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CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1586)

**NUMBER OF BONUS SHARES ISSUED
AND
ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE BONDS**

NUMBER OF BONUS SHARES ISSUED

References are made to the circular (the “**Circular**”) of the Company dated 18 May 2021 and the poll results announcement (the “**Announcement**”) of the Company dated 18 June 2021. Unless otherwise indicated, capitalized terms used herein have the same meanings as those defined in the Circular and the Announcement.

As disclosed in the Circular and the Announcement, the Bonus Issue was made on the basis of one (1) Bonus Share for every ten (10) existing Shares in issue held on the Record Date, i.e. 5 July 2021, by the Qualifying Shareholders. As at 5 July 2021, there were in total 403,088,000 Shares in issue. The number of Bonus Shares issued under the Bonus Issue was 40,308,800 Shares.

Based on the register of members of the Company as at the Record Date, there were no Qualifying Shareholders with registered addresses which were outside Hong Kong. Therefore, all the Qualifying Shareholders were entitled to participate in the Bonus Issue, and there were no Prohibited Shareholders.

ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE BONDS

Pursuant to the terms of the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 5 May 2017, the exercise price of the Share Options granted under the Share Option Scheme and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the 6,372,000 outstanding Share Options are adjusted (the “**Share Option Adjustments**”) in the following manner as a result of the Bonus Issue:

Date of Grant	Before completion of the Bonus Issue		Upon completion of the Bonus Issue	
	Existing exercise price per Share (HK\$)	Existing number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options	Adjusted exercise price per Share (HK\$)	Adjusted number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options
4 July 2017	1.28	3,372,000	1.164	3,709,200
23 July 2018	1.414	3,000,000	1.285	3,300,000

Pursuant to the terms of the Convertible Bonds, the conversion price of the Convertible Bonds and the number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds are adjusted (the “**Convertible Bonds Adjustments**”) in the following manner as a result of the Bonus Issue:

	Before completion of the Bonus Issue		Upon completion of the Bonus Issue	
	Existing conversion price per Share (HK\$)	Number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds	Adjusted conversion price per Share (HK\$)	Adjusted number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds
Date of Issue				
11 June 2021	1.63	30,674,846	1.48	33,783,783

Moore Stephens CPA Limited has performed certain factual finding procedures to assist the management of the Group to assess the accuracy of the calculations on the Share Option Adjustments and Convertible Bonds Adjustments.

The above procedures carried out by Moore Stephens CPA Limited do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

The additional 3,108,937 Shares to be issued upon the conversion of the Convertible Bonds will be allotted and issued pursuant to the Issue Mandate granted to the Directors at the annual general meeting held on 16 June 2020. As at the date of this announcement, the Company has not exercised the power to allot and issue any Shares pursuant to the Issue Mandate. As such, the limit of the Issue Mandate is sufficient to cover the issue of such additional shares. Application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the additional Shares as a result of the adjustments on the Stock Exchange.

By Order of the Board
China Leon Inspection Holding Limited
Yang Rongbing
Executive Director

Beijing, PRC, 15 July 2021

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Li Xiangli, Ms. Zhang Aiying, Mr. Liu Yi and Mr. Yang Rongbing as executive Directors; Mr. Wang Gang as non-executive Director; and Mr. Wang Zichen, Mr. Zhao Hong and Mr. Liu Hoi Keung as independent non-executive Directors.