
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 enquires, 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 Friday, 17 May 2019 at 2:00 p.m. is set out on pages 16 to 20 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.

10 April 2019

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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 Friday, 17 May 2019 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 16 to 20 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, which for the purpose of this circular and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“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 Aiying, 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
“Issue Mandate”	as defined in paragraph 4(b) of the Letter from the Board

DEFINITIONS

“Latest Practicable Date”	3 April 2019, 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
“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 Aiyang (*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

10 April 2019

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 Friday, 17 May 2019.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, Ms. ZHANG Aiying, Mr. LIU Yi (劉翊), Mr. WANG Zichen and Mr. LIU Hoi Keung 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, Ernst & Young be re-appointed as the external auditor of the Company for the year 2019.

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 16 to 20 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 16 to 20 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 RMB0.0075 per Share for the year ended 31 December 2018 to Shareholders whose names appear on the register of members of the Company on Monday, 27 May 2019. The proposed final dividend will be paid on or about Friday, 21 June 2019, 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 Friday, 10 May 2019 to Friday, 17 May 2019, 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 Thursday, 9 May 2019; and
- (ii) from Thursday, 23 May 2019 to Monday, 27 May 2019, 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 Wednesday, 22 May 2019.

6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 16 to 20 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. Accordingly, the form of proxy must be delivered to the Company not later than 2:00 p.m. on Wednesday, 15 May 2019. 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 2018 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. LI Xiangli
Chairman

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) Ms. ZHANG Aiying

Ms. ZHANG Aiying (“**Ms. Zhang**”), aged 56, is a vice president of the Company and an executive Director. She is the spouse of Mr. LI Xiangli. Ms. Zhang is primarily responsible for overall business management, overall management of the procurement and human resources departments of our Group. She is also a member of the Remuneration Committee. Ms. Zhang was appointed as our executive Director on 13 January 2016. She is also a director of certain subsidiaries of the Company.

Ms. Zhang has over 16 years of experience in coal industry. Prior to joining our Group, from May 1995 to February 2005, Ms. Zhang served as a manager of examination department of Shanxi Coal Import & Export Group Qinhuangdao Branch (山西煤炭進出口集團秦皇島分公司), a company primarily engaged in coal trading, and was responsible for coal testings. From August 1988 to May 1995, she was a teacher at No. 11 High School of Qinhuangdao (秦皇島市第十一中學) and was responsible for teaching chemistry. Ms. Zhang obtained a bachelor’s degree in chemistry from Hebei Normal College (河北師範學院) in the PRC in July 1988.

Ms. Zhang is the sole director and the sole shareholder of Swan Stone Investment Holding Limited, a substantial Shareholder.

Ms. Zhang entered into an acting-in-concert deed with Mr. LI Xiangli 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 Xiangli, Ms. Zhang 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, Ms. Zhang had interests in 225,810,000 Shares (within the meaning of Part XV of the SFO).

Save as disclosed above, Ms. Zhang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. She does not at present nor did she 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.

Ms. Zhang has entered into a service contract with the Company, pursuant to which she 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. Ms. Zhang 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.

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

The amount of remuneration paid to Ms. Zhang for the year ended 31 December 2018 is set out in note 8 to the financial statements for the year ended 31 December 2018 on page 181 of the Company's annual report. The remuneration of Ms. Zhang 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 Ms. Zhang with the Company. Ms. Zhang'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 Ms. Zhang 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 her that need to be brought to the attention of the Shareholders.

(2) Mr. LIU Yi (劉翊)

Mr. LIU Yi (劉翊) ("Mr. Liu"), aged 54, is a vice president of the Company and an executive Director. He is primarily responsible for overall management of sales, quality control and research of the Group. Mr. Liu joined our Group in February 2010 as deputy general manager of Beijing Huaxia Lihong Commodity Inspection Co., Ltd. (an indirectly wholly-owned subsidiary of the Company), and was appointed as our executive Director on 13 January 2016. He is also a director of a subsidiary of the Company.

Mr. Liu has approximately 30 years of experience in the coal testing and inspection industry. Prior to joining our Group, from September 1988 to January 2010, Mr. Liu worked with Qinhuangdao Entry-Exit Inspection and Quarantine Bureau (秦皇島出入境檢驗檢疫局) and was promoted to the director of the coal inspection technology center in September 2003, responsible for coal inspection. From July 1987 to September 1988, he was a teacher at Hebei Building Materials Vocational and Technical College (河北建材職業技術學院) and was responsible for teaching analytical chemistry.

Mr. Liu obtained a master's degree in materials engineering from Yanshan University (燕山大學) in the PRC in November 2006. He obtained the qualification as a senior engineer in June 1998 granted by National Commodity Inspection Bureau (國家商品檢驗局), currently known as General Administration of Quality Supervision, Inspection and Quarantine of the PRC (國家品質監督檢驗檢疫總局).

Mr. Liu is the sole director and the sole shareholder of Hawk Flying Investment Holding Limited, a substantial Shareholder.

