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CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1586)

PROPOSED CHANGE OF AUDITOR

This announcement is made by the board (the “**Board**”) of directors (the “**Director(s)**”) of China Leon Inspection Holding Limited (the “**Company**”, which together with its subsidiaries are collectively referred as the “**Group**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

The Board announces that, (i) subject to the passing of the relevant resolution(s) at an extraordinary general meeting of the Company (the “**EGM**”) to be convened and held to consider and approve, Ernst & Young (“**EY**”) be removed as the auditor of the Group (the “**Proposed Removal**”) and (ii) subject to the Proposed Removal becoming effective and the passing of the ordinary resolution at the EGM approving the Appointment (as defined below), Deloitte Touche Tohmatsu (“**Deloitte**”) be appointed as the new auditor of the Group (the “**Appointment**”) to fill the vacancy arising from the Proposed Removal and hold office until the conclusion of the next annual general meeting of the Company.

PROPOSED REMOVAL OF ERNST & YOUNG

For the purpose of maintaining good corporate governance practice and improving its standard, the audit committee of the Company (the “**Audit Committee**”) considers that the auditor of the Company should be rotated after an appropriate period of time and it would be in the best interest of the Company and its shareholders (the “**Shareholders**”) as a whole in replacing EY with another sizeable accounting firm, and therefore made a recommendation to the Board to seek the approval of the Shareholders regarding the Proposed Removal. The Proposed Removal is subject to the passing of a special resolution at the EGM pursuant to the articles of association of the Company.

The Board has confirmed that they are not aware of any matters in relation to the Proposed Removal that need to be brought to the attention of the Shareholders and creditors of the Company.

The Company is incorporated under the laws of the Cayman Islands and to the knowledge of the Board, there is no requirement under the laws of the Cayman Islands for an outgoing auditor to confirm whether or not there are any matters that need to be brought to the attention of the Shareholders. Therefore, EY has not issued such confirmation.

PROPOSED APPOINTMENT OF DELOITTE TOUCHE TOHMATSU

The Audit Committee has assessed and considered that Deloitte is eligible and suitable to act as auditor of the Group. The Board, with the recommendation of the Audit Committee, proposes to appoint Deloitte as the new auditor of the Group until the conclusion of the next annual general meeting of the Company. The Appointment will be subject to the Proposed Removal becoming effective and the passing of an ordinary resolution for the Appointment at the EGM.

THE EGM

The EGM will be convened and held for the purposes of considering and, if thought fit, approving the Proposed Removal and the Appointment. A circular containing further information of the Proposed Removal and the Appointment, together with the notice of the EGM, is expected to be dispatched to the Shareholders on or before 6 September 2019.

The Directors (including the independent non-executive Directors) consider that the Proposed Removal and the Appointment are in the interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the resolutions regarding the Proposed Removal and the Appointment at the EGM.

On behalf of the Board
China Leon Inspection Holding Limited
Li Xiangli
Chairman

Beijing, PRC, 23 August 2019

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