
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Leon Inspection Holding Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.



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)

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(2) PROPOSED RE-APPOINTMENT OF AUDITOR;
(3) PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES;
(4) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Leon Inspection Holding Limited to be held at Conference Room, 2/F, Building No. 77, Zhuyuan Road, No. 12 District, Tianzhu Free Trade Zone, Beijing, PRC on Tuesday, 16 June 2020 at 2:00 p.m. is set out on pages 14 to 18 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.huaxialihong.com) respectively.

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

29 April 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room, 2/F, Building No. 77, Zhuyuan Road, No. 12 District, Tianzhu Free Trade Zone, Beijing, PRC on Tuesday, 16 June 2020 at 2:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting, which is set out on pages 14 to 18 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company adopted on 18 June 2016
“Board”	the board of Directors of the Company
“CEO”	chief executive officer of our Company
“China” or “PRC”	the People’s Republic of China
“Company”, “our Company”, “Group”, “our Group”, “China Leon”, “we” or “us”	China Leon Inspection Holding Limited (中國力鴻檢驗控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability on 29 July 2015 and except where the context indicated otherwise its subsidiaries
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders Party”	Mr. LI Xiangli, Ms. ZHANG Aiyong, Mr. LIU Yi (劉翊), Leon Cornerstone Investment Holding Limited, Swan Stone Investment Holding Limited and Hawk Flying Investment Holding Limited
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Issue Mandate”	as defined in paragraph 4(b) of the Letter from the Board under this circular
“Latest Practicable Date”	24 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company
“Share Buy-back Mandate”	as defined in paragraph 4(a) of the Letter from the Board under this circular
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. LI Xiangli (*Chairman and CEO*)
Ms. ZHANG Aiyong (*Vice President*)
Mr. LIU Yi (劉翊) (*Vice President*)
Mr. YANG Rongbing (*Vice Chairman*)

Registered Office:

Clifton House
75 Fort Street
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Non-executive Director:

Mr. WANG Gang

*Headquarters and Principal Place of
Business in the PRC:*

Independent Non-executive Directors:

Mr. WANG Zichen
Mr. ZHAO Hong
Mr. LIU Hoi Keung

Building No. 78
Zhuyuan Road
No. 12 District
Tianzhu Free Trade Zone
Beijing, China

29 April 2020

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(2) PROPOSED RE-APPOINTMENT OF AUDITOR;
(3) PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE SHARES;
(4) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting to be held on Tuesday, 16 June 2020.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, Mr. LI Xiangli, Mr. WANG Gang and Mr. ZHAO Hong shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED RE-APPOINTMENT OF AUDITOR

The Board (which agreed with the view of the audit committee of the Board) recommended that, subject to the approval of the Shareholders at the Annual General Meeting, Deloitte Touche Tohmatsu be re-appointed as the external auditor of the Company for the year 2020.

4. PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES

In order to give the Company the flexibility to buy back and to issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of the Share buy-back mandate (the “**Share Buy-back Mandate**”) to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 14 to 18 of this circular (i.e. a total of 40,000,000 Shares on the basis that the total number of issued Shares remains unchanged on the date of the Annual General Meeting);
- (b) the granting of the issue mandate (the “**Issue Mandate**”) to the Directors to issue, allot or deal with additional Shares of not exceeding 20% of the total number of issued Shares of the Company as at the date of passing of the proposed ordinary resolution contained in item 7 of the notice of the Annual General Meeting as set out on pages 14 to 18 of this circular (i.e. a total of 80,000,000 Shares on the basis that the total number of issued Shares remains unchanged on the date of the Annual General Meeting); and
- (c) the extension of the Issue Mandate by adding thereto the number of Shares bought back by the Company pursuant to the Share Buy-back Mandate.

With reference to the Share Buy-back Mandate and the Issue Mandate, the Directors wish to state that they have no immediate plan to buy back any Shares or issue any new Shares pursuant thereto.

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

5. PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommends the payment of a final dividend of RMB0.0375 per Share for the year ended 31 December 2019 to Shareholders whose names appear on the register of members of the Company on Monday, 6 July 2020. The proposed final dividend will be paid on or about Friday, 24 July 2020, subject to the approval of the Shareholders at the Annual General Meeting.

