



2025

INTERIM REPORT



迪诺斯
Denox Environment

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

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1452

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CORPORATE INFORMATION

Board of Directors

Executive Directors

Ms. ZHAO Shu (*Chairlady*)
Mr. LI Ke

Non-executive Director

Mr. LI Xingwu

Independent non-executive Directors

Ms. CHAN Yeuk Wa
Mr. ONG Chor Wei
Dr. WANG Xueqian

Board Committees

Audit Committee

Ms. CHAN Yeuk Wa (*Chairlady*)
Mr. ONG Chor Wei
Dr. WANG Xueqian

Remuneration Committee

Dr. WANG Xueqian (*Chairman*)
Ms. ZHAO Shu
Mr. ONG Chor Wei

Nomination Committee

Ms. ZHAO Shu (*Chairlady*)
Mr. ONG Chor Wei
Dr. Wang Xueqian

Joint Company Secretaries

Dr. LIU Lianchao
Ms. YU Anne

Authorised Representatives under Rule 3.05 of the Listing Rules

Ms. ZHAO Shu
Dr. LIU Lianchao

Auditor

Rongcheng (Hong Kong) CPA Limited
(formerly known as CL Partners CPA Limited)
Certified Public Accountants
Registered Public Interest Entity Auditor
Unit 3203 A-5, 32/F., Tower 2,
Lippo Centre, 89 Queensway,
Admiralty, Hong Kong

Registered Office in Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Headquarters and Principal Place of Business in PRC

Room 1506-1, 12th Floor, Block 2
No. 128 Western South Fourth Ring Road,
Fengtai District
Beijing 100070
People's Republic of China

Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
China Construction Bank Corporation
China Merchants Bank

Company's Website

www.china-denox.com

Stock Code

01452

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 DeNOx catalysts in the PRC.

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

The Company's Management Analysis Report for the First Half of 2025 and Outlook on the Work for the Second Half of 2025

I. Work overview of the Company for the first half of 2025

In the first half of 2025, China's economy achieved a growth rate of 5.3% under the "high growth, low inflation" framework, marking a remarkable accomplishment, of which the contribution of new growth drivers (such as green consumption, digital infrastructure, and artificial intelligence) increased. In the first half of the year, the total power consumption nationwide increased by 3.7% year-on-year, while the macroeconomy remained under pressure from overcapacity, price competition and real estate risks, and employment and consumption remained relatively sluggish. In the second half of 2025, macroeconomic policies will focus on striking a balance between supply-side reforms (such as "anti-involution" measures) and demand-side stimulus to boost consumption and private enterprise confidence, in order to consolidate the foundation for recovery.

(I) Market conditions of the industrial catalysts

1. The power industry remains the principal market for DeNOx catalysts, with overall project numbers and market demand remaining stable. The power industry primarily relies on traditional honey-comb and plate-type catalysts, where both state-owned and private enterprises compete on the same platform. In addition, central state-owned power enterprises conduct annual centralised bidding for catalyst procurement, resulting in intense market competition and a high degree of internal rivalry.
2. The steel coking industry has experienced relatively rapid growth in market demand over the past two years, particularly the demand for CO catalysts. However, overcapacity, weak profitability, and financial difficulties for companies in the sector have not significantly improved in the short term, which has restrained the release of effective market demand for catalysts in the industry.
3. The alumina industry has entered a catalyst replacement cycle, sustaining overall robust market demand.
4. In the first half of 2025, the number of approved projects in biomass power generation and waste-to-energy incineration increased, resulting in an increase in catalyst demand.
5. Industries such as cement, glass, and papermaking maintain steady demand for catalysts. In the first half of 2025, newly built cement production lines in Henan, Guangdong and other regions in China were equipped with standard denitrification facilities, resulting in a rapid year-on-year growth in catalyst procurement.

MANAGEMENT DISCUSSION AND ANALYSIS

(II) *The Group's key work on plate-type and honey-comb catalyst products*

1. Marketing and after-sale services

In the first half of 2025, the Group completed a total of 716 customer enquiries and technical support cases for catalysts, participated in 221 formal tenders for thermal power plants and other industrial customers, and signed 92 technical agreements and business contracts. Overall, the marketing efforts for the Group's industrial catalyst segment further increased as compared to last year, and the total contract value in the first half of the year slightly increased year-on-year.

