
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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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;
(5) PROPOSED BONUS ISSUE;
AND
(6) 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, 18 June 2021 at 2:00 p.m. is set out on pages 19 to 24 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.leontest.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.

18 May 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature check will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (ii) The Company encourages attendees to wear surgical face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.

EXPECTED TIMETABLE

Set out below is the indicative expected timetable for the Bonus Issue and the proposed final dividend (the “**Dividend**”). Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

2021

Latest time for lodging transfers of
shares in order to qualify for attendance and
voting at the Annual General Meeting 4:30 p.m. on Friday, 11 June

Register of members closes (both days inclusive) Tuesday, 15 June to Friday, 18 June

Record date for attendance and voting
at the Annual General Meeting Friday, 18 June

Latest time for lodging forms of proxy
for the Annual General Meeting 2:00 p.m. on Wednesday, 16 June

Date and time of the Annual General Meeting 2:00 p.m. on Friday, 18 June

Publication of the announcement of
the results of the Annual General Meeting Friday, 18 June

The following events are conditional on the fulfillment of the conditions for the implementation of the Bonus Issue and the Dividend.

Last day of dealings in Shares on a cum-entitlement basis Thursday, 24 June

First day of dealing in Shares on an ex-entitlement basis Friday, 25 June

Latest time for lodging transfer of Shares for registration
in order to qualify for the Bonus Shares and the Dividend 4:30 p.m. on Monday, 28 June

Closure of register of members for registration of
transfer of the Shares to determine Shareholders’
entitlement to the Bonus Shares and the Dividend Tuesday, 29 June to
Monday, 5 July (both dates inclusive)

EXPECTED TIMETABLE

2021

Record Date for determining entitlement to the Bonus Shares and the Dividend.....	Monday, 5 July
Re-open of register of members of the Company.....	Tuesday, 6 July
Despatch of share certificates for Bonus Shares.....	Thursday, 15 July
Expected date of payment of the Dividend	Thursday, 15 July
Dealings in Bonus Shares commence	Friday, 16 July
Designated agent starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares.....	9:00 a.m. on Friday, 16 July
Designated agent ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares.....	4:00 p.m. on Monday, 9 August

The latest time for lodging transfer of Shares for registration in order to qualify for the Bonus Issue and the Dividend will be delayed if a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon, or a “black” rainstorm warning is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 28 June 2021. Instead the latest time of lodging transfer of Shares for registration in order to qualify for the Bonus Issue and the Dividend will be rescheduled to 4:30 pm on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and further announcement(s) will be made for the revised expected timetable.

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, 18 June 2021 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 19 to 24 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
“Bonus Share(s)”	the new Share(s) to be allotted, issued and credited as fully paid-up Shares under the Bonus Issue
“Bonus Issue”	the proposed issue of Bonus Shares on the basis of one(1) Bonus Share for every ten (10) existing Shares held on the Record Date by the Qualifying Shareholders
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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 Aiyang, 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

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“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 under this circular
“Latest Practicable Date”	13 May 2021, 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)
“Overseas Shareholders”	holders of the issued Shares whose addresses as shown in the register of members of the Company on the Record Date are in jurisdictions outside Hong Kong (if any)
“Prohibited Shareholders”	those Overseas Shareholders, whose the Board, after making enquiries pursuant to rule 13.36(2) of the Listing Rules, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them (if any)
“Qualifying Shareholders”	holders of the issued Shares whose names are shown on the register of members of the Company on the Record Date (and not being Prohibited Shareholders), who are entitled to participate in the Bonus Issue
“Record Date”	5 July 2021, being the date for determination of entitlements to the proposed final dividend and Bonus Shares
“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

DEFINITIONS

“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 Aiying (Vice President)
Mr. LIU Yi (劉翊) (Vice President)
Mr. YANG Rongbing (Vice Chairman)

Non-executive Director:

Mr. WANG Gang

Independent Non-executive Directors:

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

Registered Office:

Windward 3
Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

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

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

18 May 2021

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;
(5) PROPOSED BONUS ISSUE;
AND
(6) 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, 18 June 2021.

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) and Mr. YANG Rongbing 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 2021.

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 19 to 24 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 19 to 24 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.

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.

LETTER FROM THE BOARD

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 2020 to Shareholders whose names appear on the register of members of the Company on the Record Date. The proposed final dividend will be paid on or about Thursday, 15 July 2021, 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, 15 June 2021 to Friday, 18 June 2021, 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 Friday, 11 June 2021; and
- (ii) from Tuesday, 29 June 2021 to Monday, 5 July 2021, 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 Monday, 28 June 2021.

