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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)**

### **POSITIVE PROFIT ALERT**

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 hereby informs 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 six months ended 30 June 2023 and the information currently available to the Group, the Group expects to record an over 30% increase in profit attributable to the owners of the Company for the six months ended 30 June 2023. The Board is of the view that the substantial increase is mainly fueled by the following factors:

#### **1. CONTINUOUS STRENGTHENING OF TRADITIONAL BUSINESS, RAPID DEVELOPMENT OF NEW BUSINESS**

Commodity services (natural resources and commodities) are the pillar of the Company’s core business, demonstrating great business resilience during cycles and stability in delivering business results. The Company continued to expand its professional service capacity to facilitate a better flow of global trade. The continuous and steady growth of commodity services further solidified the Company’s leading market position in the segment. In addition, the Company actively carried out M&A activities through the “2+X” strategy to enter into ESG-related business areas. Led by the “ESG-oriented development”, emerging business such as clean energy, environmental protection and climate change under the mergers and acquisitions approach had developed rapidly. The traditional business and new business fully delivered maximum synergy, which laid a solid foundation for long-term development and drove the overall revenue growth of the Company.

## **2. ENHANCED MANAGEMENT SYSTEM AND COST CONTROL MEASURES**

The Company implemented an enhanced operation management system, effectively boosting the operating efficiency and delivering effective cost control. The Company captured TIC market trend and focused on business development, continuously deepening cooperation with major customers, steadily promoting the development of various businesses, and constantly enhancing service quality. The Company continued to strengthen quality control, constantly optimized resource allocation and management, and effectively boosted the operating efficiency of various business working flows. By further enhancing economic efficiency through effective cost control, we managed to drive the growth of the Company's net profit.

## **3. CONTINUOUS STRENGTHENING OF SUSTAINABILITY AND BRAND CREDIBILITY**

The Company continued to expand its professional service capacity, constantly doubled down on research and development of digital management platforms, enhanced its platform capacity building, and further highlighted its brand credibility and influence. The Company continued to enhance its laboratory layout, and its service network has further expanded from major trade ports and hub cities in the Asia-Pacific region to emerging markets in South America and Africa, so as to meet the one-stop service needs of global customers in a timely and high-quality manner. Relying on its global networks, the Group has further enhanced its ability to serve international leading customers. The order-taking capability of each business division and the delivery capability of laboratories have been enhanced with the expansion in quality customers base, which effectively boosted the overall profitability of the Group.

As the Company is still in the process of compiling its unaudited consolidated financial results for the six months ended 30 June 2023, the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest unaudited consolidated financial results of the Group for the six months ended 30 June 2023 and the information currently available to the Group, which have not yet been finalized or 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 interim results announcement for the six months ended 30 June 2023 for further details, which is expected to be published on 30 August 2023 in compliance with the Listing Rules.

**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, 31 July 2023

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