Notable highlights of the Group's market development efforts during the first half of 2025 include:

- The Group has signed a dioxin 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 product quality of plate-type catalysts has gained widespread recognition from international customers;
- The Group's plate 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; and
- The Group's honey-comb CO catalysts have achieved a market breakthrough for the first commercial application.

2. Product manufacturing

In the first half of 2025, the production of industrial honey-comb and plate-type catalyst products increased as compared to the same period last year, with a total of 88 orders completed.

In the first half of the year, the Group continued to execute its cost-reduction objectives by taking effective measures in various aspects including project budget management, production plan design, formula design, raw material usage, and meshing cost control, resulting in varying degrees of reduction in major indicators. Through production cost control, the Group has mitigated the pressure from intensifying market competition, and strived to maintain and stabilise gross profit margin of its products.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Product research and development

In accordance with the Group's research and development strategy, the Group continued to strengthen the research and development of industrial catalysts while controlling research and development expenses. In the first half of the year, the Group carried out research and development work on more than ten catalyst products with good market application prospects, progressively promoted the products from laboratory development to pilot-scale production, customer field trials, and securing volume production orders, and generally achieved good research and development achievements.

II. Key work arrangements of the Group for the second half of 2025

1. In light of the competitive market landscape and the production capacity utilisation of different product lines of the Group in the first half of 2025, the Group will continue to adjust and optimise its pricing system and sales incentive mechanism, striving to further expand market contract value;
2. Continue to strengthen the marketing of new catalysts in the fields of waste-to-energy incineration, biomass power generation, gas power generation, and metallurgical industry. The Group will enhance the research and development, trial production and marketing of new catalysts. New industrial catalysts are critical for the Group's future business development and a key factor in improving profitability.
3. Continue to implement the Group's overseas product expansion strategy, refine its overseas teams, consolidate the existing overseas sales performance, maintain relationships with existing overseas customers, and strive to develop new overseas customers.
4. Continue to consolidate all cost-reduction achievements of the Group made in the first half of the year. The Group will continue to persist in implementing cost reduction in all aspects through raw material performance research, equipment optimisation, energy consumption analysis, and other measures.
5. To effectively carry out market expansion, cost control, new product research and development, and other tasks, the Group will further strengthen internal talent training, reserve and rotation, external recruitment and other systems to achieve orderly personnel flow and talent pipeline development.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue from contracts with customers

The following table sets forth the 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 periods indicated:

	Six months ended 30 June			
	2025		2024	
	RMB'000	%	RMB'000	%
Plate-type DeNOx catalysts	7,325	10.5	37,991	72.7
Honey-comb DeNOx catalysts	60,665	87.0	10,706	20.5
DeNOx catalysts for vehicles	1,724	2.5	3,567	6.8
Total	69,714	100.0	52,264	100.0

During the Period, the Group recorded a total revenue of approximately RMB69.7 million, representing an increase of 33.3% as compared to approximately RMB52.3 million of the same period in 2024.

Plate-type DeNOx catalysts

Revenue generated from sales of plate-type DeNOx catalysts decreased to approximately RMB7.3 million for the Period, representing a decrease of 80.8% as compared to approximately RMB38.0 million for the same period in 2024, which was primarily attributable to the decrease in average selling price and sales volume of plate-type DeNOx catalysts during the 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 to approximately RMB60.7 million for the Period, representing an increase of 467.3% as compared to RMB10.7 million for the same period in 2024, which was primarily due to the increase in sales volume of honey-comb DeNOx catalysts during the Period. The honey-comb DeNOx catalysts market was mainly derived from power plants, steel plants, cement plants, etc.

DeNOx catalysts for vehicles

During the Period, the Group recorded revenue from sales of DeNOx catalysts for vehicles of approximately RMB1.7 million, representing a decrease of 52.8% as compared with the revenue of approximately RMB3.6 million of the same period in 2024. The 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

During the Period, the Group recorded a gross profit of approximately RMB11.9 million which resulted from the decrease in average selling price of plate-type and honey-comb DeNOx catalysts during the Period while the Group recorded a gross profit of approximately RMB13.5 million for the same period in 2024.

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 increased for the Period as compared to the same period in 2024, mainly due to the increased marketing efforts for catalysts products in overseas markets, representing 18.7% and 22.6% of the Group's total revenue from contracts with customers for the six months ended 30 June 2025 and 2024, respectively. As a whole, the Group's selling and marketing expenses increased by 10.2% to approximately RMB13.0 million for the Period from approximately RMB11.8 million of the same period in 2024.