The register of members of the Company will be closed during the following periods:

- (i) from Tuesday, 9 June 2020 to Tuesday, 16 June 2020, both days inclusive and during which period no Share transfer will be registered, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the Annual General Meeting. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 8 June 2020; and
- (ii) from Thursday, 2 July 2020 to Monday, 6 July 2020, both days inclusive and during which period no Share transfer will be registered, for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 30 June 2020.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 18 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Annual General Meeting in the manner prescribed under the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huaxialihong.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions stated thereon and deposited, together with any authority under which it is executed or a copy of the authority certified notarially at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

7. RECOMMENDATION

The Board considers that, the proposed re-election of retiring Directors, the proposed re-appointment of auditor, the proposed granting of the Share Buy-back Mandate, the Issue Mandate and the extension of the Issue Mandate, and the proposed declaration and payment of a final dividend for the year ended 31 December 2019 are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
China Leon Inspection Holding Limited
Mr. YANG Rongbing
Executive Director

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) Mr. LI Xiangli

Mr. LI Xiangli (“**Mr. Li**”), aged 57, is the chairman, CEO and an executive Director. He is the spouse of Ms. ZHANG Aiying. Mr. Li is primarily responsible for the strategic planning and overall management of our Group. He is also the chairman of the nomination committee of the Board. Mr. Li joined our Group in April 2009 and was appointed as our executive Director on 13 January 2016. He is also a director of certain subsidiaries of our Company.

Mr. Li has approximately 30 years of experience in the coal testing and inspection industry. Prior to joining our Group, from October 2008 to April 2009, Mr. Li served as a project manager of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司), a state-owned testing company that serves different industries, and was responsible for the establishment of the platform for mineral inspection. From January 1989 to September 2008, he worked at the coal inspection technology center of Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to a deputy director in April 2004, responsible for coal testing and inspection.

Mr. Li obtained a bachelor’s degree in chemistry from Hebei Normal College (河北師範學院) in the PRC in July 1985, and a master’s degree in materials science from Yanshan University (燕山大學) in the PRC in December 1999. He obtained the qualification as a senior engineer in November 2001 granted by State Administration for Entry-Exit Inspection and Quarantine of the PRC (國家出入境檢驗檢疫局).

Mr. Li is the sole director and sole shareholder of Leon Cornerstone Investment Holding Limited, a controlling shareholder of the Company.

Mr. Li entered into an acting-in-concert deed with Ms. ZHANG Aiying and Mr. LIU Yi (劉翊) on 31 January 2016 to acknowledge and confirm that they are parties acting in concert. By virtue of the SFO, Mr. Li, Ms. ZHANG Aiying and Mr. LIU Yi (劉翊) are deemed to be interested in the Shares which are interested by each other. As at the Latest Practicable Date, Mr. Li had interests in 225,810,000 Shares (within the meaning of Part XV of the SFO).

Save as disclosed above, Mr. Li does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. He does not at present nor did he in the last three years hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Li has entered into a service contract with the Company, pursuant to which he was appointed for an initial term of three years commencing from 13 January 2016. The service contract has been renewed for a further term of three years commencing from 13 January 2019 unless and until terminated by either party by giving at least three months' written notice to the other. Mr. Li is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Articles of Association.

The amount of remuneration paid to Mr. Li for the year ended 31 December 2019 is set out in note 11 to the financial statements for the year ended 31 December 2019 on page 168 of the Company's annual report. The remuneration of Mr. Li has been reviewed by the Remuneration Committee and was determined by the Board with reference to the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Li with the Company. Mr. Li's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning him that need to be brought to the attention of the Shareholders.

(2) Mr. WANG Gang

Mr. WANG Gang ("Mr. Wang"), aged 49, is the non-executive Director. He is primarily responsible for providing business guidance in relation to the industry to our Group. Mr. Wang was appointed as our non-executive Director on 13 January 2016.

