VOLUME XVIII No. 148 T H U R S D A Y July 14, 2016

CHINA LEON INSPECTION HOLDING LTD: MANAGEMENT HAS YET TO BE WEANED OFF ITS '*PARENTS' MILK*'

On arrival at airports of quite a number of cities of the People's Republic of China (PRC), the air pollution is so staggering that it hits newly arrived passengers within minutes of their arrival.

The reason for this noxious, heavy air pollution for the many cities of the PRC is that the main source of energy to feed power generation plants is coal.

And, in the foreseeable future, coal will remain as the main fossil fuel to supply energy to the many coal-fired, power plants in the country.

Today, the PRC is constructing the equivalent of two, 500 megawatt, coal-fired power plants per week.

This is a capacity, comparable to the entire power grid of the United Kingdom, each year.

The United States of America derives about 50 percent of its total electricity requirements from the burning of coal in its many power plants.

According to a study, made by The **M**assachusetts **I**nstitute of **T**echnology (**MIT**):

> '*We believe that coal use will increase under any foreseeable scenario because it is cheap and abundant.*'

This determination by MIT is contrary to that which many people of the developed world may have been led to believe of late due to the pollutant effects in the atmosphere by the burning this fossil fuel in order to generate electricity.

MIT again:

> '*One 500 megawatt coal-fired power plant produces approximately 3 million tons/year of carbon dioxide (CO_2).*'

The above introduction to this analysis of China Leon Inspection Holding Ltd () (Code: 1586, Main Board, The Stock Exchange of Hongkong Ltd), one of the many **I**nitial **P**ublic **O**fferings (**IPO**s) to raise money in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), is strongly suggestive that this Company's future appears to be promising for many years to come.

The Global Offering Prospectus

China Leon Inspection made a Global Offering of 100 million, $US0.00005 Shares at the Indicative Offer Price Per Share, ranging from a low of 73 cents to a high of $HK1.24.

The Global Offering Prospectus was published and disseminated on June 29, 2016, and, on July 11 (last Monday), it was announced that the Offer Price Per Share had been struck at 98 cents, with the Company, netting about $HK69.20 million from this cash-raising exercise.

Investors of the HKSAR were Offered 10 million Shares and 90 million Shares were Placed with International Investors.

The HKSAR Offer tranche was about 36.12 times the total number of 10 million Shares on Offer, while the International Placing tranche was said to have been '*moderately over-subscribed*'.

Prior to the ink, having dried on the publication of the Company's Global Offering Prospectus, Management had entered into a Cornerstone Investment Agreement with Sinotruk (Hongkong) Capital Holding Ltd ([]).

Sinotruk (Hongkong) Capital Holding Ltd is a wholly owned subsidiary of Sinotruk (Hongkong) Ltd ([]), a company, listed on the Main Board of The Stock Exchange of Hongkong Ltd, being Stock Code, Number 3808.

Sinotruk (Hongkong) Capital Holding Ltd had agreed '*to purchase at the Offer Price such number of Offer Shares as may be purchased with HK$20 million …. Excluding applicable brokerage fee, SFC* (the **S**ecurities and **F**utures **C**ommission of Hongkong) *transaction levy and Stock Exchange Fee …*'.

Thus **...** **CLICK TO ORDER FULL ARTICLE**

While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.