Administrative expenses

Administrative expenses mainly consist of employee benefit expenses, depreciation and amortisation, and professional fees. During the Period, the Group's administrative expenses amounted to approximately RMB8.5 million, which decreased by 30.3% when compared with approximately RMB12.2 million of the same period in 2024, mainly due to the Group's enhanced cost control measures on administrative expenses.

Net finance income

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, borrowings and bill receivables. The Group recorded Net finance income of approximately RMB1.8 million for the Period as compared to net finance income of approximately RMB1.2 million of the same period in 2024.

Loss attributable to owners of the Company

As a result of the foregoing, the loss attributable to owners of the Company for the Period amounted to approximately RMB7.1 million while the Group recorded loss attributable to owners of the Company of approximately RMB9.7 million of the same period in 2024.

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 30 June 2025, the Group had net current assets of approximately RMB88.1 million (31 December 2024: approximately RMB90.1 million) of which cash and cash equivalents were approximately RMB48.0 million (31 December 2024: approximately RMB18.1 million) and were denominated in Euro, Hong Kong Dollars, RMB, and United States Dollars as at 30 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Borrowings

As at 30 June 2025, the outstanding borrowings of the Group were approximately RMB9.7 million (31 December 2024: approximately RMB11.7 million), and all the borrowings were denominated in RMB.

Gearing Ratio

Our gearing ratio which is calculated by total borrowings divided by total assets was 2.2% as of 30 June 2025 (31 December 2024: 2.7%). The decrease in gearing ratio was mainly due to the decrease in borrowings.

Pledge of Assets

As of 30 June 2025, the Group has pledged certain machineries with the net carrying amount of approximately RMB6.4 million (31 December 2024: RMB8.8 million) and certain land and property with net carrying amount of Nil (31 December 2024: RMB11.6 million).

Use of Net Proceeds from the Global Offering

On 12 November 2015, the Company was successfully listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The net proceeds received by the Group from the global offering (after deducting underwriting fees and relevant expenses) amounted to RMB171.0 million.

On 25 June 2025, the Board, after having considered the business environment and development of the Group has resolved to re-allocate the remaining net proceeds in the amount of RMB10.6 million, intentionally for the purpose of research and development of the Group to working capital and general corporate purposes of the Group. For details, please refer to the Prospectus and the announcements of the Company dated 28 December 2020, 28 December 2022 and 25 June 2025, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The re-allocation and the revised remaining net proceeds are summarised as follows:–

Purposes	Original allocation of net proceeds as stated in the Prospectus RMB'million	1st re-allocation of net proceeds on 28 December 2020 RMB'million (Note 1)	2nd reallocation of net proceeds on 28 December 2022 RMB'million (Note 1)	3rd re-allocation of net proceeds on 25 June 2025 RMB'million (Note 1)	Remaining balance of the unutilised amount of net proceeds as at 31 December 2024 RMB'million	Re-allocation of remaining amount of unutilised net proceeds on 25 June 2025 RMB'million	Remaining balance of the unutilised amount of net proceeds upon reallocation on 25 June 2025 RMB'million	Amount of utilised net proceeds during the Period RMB'million	Remaining balance of the unutilised amount of net proceeds as at 30 June 2025 RMB'million	Expected timeline for fully utilising the remaining net proceeds (Note 2)
Development of DeNOX catalysts for diesel-powered vehicles	78.6	78.6	75.1	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	21.9	-	-	-	-	-	N/A
Research and development	17.1	17.1	33.2	22.6	10.7	(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	5.9	-	-	-	-	-	N/A
Replacement of the Group's No.1 production line	5.1	3.5	3.5	3.5	-	-	-	-	-	N/A
Working capital and general corporate purposes	17.1	43.0	31.4	42.0	0.6	10.6	10.6	0.7	10.5	First quarter of 2027
Total	171.0	171.0	171.0	171.0	11.3	-	10.6	0.8	10.5	

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

Note 2: The remaining balance of the unutilised amount of net proceeds for working capital and general corporate purposes is expected to be used up on or before the first quarter of 2027. The Company remains committed to using the remaining balance in a timely manner to support its business operation. The expected timeline 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.

