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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 TO BE ISSUED  
AND  
ADJUSTMENTS TO SHARE OPTIONS AND CONVERTIBLE BONDS**

**NUMBER OF BONUS SHARES TO BE ISSUED**

References are made to the circular (the “**Circular**”) of the Company dated 12 May 2022 and the poll results announcement (the “**Announcement**”) of the Company dated 16 June 2022. 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 shall be made on the basis of one (1) Bonus Share for every ten (10) existing Shares in issue held on the Record Date, i.e. 4 July 2022, by the Qualifying Shareholders. As at 4 July 2022, there were in total 443,509,800 Shares in issue and outstanding Convertible Bonds convertible into 33,783,783 new Shares at the conversion price of HK\$1.48 per Shares (i.e. the Convertible Bonds in the principal amount of HK\$50,000,000) have been issued. The number of Bonus Shares to be issued under the Bonus Issue is 44,350,980 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 42,996,200 outstanding Share Options shall be adjusted (the “**Share Option Adjustments**”), with effect from 15 July 2022, in the following manner as a result of the Bonus Issue:

<b>Date of Grant</b>	<b>Before completion of the Bonus Issue</b>		<b>Upon completion of the Bonus Issue</b>	
	<b>Existing exercise price per Share (HK\$)</b>	<b>Existing number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options</b>	<b>Adjusted exercise price per Share (HK\$)</b>	<b>Adjusted number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options</b>
4 July 2017	1.164	3,596,200	1.058	3,955,820
23 July 2018	1.285	3,300,000	1.168	3,630,000
15 July 2021	2.14	36,100,000	1.945	39,710,000
<b>Total</b>		<b>42,996,200</b>		<b>47,295,820</b>

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 shall be adjusted (the “**Convertible Bonds Adjustments**”), with effect from 15 July 2022, in the following manner as a result of the Bonus Issue:

<b>Date of Issue</b>	<b>Before completion of the Bonus Issue</b>		<b>Upon completion of the Bonus Issue</b>	
	<b>Existing conversion price per Share (HK\$)</b>	<b>Number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds</b>	<b>Adjusted conversion price per Share (HK\$)</b>	<b>Adjusted number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds</b>
11 June 2021	1.48	33,783,783	1.35	37,037,037

The adjusted conversion price per Share and the adjusted number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds have been amended from HK\$1.345 per Share and 37,174,721 Shares as disclosed in the Circular to HK\$1.35 per Share and 37,037,037 Shares respectively due to the round off of the conversion price to the nearest one cent.

Baker Tilly Hong Kong 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 Baker Tilly Hong Kong 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 3,253,254 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 18 June 2021. 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, 5 July 2022

*As at the date of this announcement, the Board of the Company comprises eight Directors:*

*Executive Directors:*

Mr. Li Xiangli (*Chairman and CEO*)

Ms. Zhang Aiying (*Vice President*)

Mr. Liu Yi (*Vice President*)

Mr. Yang Rongbing (*Vice Chairman*)

*Independent Non-executive Directors:*

Mr. Wang Zichen

Mr. Zhao Hong

Mr. Liu Hoi Keung

*Non-executive Director:*

Mr. Hao Yilei