
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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



CHINA LEON INSPECTION HOLDING LIMITED

中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1586)

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;**
 - (2) PROPOSED RE-APPOINTMENT OF AUDITOR;**
 - (3) PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES;**
 - (4) PROPOSED DECLARATION AND PAYMENT OF FINAL DIVIDEND;**
 - (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 Tuesday, 18 June 2024 at 4:00 p.m. is set out on pages 22 to 26 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 HKEXnews website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company's website (www.hk1586.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, Wan Chai, 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.

23 May 2024

CONTENTS

	<i>Page</i>
Expected timetable	ii
Definitions	1
Letter from the Board	
1. Introduction	4
2. Proposed Re-election of Retiring Directors	5
3. Proposed Re-appointment of Auditor	5
4. Proposed Granting of General Mandates to Buy Back Shares and to Issue Shares	6
5. Proposed Declaration and Payment of Final Dividend and Closure of Register of Members	6
6. Proposed Bonus Issue and Closure of Register of Members	7
7. Annual General Meeting and Proxy Arrangement	12
8. Recommendation	13
Appendix I — Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	14
Appendix II — Explanatory Statement on the Share Buy-back Mandate	18
Notice of Annual General Meeting	22

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, unless otherwise specified.*

2024

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 Wednesday, 12 June
Register of members closes (both days inclusive)	Thursday, 13 June to Tuesday, 18 June
Record date for attendance and voting at the Annual General Meeting.....	Tuesday, 18 June
Latest time for lodging forms of proxy for the Annual General Meeting.....	4:00 p.m. on Sunday, 16 June
Date and time of the Annual General Meeting	4:00 p.m. on Tuesday, 18 June
Publication of the announcement of the results of the Annual General Meeting	Tuesday, 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	Friday, 21 June
First day of dealings in Shares on an ex-entitlement basis	Monday, 24 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 Tuesday, 25 June (<i>Note</i>)
Closure of register of members for registration of transfer of the Shares to determine Shareholders’ entitlement to the Bonus Shares and the Dividend	Wednesday, 26 June to Tuesday, 2 July (both dates inclusive)
Record Date for determining entitlement to the Bonus Shares and the Dividend.....	Tuesday, 2 July
Re-open of register of members of the Company.....	Wednesday, 3 July
Despatch of share certificates for Bonus Shares.....	Monday, 15 July

EXPECTED TIMETABLE

2024

Expected date for payment of the Dividend Monday, 15 July

Dealings in Bonus Shares commence Tuesday, 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
Tuesday, 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
Wednesday, 7 August

Note: 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 25 June 2024. 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 p.m. 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 Tuesday, 18 June 2024 at 4:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting, which is set out on pages 22 to 26 of this circular, or any adjournment thereof
“Articles of Association”	the second amended and restated articles of association of the Company adopted by the Company by way of a special resolution passed on 16 June 2023
“Board”	the board of Directors of the Company
“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
“Bonus Share(s)”	the new Share(s) to be allotted, issued and credited as fully paid-up Shares under the Bonus Issue
“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 Aiyong, Mr. LIU Yi, Leon Cornerstone Investment Holding Limited, Swan Stone Investment Holding Limited and Hawk Flying Investment Holding Limited
“Convertible Bonds”	the 5-year 2% coupon unlisted convertible bonds in principal amount of US\$6,410,256.41 issued by the Company on 11 June 2021
“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”	17 May 2024, 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”	2 July 2024, being the date for determination of entitlements to the proposed final dividend and Bonus Shares
“Remuneration Committee”	the remuneration committee of the Board
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Share(s)”	share(s) of a par value of US\$0.00005 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
“Share Options”	the options to subscribe for Shares granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 5 May 2017
“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, unless otherwise specified.

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 (*Vice President*)
Mr. YANG Rongbing (*Vice Chairman*)

Registered Office:

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

Non-executive Director:

Mr. HAO Yilei

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

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

Independent Non-executive Directors:

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

23 May 2024

To the Shareholders

Dear Sir/Madam,

- (1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(2) PROPOSED RE-APPOINTMENT OF AUDITORS;
(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 Tuesday, 18 June 2024.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, Ms. ZHANG Aiying (“**Ms. Zhang**”), Mr. WANG Zichen (“**Mr. Wang**”) and Mr. ZHAO Hong (“**Mr. Zhao**”) 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.