Save as disclosed above, there are no other changes to the use of the remaining balance of the unutilised amount of net proceeds from the Listing as of the date of this interim report.

MANAGEMENT DISCUSSION AND ANALYSIS

Capital expenditures

The Group incurred capital expenditure to expand its operations, maintain its equipment and increase its operational efficiency. During the Period, the Group had invested approximately RMB1.9 million (six months ended 30 June 2024: RMB6.5 million) for the purchase of property, plant and equipment. These capital expenditures were financed by internal resources of the Group.

Capital commitment

As at 30 June 2025, the Group had capital commitment amounting to RMB1.4 million (31 December 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 30 June 2025, the Group had capital commitment for acquisition of property, plant and equipment amounting to approximately RMB3.4 million (31 December 2024: RMB2.8 million).

Contingent liabilities

As at 30 June 2025, the Group did not have any material contingent liabilities, guarantees and litigations (31 December 2024: Nil).

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

Saved 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 30 June 2025), no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period and up to the date of this interim report.

There were no futures plan authorised by the Board for other material investments or additions of capital assets of the Group during the Period and up to the date of this interim report.

Important event affecting the Group after the Period

The Board is not aware of any other important event affecting the Group that have taken place subsequent to 30 June 2025 and up to the date of this interim report.

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 and United States Dollars. The Group did not carry out any hedging activities against foreign currency risk during the Period. Any substantial fluctuation in 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Employees and Remuneration Policy

As at 30 June 2025, the Group had 186 employees (31 December 2024: 184 employees). The majority of our employees are based in the PRC. Remuneration of the employees of the Group amounted to RMB19.7 million for the Period (for the six months ended 30 June 2024: RMB15.7 million). 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 members 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, the Group has adopted the Share Option Scheme on 14 October 2015. Further information of the Share Option Scheme is available in the annual report of the Company for the year ended 31 December 2024. As the growth of the Group is dependent upon the skills and dedication of its 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 Agreements

2023 Finance Lease Agreement

On 25 October 2023, Maxwealth Financial Leasing Co., Ltd.* (永赢金融租賃有限公司), a wholly-owned subsidiary of Bank of Ningbo Co., Ltd* (寧波銀行), as lessor, has entered into a finance lease agreement (the "**2023 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 RMB5,000,000 (equivalent to approximately HKD5,454,000); and (ii) the lessor has agreed to leaseback the leased assets to the lessee for a term of 24 months for a total lease payment of RMB5,362,858 (equivalent to approximately HKD5,849,806).

For further details, please refer to the announcement of the Company dated 8 December 2023.

2025 Finance Lease Agreement

On 29 May 2025, Maxwealth Financial Leasing Co., Ltd.* (永赢金融租賃有限公司), a wholly-owned subsidiary of Bank of Ningbo Co., Ltd* (寧波銀行), as lessor, has entered into a finance lease agreement (the "**2025 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 the 2025 Finance Lease Agreement, the Lessee agreed to sell the production equipment to the lessor for a consideration of RMB10,000,000.00, with reference to the net book value of approximately RMB8,970,599.00. The lessor will lease back the leased assets to the lessee for a period of 36 months, with total lease payment of RMB10,886,768.00 (including the finance lease principal of RMB10,000,000.00 and RMB886,768.00 of finance lease interest, calculated at an annual rate of 2.96% (with reference to the prevailing five-year loan prime rate of 3.5% announced by the People's Bank of China on the date of execution of the Finance Lease Agreement. During the lease period, the ownership of the leased assets shall be vested in the lessor. Upon the expiry of the lease period, the lessor will transfer the leased assets to the lessee for the nominal consideration of RMB1.00.

For further details, please refer to the announcement of the Company on 9 September 2025.