Mr. Wang has extensive experience in testing industry. Since August 2011, Mr. Wang has been serving as a general manager of operation department and legal and investment department of China Inspection Company Limited (中國檢驗有限公司) ("CIC"), a company primarily engaged in inspection and certification service, and has been responsible for the overall management of operation, strategic, quality control and investment. CIC is a substantial shareholder of the Company, indirectly holding 11.63% of the issued share capital of the Company through its subsidiary. From January 2010 to July 2011, Mr. Wang served as the director of the inspection and supervision department of Zhejiang Entry-Exit Inspection and Quarantine Bureau (浙江出入境檢驗檢疫局) and was responsible for the overall management of the inspection and supervision department. From December 2003 to January 2010, Mr. Wang served as a deputy general manager of China Certification & Inspection Group Zhejiang Co., Ltd. (中國檢驗認證集團浙江有限公司), a company primarily engaged in inspection and certification service, and was responsible for inspection and quality management. From December 1999 to December 2003, Mr. Wang served as the head of Zhejiang Entry-Exit Inspection and Quarantine Firm (浙江出入境檢驗檢疫鑒定所) and was responsible for its overall management.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Mr. Wang obtained a bachelor's degree in electrical engineering from Zhejiang University (浙江大學) in the PRC in July 1992. He also obtained a master's degree in finance from Zhejiang University in the PRC in July 2005.

Save as disclosed above, Mr. Wang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. He does not at present nor did he in the last three years hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wang has entered into a letter of appointment with the Company, pursuant to which he was appointed for an initial term of three years commencing from 13 January 2016. The letter of appointment has been renewed for a further term of three years commencing from 13 January 2019 unless and until terminated by either party by giving at least three months' written notice to the other. Mr. Wang is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Articles of Association.

The amount of remuneration paid to Mr. Wang for the year ended 31 December 2019 is nil. The remuneration of Mr. Wang has been reviewed by the Remuneration Committee and was determined by the Board with reference to the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Wang with the Company. Mr. Wang's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning him that need to be brought to the attention of the Shareholders.

(3) Mr. ZHAO Hong

Mr. ZHAO Hong ("Mr. Zhao"), aged 59, is an independent non-executive Director. Mr. Zhao is primarily responsible for providing independent advice and judgment to the Board. He is also the chairman of the Remuneration Committee and a member of the audit committee and the nomination committee of the Board. Mr. Zhao was appointed as an independent non-executive Director on 18 June 2016.

Mr. Zhao has extensive experience in thermal engineering. Since March 1991, Mr. Zhao has been serving as a teacher in College of Energy Engineering of Zhejiang University and has been responsible for teaching and scientific research.

Mr. Zhao obtained a bachelor's degree in thermal energy from Zhejiang University in the PRC in July 1984, and a master's degree in engineering from Zhejiang University in the PRC in January 1991. He obtained the qualification as a professor in December 2001 granted by Personnel Department of Zhejiang Province (浙江省人事廳).

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Save as disclosed above, Mr. Zhao does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. He does not at present nor did he in the last three years hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Zhao has entered into a letter of appointment with the Company for a term of three years commencing from 18 June 2016. The letter of appointment has been renewed for a further term of three years commencing from 18 June 2019 unless and until terminated by either party by giving at least three months' written notice to the other. Mr. Zhao is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Articles of Association.

The amount of remuneration paid to Mr. Zhao for the year ended 31 December 2019 is set out in note 11 to the financial statements for the year ended 31 December 2019 on page 167 of the Company's annual report. The remuneration of Mr. Zhao has been reviewed by the Remuneration Committee and was determined by the Board with reference to the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Zhao with the Company. Mr. Zhao's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

Mr. Zhao does not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Zhao involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters concerning him that need to be brought to the attention of the Shareholders.

With reference to the past contributions made by Mr. Zhao to the Company during his tenure and his qualifications and academic background as disclosed above, the Board is of the view that Mr. Zhao can bring technical knowledge to the Board and contribute to the Board's diversity. Given that he has confirmed in writing to the Company of his independence with reference to various factors set out in Rule 3.13 of the Listing Rules, the Board is satisfied with his independence.