In considering the re-election of the retiring Directors, the Nomination Committee has taken into account of the nomination criteria set out in the nomination policy of the Company and given due regard to the board diversity policy of the Company. The Nomination Committee has considered factors including, among others, the relevant Director’s skills and knowledge, experience, time commitment and contributions to the diversity of the Board.

Mr. Wang and Mr. Zhao had provided their respective annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee had assessed and was satisfied with their independence after taking into account of the independence guidelines set out in said Rule 3.13. The Nomination Committee had also reviewed Mr. Wang’s and Mr. Zhao’s personal profiles and considered that Mr. Wang has extensive experience and expertise in environmental, social and governance, risk management, financial services industry; and Mr. Zhao has extensive experience and expertise in the energy industry, all of which are considered relevant to the Group’s businesses and can enable them to bring valuable and diverse views, as well as relevant insights to the Board, and to contribute to the diversity of the Board.

The Board, on the recommendations of the Nomination Committee, is of the view that both Mr. Wang and Mr. Zhao have the character, integrity, ability and experience to continue to fulfill their roles as required. Accordingly, the Board recommends Mr. Wang and Mr. Zhao for re-election as Independent Non-Executive Directors at the Annual General Meeting.

Biographical information of Ms. Zhang, Mr. Wang and Mr. Zhao is set out in Appendix I to this circular.

Separate ordinary resolutions to re-elect the three retiring Directors individually will be proposed at the Annual General Meeting for the Shareholders’ consideration and approval.

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 ending 31 December 2024.

LETTER FROM THE BOARD

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

The general mandates granted to the Board to issue and buy back Shares at the last annual general meeting of the Company will lapse at the conclusion of the Annual General Meeting. Therefore, in order to renew the grant of the general mandates which will 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 22 to 26 of this circular (i.e. a total of 54,163,100 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 22 to 26 of this circular (i.e. a total of 108,326,200 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.

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

The Board recommends the payment of a final dividend of HK\$0.0174 per Share for the year ended 31 December 2023 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 Monday, 15 July 2024, subject to the approval of the Shareholders at the Annual General Meeting. The proposed final dividend shall be declared and paid in Hong Kong dollars.

LETTER FROM THE BOARD

The register of members of the Company will be closed in the manner as stated below:

(i) Book Close Dates for the Annual General Meeting

The register of members of the Company will be closed from Thursday, 13 June 2024 to Tuesday, 18 June 2024, both days inclusive and during which period no Share transfer will be effected, 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 12 June 2024.

(ii) Book Close Dates for Final Dividend

The register of members of the Company will be closed from Wednesday, 26 June 2024 to Tuesday, 2 July 2024, both days inclusive and during which period no Share transfer will be effected, 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 25 June 2024.

6. PROPOSED BONUS ISSUE AND CLOSURE OF REGISTER OF MEMBERS

Reference is made to the annual results announcement of the Company dated 25 March 2024, 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:

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.

LETTER FROM THE BOARD

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 541,631,000 existing Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or purchased before the Record Date, 54,163,100 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). US\$2,708.155 standing to the credit of the share premium account of the Company will be capitalized for paying up in full for 54,163,100 Bonus Shares, as calculated based on 54,163,100 Bonus Shares multiplied by the par value of each Share of US\$0.00005.

The capitalization of the said amount standing to the credit of the share premium account of the Company will result in a reduction of capital available for distribution. Nevertheless, given the amount involved, the Board does not consider this to have a material effect on the dividend distribution of the Company in the future.

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. As at the Latest Practicable Date, the Company does not intend to change the board lot size of the Shares upon the completion of the Bonus Issue.

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 Wednesday, 26 June 2024 to Tuesday, 2 July 2024 (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, Wan Chai, Hong Kong no later than 4:30 p.m. on Tuesday, 25 June 2024.