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the SFO, which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which the Directors and chief executive of the Company were taken or deemed to have under such provisions of the SFO, or which are recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name of Director	Capacity/Nature of interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 2)
Ms. Zhao	Beneficial owner	24,612,477 (L)	4.15%
	Interest in controlled corporation (Note 3)	251,839,009 (L)	42.48%
Mr. Li Xingwu	Interest in controlled corporation (Note 4)	51,075,015 (L)	8.62%
Mr. Li Ke	Interest in controlled corporation (Note 5)	2,962,474 (L)	0.50%

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. The percentages are calculated based on 592,844,400 Shares in issue as at 30 June 2025.
3. These 251,839,009 Shares are held by Advant Performance Limited which is wholly owned by Ms. Zhao. Ms. Zhao is deemed to be interested in these Shares by virtue of the SFO.
4. These 51,075,015 Shares are held by EEC Technology Limited which is wholly owned by Mr. Li Xingwu. Mr. Li Xingwu is deemed to be interested in these Shares by virtue of the SFO.
5. These 2,962,474 Shares are held by Fine Treasure Asia Holdings Limited which is wholly owned by Mr. Li Ke. Mr. Li Ke is deemed to be interested in these Shares by virtue of the SFO.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or is otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

Directors' Right to Acquire Shares or Debentures

Save for the Share Option Scheme as disclosed in the annual report of the Company for the year ended 31 December 2024, at no time during the Period was the Company, its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements which enable Directors to acquire benefits by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' Interests in Securities

As at 30 June 2025, so far as the Directors were aware of, the following persons (other than the Directors and chief executive of the Company) or entities had interest or short position in the Shares, underlying Shares and debentures of the Company, being interests of 5% or more, as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

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

Notes:

1. The letter "L" denotes the person's long position in the Shares.
2. The percentages are calculated based on the 592,844,400 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) or entities having an interest or short position in the Shares, underlying Shares and debentures of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a Share Option Scheme on 14 October 2015 and shall be valid and effective for a period of 10 years after its adoption date. Further details of the Share Option Scheme is available on pages 35 to 37 of the annual report of the Company for the year ended 31 December 2024.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption. As of 30 June 2025, the Company has no outstanding share option under the Share Option Scheme. The number of share options available for grant under the Share Option Scheme at the beginning and the end of the Period was 49,403,700. The number of shares available for issue under the Share Option Scheme was 49,403,700 Shares, representing 8.33% of the issued Shares (excluding treasury shares, if any) as at the date of this interim report. The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Despite the terms of the Share Option Scheme, any grant of options by the Company will comply with Chapter 17 of the Listing Rules (as amended from time to time).

As the existing Share Option Scheme will be lapsed on 14 October 2025, the Group is proactively considering to adopt a new share scheme to continue employee incentives with long-term corporate goals.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2024: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the 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). The Company did not have any treasury shares as at 30 June 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the Period, the Company has complied with the applicable code provisions of the corporate governance code (the “**CG Code**”) as contained in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange with the exception of code provision C.2.1 of Part 2 of the CG Code. Given the current stage of the development of the Group, the Board is of the view that vesting the two roles of chairperson and chief executive to Ms. Zhao Shu, the chairlady of the Board 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. The Board will continue to review and consider splitting the roles of chairperson of the Board and chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

For further details of such deviation, please refer to the section headed “Corporate Governance Report – (D) Chairman and Chief Executive” on page 10 of the annual report of the Company for the year ended 31 December 2024.

To comply with the Listing Rules, the Company has updated the terms of reference of its nomination committee on 25 June 2025 and has uploaded the same to the respective websites of Stock Exchange (<http://www.hkexnews.com>) and the Company (<http://www.china-denox.com>) accordingly.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the Period.

CHANGES IN INFORMATION OF DIRECTORS AND CHIEF EXECUTIVE

Pursuant to Rule 13.51B(1) of the Listing Rules, there are no changes in the information of our Directors and chief executive of the Company subsequent to the publication of the annual report of the Company for the year ended 31 December 2024 and up to the date of this interim report.

OTHER INFORMATION

REVIEW OF INTERIM REPORT 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. Mr. Ong Chor Wei is an independent non-executive Directors with appropriate professional qualifications under Rules 3.10(2) and 3.21 of the Listing Rules. Ms. Chan Yeuk Wa is the chairlady of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements for the Period, and also discussed the accounting policies, accounting standards and practices adopted by the Group with the management of the Company.

The Audit Committee considered that the unaudited consolidated interim results for the Period are in compliance with the applicable accounting standards, laws and regulations, and the Company has made appropriate disclosures thereof.