The following is an explanatory statement required by the Listing Rules to be sent to Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 6 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the total number of issued Shares remains unchanged on the date of the Annual General Meeting, i.e. being 400,000,000 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR SHARE BUY-BACK

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Shares buy-back may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF SHARE BUY-BACK

The Company may only apply funds legally available for share buy-back in accordance with its Articles of Association, the laws of Hong Kong and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Buy-back Mandate were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2019		
April	1.52	1.35
May	1.42	1.33
June	1.39	1.30
July	1.40	1.31
August	1.38	1.11
September	1.37	1.24
October	1.30	1.21
November	1.29	1.20
December	1.24	1.20
2020		
January	1.36	1.21
February	1.32	1.22
March	1.34	0.95
April (up to the Latest Practicable Date)	1.31	1.20

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, the Controlling Shareholders Party of the Company was interested in 225,810,000 Shares, representing approximately 56.45% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Buy-back Mandate in full, the shareholding of the above controlling shareholder will increase to approximately 62.73% of the issued share capital of the Company. In the opinion of the Directors, the above-mentioned increase of shareholdings does not give rise to an obligation for the Controlling Shareholders Party to make a mandatory offer under Rule 26 of the Takeovers Code.

In addition, the Listing Rules prohibit a company from buying back its shares on the Stock Exchange if the result of the buy-back would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's issued shares would be in public hands. The Directors do not propose to buy back Shares, which would result in less than the prescribed minimum percentage of Shares in public hands.

8. SHARE BUY-BACK MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company did not buy back any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of China Leon Inspection Holding Limited (the “**Company**”) will be held at Conference Room, 2/F, Building No. 77, Zhuyuan Road, No. 12 District, Tianzhu Free Trade Zone, Beijing, PRC on Tuesday, 16 June 2020 at 2:00 p.m. for the following purposes:

1. To receive the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and auditor of the Company (the “**Auditor**”) for the year ended 31 December 2019.
2. To declare a final dividend of RMB0.0375 per Share for the year ended 31 December 2019.
3. To re-elect Directors as follows:
 - (a) To re-elect Mr. LI Xiangli as an executive Director.
 - (b) To re-elect Mr. WANG Gang as a non-executive Director.
 - (c) To re-elect Mr. ZHAO Hong as an independent non-executive Director.
4. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
5. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Board to fix their remuneration.
6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in accordance with all applicable laws, rules and regulations;

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(b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into shares of the Company, which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options and other rights, or issue warrants and other securities during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

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- (c) the aggregate number of shares issued and allotted or to be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as defined below); or
 - (ii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or
 - (iii) any issue of shares upon exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into shares; or
 - (iv) any specific authority granted or to be granted by the shareholders of the Company in general meeting,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

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“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 6 and 7 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 7 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by the Directors pursuant to such general mandate of the number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such number shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

Yours faithfully,
For and on behalf of the Board
China Leon Inspection Holding Limited
Mr. YANG Rongbing
Executive Director

Beijing, PRC, 29 April 2020

Notes:

1. All resolutions at the meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.huaxialihong.com) in accordance with the Listing Rules.

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2. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend, speak and vote on behalf of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not be a member of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy. On a poll, every member who is present in person or by proxy shall have one vote for every fully paid-up share held by him/her.

On a show of hands, every member who is present in person or by proxy shall have one vote. If a member appoints more than one proxy, the proxies so appointed are not entitled to vote on the resolution on a show of hands.

3. In order to be valid, the form of proxy and any authority under which it is executed or a copy of the authority certified notarially, must be deposited at the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof.
4. Deposit of the form of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it and, in such event, the form of proxy shall be deemed to be revoked.
5. For determining the entitlement to attend and vote at the above meeting, the register of members of the Company will be closed from Tuesday, 9 June 2020 to Tuesday, 16 June 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 8 June 2020.
6. For determining the entitlement to the proposed final dividend (subject to approval by the shareholders at the Annual General Meeting), the register of members of the Company will be closed from Thursday, 2 July 2020 to Monday, 6 July 2020, both days inclusive, during which period no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 30 June 2020.

7. Arrangements for coronavirus disease

Taking into account of the recent development of the epidemic caused by coronavirus disease COVID-19, the Company will implement the following prevention and control measures at the above meeting against the epidemic to protect the shareholders from the risk of infection:—

- (i) Compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
- (ii) Every shareholder or proxy is required to wear surgical face mask throughout the meeting.
- (iii) No refreshment will be served.

Furthermore, the Company wishes to advise the shareholders, particularly shareholders who are subject to quarantine in relation to the coronavirus disease COVID-19, that they may appoint any person or the chairman of the above meeting as a proxy to vote on the resolutions, instead of attending the above meeting in person.