Reasons for the Bonus Issue

The Board has proposed the Bonus Issue in addition to the proposed final dividend for the year ended 31 December 2023. 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

LETTER FROM THE BOARD

for long term investment to receive dividend, should they so wish. 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. The decrease in market value for each Share trading after ex-entitlement will help reduce transaction costs and expenses incurred by the Shareholders and investors of the Company for acquiring each board lot of Shares, thereby enabling the Company to attract more investors and broaden its Shareholders' base. By way of illustration only, the closing price per Share as quoted on the Stock Exchange as at the Latest Practicable Date was HK\$1.42 per Share and the market value per board lot was HK\$5,680. 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 and special dividend. It is noted that a simple share sub-division will still increase the number of existing Shares in issue and such share sub-division will reduce the nominal value per Share. Furthermore, the Company would have to arrange free exchange of share certificates for the sub-divided shares and additional costs will be incurred by the Company. As it is not the intention of the Company to reduce the nominal value per share and considering that the Bonus Issue will involve simpler administrative procedures, an insignificant amount of expenses which preserves the working capital of the Group without amendment to the par value of the Shares, and given the operating and cash flow conditions of the Group, the Board considers that it is a prudent measure to declare the Bonus Issue.

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.

LETTER FROM THE BOARD

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).

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 of Association 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 2024 to 4:00 p.m. on 7 August 2024 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, Wan Chai, 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.

LETTER FROM THE BOARD

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.

Adjustments of share options and convertible bonds

As at the Latest Practicable Date, there are 47,855,665 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 44,350,080 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.

Pursuant to the terms of the share option scheme adopted by the Company on 5 May 2017, the exercise price of the Share Options granted under the Share Option Scheme and the number of Shares to be allotted and issued upon full exercise of the subscription rights attaching to the 47,855,665 outstanding Share Options will be adjusted (the “**Share Option Adjustments**”) in the following manner as a result of the Bonus Issue:

Date of Grant	Before completion of the Bonus Issue		Upon completion of the Bonus Issue	
	Existing exercise price per Share (HKD)	Existing number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options	Adjusted exercise price per Share (HKD)	Adjusted number of Shares to be allotted and issued upon exercise in full of the outstanding Share Options
4 July 2017	0.962	3,085,665	0.875	3,394,231
23 July 2018	1.062	2,662,000	0.965	2,928,200
15 July 2021	1.768	42,108,000	1.607	46,318,800
Total		47,855,665		52,641,231

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are outstanding Convertible Bonds convertible into 38,208,877 new Shares at the conversion price of US\$0.1573 per Share. The Bonus Issue may lead to adjustments to the conversion price of the Convertible Bonds and the number of conversion Shares to be allotted and issued upon conversion of the Convertible Bonds.

Pursuant to the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds and the number of conversion Shares falling to be allotted and issued upon full conversion of the Convertible Bonds will be adjusted in the following manner as a result of the Bonus Issue:

Date of Issue	Before completion of the Bonus Issue		Upon completion of the Bonus Issue	
	Existing conversion price per Share (USD)	Number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds	Adjusted conversion price per Share (USD)	Adjusted number of conversion Shares to be allotted and issued upon full conversion of the Convertible Bonds
11 June 2021	0.1573	38,208,877	0.1430	42,029,764

Other than the outstanding Share Options and the Convertible Bonds, 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 and the Convertible Bonds, 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 22 to 26 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 HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.hk1586.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, Wan Chai, 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.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the Shareholders has a material interest in any of the resolutions proposed at the Annual General Meeting and is required to abstain from voting on the resolutions at the Annual General Meeting.

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 proposed declaration and payment of a final dividend for the year ended 31 December 2023 and the proposed Bonus Issue 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 60, is a vice president of the Company and an executive Director. She is also a member of the Remuneration Committee. She is the spouse of Mr. LI Xiangli. Ms. Zhang is primarily responsible for overall management of the procurement and human resources of the Group. Ms. Zhang was appointed as executive Director on 13 January 2016. She is also a director of certain subsidiaries of the Company.

Ms. Zhang has over 21 years of experience in energy field. 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 testing. 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 sole shareholder of Swan Stone Investment Holding Limited, a substantial shareholder. In addition, Mr. LI Xiangli, Ms. Zhang and Mr. LIU Yi entered into an acting-in-concert deed on 31 January 2016. Pursuant to the deed, Ms. Zhang and Mr. LIU Yi shall support Mr. LI Xiangli’s decisions on material matters in relation to the operation and management of the Group by exercising their voting rights at the meetings of the shareholders and boards of the members of the Group in accordance with the decision of Mr. LI Xiangli. By virtue of the SFO, Mr. LI Xiangli, Ms. Zhang and Mr. LIU Yi, as a group of persons acting in concert, are deemed to be interested in the Shares which are interested by each other. As at the Latest Practicable Date, by virtue of the SFO, Ms. Zhang had interests in 328,084,874 Shares (approximately 60.57% of the issued share capital of our Company).