AUDITOR

The Company's auditor has changed its English and Chinese names from "CL Partners CPA Limited" to "Rongcheng (Hong Kong) CPA Limited" and from "先機會計師行有限公司" to "容誠(香港)會計師事務所有限公司" respectively with effect on 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	NOTES	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	7	69,714	52,264
Cost of sales		(57,771)	(38,804)
Gross profit		11,943	13,460
Selling and marketing expenses		(13,043)	(11,796)
Administrative expenses		(8,459)	(12,226)
Research and development expenses		(1,471)	(2,303)
Other income, gains and losses	8	2,201	1,990
Share of result of an associate		2	4
Finance income	9	2,148	1,427
Finance costs	9	(383)	(213)
Loss before tax		(7,062)	(9,657)
Income tax expense	10	–	–
Loss for the period		(7,062)	(9,657)
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		(2,019)	943
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(247)	–
Other comprehensive (expense) income for the period		(2,266)	943
Total comprehensive expense for the period		(9,328)	(8,714)
Loss per share attributable to owners of the Company	11		
Basic and diluted loss per share (RMB)		RMB(0.012)	RMB(0.016)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	34,202	35,303
Right-of-use assets		13,371	14,069
Interest in an associate		127	125
Long-term prepayments		230	147
		47,930	49,644
Current assets			
Inventories	13	311,070	297,545
Trade and retention receivables	14	13,763	16,671
Financial assets at fair value through other comprehensive income	15	2,193	495
Prepayments, deposits and other receivables		23,025	12,766
Bank deposits with original maturity over three months	16	–	41,736
Bank balances and cash	16	48,041	18,067
		398,092	387,280
Total assets		446,022	436,924
LIABILITIES			
Non-current liabilities			
Borrowings		5,628	–
Lease liabilities		6,996	6,851
Deferred income		1,591	1,745
		14,215	8,596
Current liabilities			
Trade payables	17	54,747	33,462
Accruals and other payables		8,070	8,367
Contract liabilities		238,398	238,513
Borrowings		4,033	11,727
Deferred income		308	308
Lease liabilities		718	1,090
Tax payables		3,703	3,703
		309,977	297,170
Total liabilities		324,192	305,766

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	NOTES	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Net assets		121,830	131,158
EQUITY			
Equity attributable to owners of the Company			
Share capital	18	38,510	38,510
Reserves		83,320	92,648
Total equity		121,830	131,158
Total equity and liabilities		446,022	436,924

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company					Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	
At 1 January 2024 (audited)	31,423	849,824	(552,410)	34,224	(199,095)	163,966
Loss for the period	–	–	–	–	(9,657)	(9,657)
Other comprehensive income for the period:						
Exchange differences arising on translation of financial statements from functional currency to presentation currency	–	–	–	943	–	943
Total comprehensive income (expense) for the period	–	–	–	943	(9,657)	(8,714)
Issue of shares	7,087	(2,738)	–	–	–	4,349
Share issuance expenses	–	(1,266)	–	–	–	(1,266)
At 30 June 2024 (unaudited)	38,510	845,820	(552,410)	35,167	(208,752)	158,335

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Attributable to owners of the Company					Total RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	Other reserves RMB'000	Accumulated losses RMB'000	
At 1 January 2025 (audited)	38,510	845,820	(552,410)	35,660	(236,422)	131,158
Loss for the period	–	–	–	–	(7,062)	(7,062)
Other comprehensive expense for the period:						
Exchange differences arising on translation of financial statements from functional currency to presentation currency	–	–	–	(2,019)	–	(2,019)
Exchange difference on translation of foreign operation	–	–	–	(247)	–	(247)
Total comprehensive expense for the period	–	–	–	(2,266)	(7,062)	(9,328)
At 30 June 2025 (unaudited)	38,510	845,820	(552,410)	33,394	(243,484)	121,830

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(6,961)	(10,194)
INVESTING ACTIVITIES		
Placement of banks deposit with original maturity over three months	–	(16,477)
Purchases of property, plant and equipment	(1,939)	(6,478)
Interest received	2,148	1,427
Withdrawal of bank deposits with original maturity over three months	41,736	–
Net cash generated from/(used in) investing activities	41,945	(21,528)
FINANCING ACTIVITIES		
Proceeds from issue of shares	–	4,349
Share issue expenses paid	–	(1,266)
New bank borrowing raised	10,000	9,980
Repayment of bank borrowings	(12,066)	(1,477)
Repayment of lease liabilities	(365)	(429)
Interest paid	(239)	(213)
Net cash (used in)/generated from financing activities	(2,670)	10,944
Net increase/(decrease) in cash and cash equivalents	32,314	(20,778)
Cash and cash equivalents at the beginning of the period	18,067	44,260
Effect of foreign exchange rate changes	(2,340)	836
Cash and cash equivalents at the end of the period	48,041	24,318

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 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 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 DeNOx 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 (the “**Stock Exchange**”).

