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)

PROFIT WARNING

This announcement is made by China Leon Inspection Holding Limited (the "**Company**", and together with its subsidiaries, the "**Group**") 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) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Director(s)**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the preliminary assessment of the latest unaudited consolidated financial results of the Group for the year ended 31 December 2018 and the information currently available to the Group, the Group is expected to record a relatively substantial decline in the net profit attributable to owners of the parent for the year ended 31 December 2018 as compared with that for the year ended 31 December 2017. The Board is of the view that such decline in net profit is mainly due to the expansion of the Group's testing and inspection business operations by way of overseas acquisitions. Since these newly acquired business operations are in business incubation period, the initial stage investment amount of which was relatively large. However, it is expected that the Group's financial performance will be greatly improved since 2019. Despite the decline in the net profit, it is expected that the Group's revenue for the year ended 31 December 2018 is approximately RMB234 million, representing an increase of approximately 16% as compared with that for the corresponding period of last year. The Board is of the view that the overall operating and financial position of the Group remains sound and solid. At the same time, the Group will continue to further solidify its leading position in commodities testing and inspection industry and is determined to become the world's leading services provider.

As the Company is still in the process of compiling its unaudited consolidated financial results for the year ended 31 December 2018, the information contained in this announcement is only based on the preliminary assessment by the Board based on the latest unaudited consolidated financial results of the Group for the year ended 31 December 2018 and the information currently available, which have not yet been reviewed by the auditor of the Company and may be subject to adjustments as appropriate. Shareholders of the Company and potential investors are advised to read carefully the Company's annual results announcement for the year ended 31 December 2018 for further details, which is expected to be announced on 22 March 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Beijing, PRC, 18 March 2019

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.