandum of understanding (“**MOU**”) on 17 February 2017 pursuant to which it proposes to acquire a 99% stake in a subsidiary of Nobao Energy Holdings (China) Limited (挪寶能源控股(中國)有限公司) (the “**Target**”). 48% of the Target is to be satisfied by cash and 51% of the Target is to be satisfied by an issuance of new shares in the Company at an issue price that is the average closing price of the shares of the Company for the past five trading days immediately prior to the issuance of this announcement (inclusive of the date of this announcement). The consideration for the potential acquisition is approximately HK\$98 million. The Target is principally engaged in the development of energy and energy saving related technologies.

The MOU is not legally binding (save for the provisions on confidentiality, exclusivity, expenses and governing law). If the Company proceeds with the potential acquisition, it (or its nominee) will enter into definitive agreements. The potential acquisition is subject to, among others, (1) completion of satisfactory due diligence of the Target by the Company; (2) completion of the valuation of the Target to the satisfaction of the Company; (3) negotiation of legally binding definitive documentation; and (4) obtaining the necessary corporate, third party and regulatory approvals.

The potential acquisition may or may not proceed. Shareholders and investors of the Company are reminded to exercise caution when dealing in the shares of the Company. The potential acquisition, if materializes, may constitute a notifiable transaction for the Company under

Chapter 14 of the Listing Rules. Should (i) the Company (or its nominee) enter into definitive agreements; (ii) decide not to proceed with the transactions contemplated under the MOU or (iii) there be any material development on the potential acquisition, the Company will publish such announcement(s) in accordance with the Listing Rules as and when appropriate.

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

Hong Kong, 17 February 2017

As at the date of this announcement, the Board comprises Ms. Zhao Shu, Mr. Kong Hongjun and Mr. Li Ke as executive Directors; Mr. Li Xingwu and Mr. Teo Yi-Dar as non-executive Directors; and Mr. Li Junhua, Mr. Lam Yiu Por and Mr. Ong Chor Wei as independent non-executive Directors.