Items included in the condensed consolidated interim 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 condensed consolidated interim 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 and Euro.

These condensed consolidated interim financial statements were approved by the board of directors of the Company for issue on 29 August 2025.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the Audit Committee together with the management of the Company.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “**IASB**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange. Accordingly, this result is to be read in conjunction with the annual report for the year ended 31 December 2024 and any public announcements made by the Company during the interim reporting period.

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024 except as described below.

In the current interim reporting period, the Group has applied the following new and amendments to IFRS Accounting Standards issued by 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 Group’s condensed consolidated financial statements:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

3. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS (continued)

For reporting entities applying IFRS Accounting Standards:

Amendments to IAS 21

Lack of Exchangeability

The application of the new and amendments to IFRS Accounting Standards in the current interim reporting period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements.

4. ESTIMATES

In the preparation of the condensed consolidated interim financial statements of the Group, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the condensed consolidated interim financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5. FAIR VALUE MEASUREMENT

When measuring fair value except for the Group's leasing transactions and net realisable value of inventories and non-financial assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. The Group’s business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group determined that its business, as a whole, falls into one segment. Accordingly, no analysis of this single operating segment is presented.

7. REVENUE

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of International Financial Reporting Standard 15		
Disaggregated by major products		
– Sales of goods		
• Plate-type DeNOx catalysts	7,325	37,991
• Honey-comb DeNOx catalysts	60,665	10,706
• DeNOx catalysts for vehicles	1,724	3,567
	69,714	52,264

All revenue from contracts with customers are recognised at a point in time for the six months ended 30 June 2025 and 2024.

8. OTHER INCOME, GAINS AND LOSSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Government grants (note)	154	154
Net foreign exchange gains	523	131
Value-added tax credit	253	471
Sale of raw materials	1,134	837
Others	137	397
	2,201	1,990

Note: The Group received in the past a government subsidy of approximately RMB3,080,000 for acquisition of machineries, which was treated as deferred income and is amortised to profit or loss over the useful lives of the related machineries. This policy resulted in a credit to profit or loss in the current interim reporting period of approximately RMB154,000 (six months ended 30 June 2024: RMB154,000). The government grants were one-off with no specific conditions.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

9. FINANCE INCOME/FINANCE COSTS

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Finance income		
Interest income	2,148	1,427
Finance costs		
Interest expenses on lease liabilities	(144)	(33)
Interest expenses on borrowings	(231)	(161)
Interest expenses on discounted bills	(8)	(19)
	(383)	(213)

10. 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 six months ended 30 June 2025 and 2024.

No provision for Hong Kong Profits Tax of 16.5% has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for the six months ended 30 June 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 six months ended 30 June 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, was accredited as high-tech enterprise. It is entitled to the preferential tax rate of 15% for the six months ended 30 June 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 six months ended 30 June 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

11. 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:

	Six months ended 30 June 2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Loss		
Loss for the purpose of basic and diluted loss per share (loss for the period attributable to owners of the Company)	(7,062)	(9,657)
	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	592,844	578,729

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 six months ended 30 June 2025 and 2024.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired items of property, plant and equipment with a cost of approximately RMB1,939,000 (six months ended 30 June 2024: approximately RMB6,478,000). None of property, plant and equipment was written off by the Group during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

13. INVENTORIES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Raw materials	19,632	22,607
Work-in-progress	2,390	4,561
Finished goods	36,806	30,403
Goods in transit	252,242	239,974
	311,070	297,545

During the six months ended 30 June 2025, the cost of inventories recognised as expenses and included in cost of sales amounted to approximately RMB57,771,000 (six months ended 30 June 2024: RMB38,804,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE AND RETENTION RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	7,534	10,274
Retention receivables	9,196	9,601
	16,730	19,875
Less: allowance for impairment of trade and retention receivables	(2,967)	(3,204)
	13,763	16,671

The Group allows a credit period of 30 days to 60 days (31 December 2024: 30 days to 60 days) to its customers.