6. PROPOSED BONUS ISSUE

Reference is made to the annual results announcement of the Company dated 31 March 2021, in which the Board announced that it had resolved to recommend the payment of a final dividend and propose a Bonus Issue to the Qualifying Shareholders. For the avoidance of doubt, the Bonus Shares to be allotted and issued under the Bonus Issue shall not be entitled to the final cash dividend as declared, but the Bonus Shares will rank *pari passu* with all other Shares in issue at the time of allotment and issue of the Bonus Shares and will be entitled to any subsequent dividends and/or distributions (if any) to be declared by the Company. The Bonus Issue is proposed to be made to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. The principal terms of the Bonus Issue are set out below:

LETTER FROM THE BOARD

Basis of Bonus Issue

Subject to the conditions as set out under the heading “Conditions of Bonus Issue” below, the Bonus Issue is proposed to be made on the basis of one (1) Bonus Share for every ten (10) existing Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par by capitalization of an amount standing to the credit of the share premium account of the Company that is equivalent to the aggregate nominal value of the Bonus Shares to be issued by the Company. On the basis of 400,000,000 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, 40,000,000 Bonus Shares will be issued under the Bonus Issue (representing 10% of the issued share capital as at the Latest Practicable Date and the Record Date), and US\$2,000 standing to the credit of the share premium account of the Company will be capitalized for paying up in full for 40,000,000 Bonus Shares.

The Bonus Shares will be issued on a pro rata basis and any fractional Shares (if any) will be rounded down to the nearest whole unit. The Bonus Issue is non-renounceable.

Record Date and closure of register of members

The Bonus Shares will be issued to the Qualifying Shareholders. Based on the register of members of the Company as at the Latest Practicable Date, there is no Overseas Shareholders and there is no Prohibited Shareholders as at the Latest Practicable Date. It is the responsibility of the Shareholders (including Overseas Shareholders (if any)) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

The register of members of the Company will be closed from Tuesday, 29 June 2021 to Monday, 5 July 2021 (both days inclusive) in order to determine the entitlements of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, all transfers accompanied by the relevant share certificates must be lodged with for registration 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 no later than 4:30 p.m. on Monday, 28 June 2021.

Reasons for the Bonus Issue

To express our sincere gratitude to the unwavering support of the Shareholders and encourage the Shareholders to continue to support the Company’s future development, the Board also proposed the Bonus Issue in addition to the proposed final dividend for the year ended 31 December 2020.

LETTER FROM THE BOARD

The Bonus Issue will allow the Shareholders to enjoy a pro-rata increase in the number of Shares held in the Company without incurring any significant costs. It is not expected to increase the Shareholders' proportionate shareholdings in the Company. However, the Bonus Issue will increase the number of Shares held by each Shareholder, which will offer flexibility to manage their own investment portfolios by way of disposing a portion of the Shares to realise cash return to meet financial needs whilst at the same time holding the remaining portion of the Shares for long term investment to receive dividend. Due to the Bonus Issue, the total number of Shares in issue will significantly increase, which may attract more investors to buy the Shares on the Stock Exchange and enhance the liquidity of the Shares in the market. It will increase the number of Shares to be held by the Shareholders, reduce the share price and reduce the trading price of each board lot. By way of illustration only, the closing price per Share as quoted on the Stock Exchange as at the Latest Practicable Date was HK\$1.60 per Share and the market value per board lot was approximately HK\$6,400. As the number of Shares to be held by the Shareholders would increase by 10% had the Bonus Issue taken place, the market value per board lot would theoretically decrease accordingly and the trading volume and the liquidity of the Shares on the market are expected to be improved. Furthermore, the Board expects the Bonus Issue will afford the Shareholders with more flexibility in managing their own investment portfolios such as giving them more convenience in disposing of a portion of their Shares and realising a cash return to meet the individual Shareholders' financial needs under good market conditions. The Company has considered other alternative methods to achieve the intended effects such as share sub-division. However, considering that the Bonus Issue will involve simpler administrative procedures and without amendment to the par value of the Shares, the Bonus Issue is proposed.

The Board believes that the Company should maintain the Group's cash position for future development so as to fully execute the Group's sustainable growth strategy, which is of the best interests of the Company and the Shareholders as a whole. Therefore, the Board believes that the Bonus Issue, in combination with the distribution of cash dividends, will not only enhance the liquidity of the Shares in the market and enlarge the capital base of the Company, but also represent a long-term beneficial and balanced way to respond to the support of the Shareholders throughout the years.