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 a specific term of three years commencing from 13 January 2022 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 total remuneration paid/payable to Ms. Zhang for the year ended 31 December 2023 was approximately HK\$984,000, which is set out in note 8 to the financial statements for the year ended 31 December 2023 on page 221 of the Company's 2023 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. WANG Zichen

Mr. WANG Zichen (“**Mr. Wang**”), aged 57, is an independent non-executive Director. Mr. Wang is primarily responsible for providing independent advice and judgment to the Board. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. 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 the general manager of the corporate banking department of Tianjin Branch of China Bohai Bank Co., Ltd (渤海銀行股份有限公司天津分行), responsible for the management and operation of the corporate banking.

Mr. Wang obtained a master's degree in software engineering from Beijing University of Aeronautics and Astronautics (北京航空航天大學) 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.

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 2022, 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.

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

Mr. Wang is entitled to a Director's fees of HK\$100,000 per annum. 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.

(3) Mr. ZHAO Hong

Mr. ZHAO Hong (“**Mr. Zhao**”), aged 64, is an independent non-executive Director. Mr. Zhao is primarily responsible for providing independent advice and judgment to the Board. He is also the chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee. Mr. Zhao was appointed as an independent non-executive Director on 18 June 2016.

Mr. Zhao was an independent director of Zhejiang Kaier New Materials Co., Ltd. (Stock code: 300234), a company listed on the Shenzhen Stock Exchange in the PRC and ceased to be in that position since 25 July 2022 upon expiry of term.

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

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

Save as disclosed above, Mr. Zhao does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, he does not at present nor did he in the last three years hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

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

Mr. Zhao has entered into a letter of appointment with the Company for a term of three years commencing from 18 June 2022, unless and until terminated by either party by giving at least three months' written notice to the other. Mr. Zhao is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Articles of Association.

Mr. Zhao is entitled a Director's fees of HK\$100,000 per annum. The remuneration of Mr. Zhao has been reviewed by the Remuneration Committee and was determined by the Board with reference to the prevailing market conditions, and the qualifications, experience, duties and responsibilities of Mr. Zhao with the Company. Mr. Zhao's remuneration is subject to review by the Board from time to time pursuant to the power conferred on it in the annual general meeting of the Company.

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

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

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 541,631,000 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 541,631,000 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 54,163,100 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 2023) 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 HK\$	Lowest HK\$
2023		
May	1.884	1.366
June	1.466	1.290
July	1.700	1.350
August	1.830	1.580
September	1.750	1.320
October	1.510	1.190
November	1.690	1.270
December	1.680	1.510
2024		
January	1.640	1.460
February	1.550	1.440
March	1.540	1.360
April	1.600	1.360
May (up to the Latest Practicable Date)	1.510	1.320

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 will 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.

Neither this explanatory statement nor the proposed Share buy back has any unusual features.

7. TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

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.

The table below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) if the Share Buy-back Mandate is exercised in full, without taking into account any Shares to be issued pursuant to the Bonus Issue and assuming there is no other change in the issued share capital of the Company from the Latest Practicable Date:

	As at the Latest Practicable Date		If the Share-Buyback Mandate is exercised in full	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Non-public shareholding				
Directors				
— Mr. Li Xiangli (Notes 1, 2, 3)	2,882,800	0.53	2,882,800	0.59
— Ms. Zhang Aiying (Notes 1, 2, 4)	532,400	0.10	532,400	0.11
— Mr. Liu Yi (Notes 1, 5)	1,465,500	0.27	1,465,500	0.30
— Mr. Yang Rongbin	6,508,076	1.20	6,508,076	1.34
Leon Cornerstone Investment Holding Limited (Note 3)	196,945,030	36.36	196,945,030	40.40
Swan Stone Investment Holding Limited (Note 4)	65,849,894	12.16	65,849,894	13.51
Hawk Flying Investment Holding Limited (Note 5)	48,914,250	9.03	48,914,250	10.03
China Dragon Inspection & Certification (H.K.) Limited (Note 6)	60,333,020	11.14	60,333,020	12.38
Public shareholding				
Public Shareholders	<u>158,200,030</u>	<u>29.21</u>	<u>104,036,930</u>	<u>21.34</u>
Total	<u><u>541,631,000</u></u>	<u><u>100.00</u></u>	<u><u>487,467,900</u></u>	<u><u>100.00</u></u>