The following is an aged 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 interim reporting period.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	7,838	13,535
1 year to 2 years	5,675	2,654
2 years to 3 years	250	376
Over 3 years	–	106
	13,763	16,671

15. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bill receivables	2,193	495

As at 30 June 2025 and 31 December 2024, financial assets at fair value through other comprehensive income represented bill receivables where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

All financial assets at fair value through other comprehensive income are aged within 365 days (31 December 2024: 365 days).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

16. BANK DEPOSITS WITH ORIGINAL MATURITY OVER THREE MONTHS/BANK BALANCES AND CASH

Bank deposits with original maturity over three months

As at 31 December 2024, bank deposits with original maturity over three months amounting to RMB41,736,000 (30 June 2025: Nil). The bank deposits carried interest rate ranging from 4.60% to 4.82% (30 June 2025: Nil) per annum as at 31 December 2024.

Bank balances and cash

Bank balances and cash comprise cash at bank and in hand. Cash at bank carried interest rates ranging from 0.001% to 0.32% (31 December 2024: 0.001% to 0.44%) per annum as at 30 June 2025.

17. TRADE PAYABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	54,747	33,462

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 6 months	43,741	25,065
6 months to 1 year	1,817	3,123
1 year to 2 years	6,795	4,167
Over 2 years	2,394	1,107
	54,747	33,462

The average credit period on purchases is from 30 days to 60 days (31 December 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. SHARE CAPITAL

	Number of shares '000	Share capital USD'000
--	-----------------------------	-----------------------------

Ordinary shares of USD0.01 each

Authorised

At 1 January 2024, 31 December 2024, 1 January 2025 and
30 June 2025 (unaudited)

5,000,000 50,000

	Number of shares '000	Share capital RMB'000
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Issued and fully paid

At 1 January 2024

494,037 31,423

Issue of shares

98,807 7,087

At 31 December 2024, 1 January 2025 and 30 June 2025 (unaudited)

592,844 38,510

In 2024, the Group completed the share subscription agreement in which the Group agreed to issue 98,807,400 subscription shares at the subscription price of HK\$0.048 per share in accordance with the terms and conditions of share subscription agreement.

19. CAPITAL COMMITMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Commitment to contribute capital to an associate (note)	1,400	1,400
Capital expenditure contracted for but not provided in the condensed consolidated interim financial statements in respect of acquisition of property, plant and equipment	3,350	2,825

Note: In February 2019, Gu'an Denox, a subsidiary of the Company, and two third party individuals established Langfang Denox Environmental & Technology Co., Ltd ("Langfang Denox"), a company engaged in development and manufacture of DeNOx catalysts for vehicles, in which the Group will make a capital contribution of RMB2,000,000 and hold 40% of its total interests. Up to 30 June 2025, the Group contributed an amount of RMB600,000 (31 December 2024: RMB600,000) to Langfang Denox.

20. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in condensed consolidation interim financial statements, the Group has no material related parties transaction during the six months ended 30 June 2025 and 2024.

“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“CG Code”	Corporate Governance Code contained in Appendix C1 to the Listing Rules
“China” or the “PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this interim report, references in this interim report to China and the PRC exclude Taiwan, Macau Special Administrative Region and Hong Kong Special Administrative Region
“Company”	Denox Environmental & Technology Holdings Co., Ltd., an exempted company incorporated in Cayman Islands with limited liability, the Shares of which is listed on the main board of the Stock Exchange (stock code: 1452)
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, in the context of this interim report, refers to Ms. Zhao and Advant Performance Limited, a company wholly-owned by Ms. Zhao
“DeNOx”	the process of reducing the NOx concentration in industrial flue gas emissions
“DeNOx catalyst”	a kind of chemical substance which is the core component of SCR, and acts by producing the chemical reaction to convert NOx into N2 and H2O. The basic element of the catalyst mainly includes TiO2 and V2O5
“Directors”	the directors of the Company
“Group” or “our”	Company and its subsidiaries
“Listing”	the listing of the Company on the main board of Stock Exchange since the date of 12 November 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“Ms. Zhao”	Ms. Zhao Shu, the chairlady of the Board, an executive Director and chief executive officer of our Group and is our controlling shareholder
“Period”	six months ended 30 June 2025
“plate-type DeNOx catalyst”	a plate-type DeNOx catalyst takes metal as the carrier. Surface coating is composed of active ingredient

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	the shares of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 14 October 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“%”	per cent