Status of Bonus Shares

The Bonus Shares, upon issued, will rank *pari passu* with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions on the Record Date for which is on or after the date of allotment and issue of those Bonus Shares.

Fraction of Bonus Shares

Base on the number of Shares in issue, it is expected that no fractional Shares will be issued and distributed, but will be aggregated and sold for the benefit of the Company (if any).

LETTER FROM THE BOARD

Conditions of Bonus Issue

The Bonus Issue is conditional upon:

- (i) the approval of the Bonus Issue by the Shareholders at the Annual General Meeting of the Company to be held;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirement (if any) under the applicable laws of the Cayman Islands and the articles to effect the Bonus Issue.

Application will be made to the Stock Exchange in respect of such listing of, and permission to deal in, the Bonus Shares. The Bonus Shares to be issued pursuant to the Bonus Issue are subject to the grant of the listing approval by the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No securities of the Company are listed or dealt in on any other stock exchanges. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made by the Company to enable the Bonus Shares to be admitted into the CCASS.

Odd lot arrangement

In order to alleviate the difficulties arising from the existence of odd lots of the Shares as a result of the Bonus Issue, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on 16 July 2021 to 4:00 p.m. on 9 August 2021 both days inclusive. Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots of Shares may contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 4:30 p.m. within such period). Holders of the Shares who would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Computershare Hong Kong Investor Services Limited set out above.

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

LETTER FROM THE BOARD

Adjustments of share options

As at the Latest Practicable Date, there are 9,460,000 Share Options outstanding. Under the scheme mandate limit of the Share Option Scheme, the Company may grant further Share Options under the Share Option Scheme to subscribe for up to 30,540,000 Shares. The Bonus Issue may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Share Options. Other than the outstanding Share Options, the Company does not have any warrants, options, or other securities exchangeable or convertible into Shares as at the Latest Practicable Date. The Company will make further announcement upon the aforesaid adjustments to the Share Options, if any adjustment is required to be made.

Certificates for Bonus Shares

Certificates for the Bonus Shares will be posted as soon as practicable after all the conditions have been fulfilled at the risk of the Shareholders entitled thereto by ordinary mail to their respective addresses shown on the register of members of the Company on the Record Date.

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 19 to 24 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.

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.leontest.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.

LETTER FROM THE BOARD

8. 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, the Bonus Issue and the proposed declaration and payment of a final dividend for the year ended 31 December 2020 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) Ms. ZHANG Aiying

Ms. ZHANG Aiying (“**Ms. Zhang**”), aged 58, 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 18 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 228,894,000 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 for a 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 2020 is set out in note 11 to the financial statements for the year ended 31 December 2020 in 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 disclosable 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

Mr. LIU Yi (劉翊) ("Mr. Liu"), aged 56, 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. *(Company to confirm)*

Mr. Liu has approximately 32 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 (國家質量監督檢驗檢疫總局).

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 228,894,000 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 for a 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 2020 is set out in note 11 to the financial statements for the year ended 31 December 2020 in 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. YANG Rongbing

Mr. YANG Rongbing ("Mr. Yang"), aged 40, is a vice chairman and an executive Director of the Company. Mr. Yang was appointed as our independent non-executive Director on 18 June 2016 and was mainly responsible for providing independent opinion to the Board. He was re-designated as executive Director on 23 July 2018 as well as appointed as the vice chairman of the Company. He is mainly responsible for corporate strategies, capital planning, internal control and compliance of the Group. He is also a director of certain subsidiaries of the Company.

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

Mr. Yang, holder of a MBA from Central University of Finance and Economics, was a distinguished professor of Capital University of Economics and Business. He has served in the capital markets in both Mainland China and Hong Kong for a long period of time. He is an expert in adopting innovative financial tools to provide support to enterprises on sustainable development and continuously improving capital vehicles. Mr. Yang previously served as an executive director and the chief executive officer of SMI Holdings Group Limited (星美控股集團有限公司) (“**SMI Holdings**”), a company once listed on the Main Board of the Stock Exchange (Stock code: 0198). Before joining SMI Holdings in 2010, Mr. Yang served in various financial and investment roles in State-owned enterprises and institutions such as Beijing Golden Tide Group Co., Ltd. (北京金泰集團有限公司), Foreign Economic Cooperation Office under Ministry of Environmental Protection (國家環境保護部對外合作中心) and Center for Development of Trade and Control of Investment in Europe (歐洲商業開發投資管理中心) etc.