Notes:

- On 31 January 2016, Mr. Li Xiangli, Ms. Zhang Aiying and Mr. Liu Yi entered into an acting-in-concert deed to acknowledge and confirm that they are parties acting in concert in respect of each of the members of the Group. Pursuant to the deed, Ms. Zhang Aiying and Mr. Liu Yi shall support Mr. Li

Xiangli's decisions on material matters in relation to the operation and management of the Group by exercising their voting rights at the meetings of the shareholders and boards of the members of the Group in accordance with the decision of Mr. Li Xiangli. For details, please refer to the section headed "Relationship with Controlling Shareholders — Our Controlling Shareholders Acting in Concert" in the prospectus of the Company. By virtue of the SFO, Mr. Li Xiangli, Ms. Zhang Aiying and Mr. Liu Yi are deemed to be interested in the Shares which are interested by each other.

2. Mr. Zhang Aiying is the spouse of Mr. Li Xiangli. By virtue of the SFO, Mr. Li Xiangli and Ms. Zhang Aiying are deemed to be interested in the Shares which are interested by each other.
3. Leon Cornerstone Investment Holding Limited is wholly-owned by Mr. Li Xiangli. By virtue of the SFO, Mr. Li Xiangli is deemed to be interested in the Shares held by Leon Cornerstone Investment Holding Limited.
4. Swan Stone Investment Holding Limited is wholly-owned by Ms. Zhang Aiying. By virtue of the SFO, Ms. Zhang Aiying is deemed to be interested in the Shares held by Swan Stone Investment Holding Limited.
5. Hawk Flying Investment Holding Limited is wholly-owned by Mr. Liu Yi. By virtue of the SFO, Mr. Liu Yi is deemed to be interested in the Shares held by Hawk Flying Investment Holding Limited.
6. China Dragon Inspection & Certification (H.K.) Limited is a 100% owned subsidiary of China Inspection Company Limited (中國檢驗有限公司), which is a 100% owned subsidiary of China Certification & Inspection Group Co., Ltd. (中國檢驗認證(集團)有限公司).

Based on the above, to the best knowledge of the Company, as at the Latest Practicable Date, the Controlling Shareholders Party of the Company was interested in 316,589,874 Shares, representing approximately 58.45% 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 Controlling Shareholders Party will increase to approximately 64.95% 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 Tuesday, 18 June 2024 at 4:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

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 2023.
2. To declare a final dividend of HK\$0.0174 per share of the Company for the year ended 31 December 2023.
3. To re-elect Directors as follows:
 - (a) To re-elect Ms. ZHANG Aiying as an executive Director.
 - (b) To re-elect Mr. WANG Zichen as an independent non-executive Director.
 - (c) To re-elect Mr. ZHAO Hong as an independent non-executive Director.
4. To authorize the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
5. To re-appoint Messrs. Ernst and Young 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 (the “**Shares**”) to be bought back pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued Shares 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 of the Company 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, 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;
 - (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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares 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).”

NOTICE OF ANNUAL GENERAL MEETING

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 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 (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 2 July 2024 (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 expedient, any difficulty in regard to any distribution of the Bonus Shares;
- (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;

NOTICE OF ANNUAL GENERAL MEETING

- (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,
By order of the Board
China Leon Inspection Holding Limited
Mr. YANG Rongbing
Executive Director

Beijing, PRC, 23 May 2024

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 HKEXnews website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.hk1586.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 to exercise the Shareholder’s rights at the Annual General Meeting. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her. Subject to the law, regulation and Articles of Association of the Company, any such proxy may attend, speak and vote in his/her stead. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy and any authority under which it is executed or a copy of the authority certified notarially, must be deposited at the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, 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 Thursday, 13 June 2024 to Tuesday, 18 June 2024, 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 12 June 2024.
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 Wednesday, 26 June 2024 to Tuesday, 2 July 2024, both days inclusive, during which period no transfer of shares will be registered. In order to establish entitlements to the proposed final dividend and Bonus Issue (subject to approval by the shareholders 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, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 25 June 2024.