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

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

Save as disclosed above, Mr. Liu 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. Liu 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. Liu 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. Liu for the year ended 31 December 2018 is set out in note 8 to the financial statements for the year ended 31 December 2018 on page 181 of the Company's annual report. The remuneration of Mr. Liu 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. Liu with the Company. Mr. Liu'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. Liu 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. WANG Zichen

Mr. WANG Zichen ("Mr. Wang"), aged 52, is an independent non-executive Director. Mr. Wang is primarily responsible for providing independent advice and judgment to our Board. He is also a member of the audit committee, the Remuneration Committee and the nomination committee of the Board. Mr. Wang was appointed as an independent non-executive Director on 18 June 2016.

Since September 2007, Mr. Wang has been working with China Bohai Bank Co., Ltd (渤海銀行股份有限公司) and is currently a branch head of China Bohai Bank Co., Ltd Tianjin Fifth Avenue Branch (渤海銀行股份有限公司天津第五大街支行), responsible for the management and operation of the branch.

Mr. Wang obtained a master's degree in software engineering from Beijing University of Aeronautics and Astronautics (北京航空航太大學) in the PRC in July 2010. He obtained the qualification as a certified cost engineer (註冊造價工程師) granted by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in 2001. He also obtained the qualification as a senior engineer granted by China State Construction Engineering Corporation (中國建築工程總公司) in December 2008.

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

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 for a term of three years commencing from 18 June 2016 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 2018 is set out in note 8 to the financial statements for the year ended 31 December 2018 on page 180 of the Company's annual report. 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.

Mr. Wang 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. 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.

With reference to the past contributions made by Mr. Wang to the Company during his tenure and his qualifications and banking industry working experience as disclosed above, the Board is of the view that Mr. Wang can bring technical knowledge and business insights 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.

(4) Mr. LIU Hoi Keung

Mr. LIU Hoi Keung ("Mr. Liu"), aged 54, is an independent non-executive Director. Mr. Liu is primarily responsible for providing independent opinion and judgement to the Board. He is the chairman and a member of the audit committee of the Board. Mr. Liu was appointed as an independent non-executive Director on 23 July 2018.

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

Mr. Liu is a director of JWMG Professional Services Limited (“JWMG”), and often being nominated by JWMG to provide services to various listed client companies. He has over 30 years of experience in the field of auditing, accounting, finance, management and secretarial work and is now the company secretary of Tungtex (Holdings) Company Limited, a company listed on the Main Board of the Stock Exchange (Stock code: 0518). Mr. Liu received his Master of Science degree from the University of Hong Kong in 2002. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. Liu served as director and senior management positions with a number of public companies listed on the Stock Exchange, including being a director and joint chief executive officer of PanAsialum Holdings Company Limited (Stock code: 2078); an executive director and the chief financial officer of Beijing Enterprises Medical and Health Industry Group Limited (formerly known as Genvon Group Limited, Stock code: 2389); and a director, the chief executive officer and the chief financial officer of China Merchants Land Limited (formerly known as Tonic Industries Holdings Limited, Stock code: 0978). Besides, Mr. Liu previously worked at international accounting firms for a total of nine years and gained extensive experience in accounting, auditing and taxation of listed companies.

Save as disclosed above, Mr. Liu does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company and 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. Liu has entered into a letter of appointment with the Company for an initial term of three years commencing from 23 July 2018 unless and until terminated by either party by giving at least one month’s written notice to the other. Mr. Liu 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. Liu for the year ended 31 December 2018 is set out in note 8 to the financial statements for the year ended 31 December 2018 on page 180 of the Company’s annual report. The remuneration of Mr. Liu 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. Liu with the Company. Mr. Liu’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. Liu does not have any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

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

Save as disclosed above, there is no information which is discloseable nor is/was Mr. Liu 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. Liu to the Company during his tenure and his qualifications and previous/present directorship and management positions in other listed companies as disclosed above, the Board is of the view that Mr. Liu can provide valuable accounting, taxation and finance advice to the Board and make contributions 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 2018) 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\$
2018		
April	1.55	1.41
May	1.60	1.45
June	1.55	1.42
July	1.50	1.34
August	1.50	1.30
September	1.56	1.37
October	1.54	1.36
November	1.49	1.36
December	1.55	1.39
2019		
January	1.80	1.38
February	1.54	1.33
March	1.44	1.35
April (up to the Latest Practicable Date)	1.52	1.40

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 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 Friday, 17 May 2019 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 2018.
2. To declare a final dividend of RMB0.0075 per Share for the year ended 31 December 2018.
3. To re-elect Directors as follows:
 - (a) To re-elect Ms. ZHANG Aiying as an executive Director.
 - (b) To re-elect Mr. LIU Yi (劉翊) as an executive Director.
 - (c) To re-elect Mr. WANG Zichen as an independent non-executive Director.
 - (d) To re-elect Mr. LIU Hoi Keung as an independent non-executive Director.
4. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
5. To re-appoint Ernst & Young 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;

NOTICE OF ANNUAL GENERAL MEETING

(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.

NOTICE OF ANNUAL GENERAL MEETING

“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. LI Xiangli
Executive Director

Beijing, PRC, 10 April 2019

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.
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.

NOTICE OF ANNUAL GENERAL MEETING

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 notorially, 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. Accordingly, the form of proxy must be delivered to the Company not later than 2:00 p.m. on Wednesday, 15 May 2019.
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 Friday, 10 May 2019 to Friday, 17 May 2019, 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 Thursday, 9 May 2019.
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, 23 May 2019 to Monday, 27 May 2019, 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 Wednesday, 22 May 2019.