As at the Latest Practicable Date, Mr. Yang is interested in 5,490,000 Shares (within the meaning of Part XV of the SFO).

Save as disclosed above, Mr. Yang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company. Save as disclosed above, Mr. Yang 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. Yang has entered into a service contract with the Company pursuant to which he was appointed for a term of three years commencing from 23 July 2018, and may be terminated by either party by giving at least one month’s written notice to the other. Mr. Yang 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. Yang for the year ended 31 December 2020 is set out in note 11 to the financial statements for the year ended 31 December 2020 in the Company’s annual report. The remuneration of Mr. Yang 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. Yang with the Company. Mr. Yang’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 disclosable nor is/was Mr. Yang 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.

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 2020) in the event that the Share Buy-back Mandate was 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2020		
May	1.30	1.20
June	1.30	1.02
July	1.18	0.92
August	1.43	0.97
September	1.08	1.02
October	1.18	0.91
November	1.10	1.00
December	1.18	1.00
2021		
January	1.64	1.08
February	1.39	1.14
March	1.46	1.23
April	1.77	1.30
May (up to the Latest Practicable Date)	1.79	1.39

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 228,894,000 Shares, representing approximately 57.22% 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 63.58% 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 six 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 Friday, 18 June 2021 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 2020.
2. To declare a final dividend of RMB0.0375 per Share for the year ended 31 December 2020.
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. YANG Rongbing as an executive Director.
4. To authorize the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
5. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorize 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 authorize 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 recognized 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.”

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

“**THAT** conditional upon the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued pursuant to this resolution:

- (a) an amount standing to the credit of the share premium account of the Company which is equivalent to the aggregate nominal amount of the Bonus Shares (as defined below) to be issued by the Company be capitalized and the Directors be and are hereby authorized to apply such amount in paying up in full at par such number of new shares of the Company (the “**Shares**”) (the “**Bonus Shares**”) on the basis of one (1) Bonus Share for every ten (10) existing Shares in issue on the Record Date (as defined below), and the Directors be authorized to allot, issue and distribute the Bonus Shares, which are credited as fully paid, to the members of the Company whose names appear on the principal or branch register of members of the Company in Hong Kong (the “**Register of Members**”) as at the close of business on 5 July 2021 (or such other record date as the Directors may determine) (the “**Record Date**”), other than those members (the “**Prohibited Shareholders**”) whose addresses as shown on the Register of Members at the close of business on the Record Date are in a jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as defined below) to be necessary or expedient in accordance with the Listing Rules and the memorandum and articles of association of the Company, on the basis of one (1) Bonus Share for every ten (10) existing Shares then held by them respectively (the “**Bonus Issue**”), and the Directors be authorized to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the Bonus Shares to be issued pursuant to this resolution shall, subject to the memorandum and articles of association of the Company, rank *pari passu* in all respects with the existing issued Shares as at the date of the allotment and issue of the Bonus Shares;
- (c) the Directors be and are hereby authorized to arrange for the Bonus Shares which would otherwise have been issued to the Prohibited Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Prohibited Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances therefor at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case the Directors be and are hereby authorized to retain such amount for the benefits of the Company; and
- (d) the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

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

Beijing, PRC, 18 May 2021

Notes:

1. All resolutions at the above meeting (the “**Annual General 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.leontest.com) in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the Annual General 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 notari ally, 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 Annual General 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 Annual General Meeting, the register of members of the Company will be closed from Tuesday, 15 June 2021 to Friday, 18 June 2021, 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 Friday, 11 June 2021.
6. For determining the entitlement to the proposed final dividend and the Bonus Issue (subject to approval by the shareholders at the Annual General Meeting), the register of members of the Company will be closed from Tuesday, 29 June 2021 to Monday, 5 July 2021, 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 Monday, 28 June 2021.

7. **PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the Annual General Meeting to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature check will be conducted on every Shareholder, proxy and other attendee at the entrance of the Annual General Meeting venue. Any person with a body temperature of over 37.3 degrees Celsius may be denied entry into the Annual General Meeting venue or be required to leave the Annual General Meeting venue.
- (ii) The Company encourages attendees to wear surgical face masks inside the Annual General Meeting venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the right to deny entry into the Annual General Meeting venue or require any person to leave the Annual General Meeting venue in order to ensure the safety of the attendees at the Annual General Meeting.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the Annual General Meeting in person.