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FLYKE INTERNATIONAL HOLDINGS LTD.

飛克國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01998)

UPDATE ON PROGRESS OF RESUMPTION

This announcement is made by Flyke International Holding Ltd. (the “**Company**”) pursuant to Rule 13.24A of the Listing Rules.

References are made to (1) the announcement of the Company dated 20 March 2017 in respect of, among other things, (i) the Proposed Restructuring; (ii) proposed adoption of new memorandum and articles; (iii) proposed appointment of proposed directors; and (iv) proposed termination of existing share option scheme and adoption of new share option scheme; (2) the announcements of the Company dated 23 March 2017, 6 October 2017 and 8 June 2018 in relation to, among other things, the Acquisition, the First New Listing Application, the Second New Listing Application and the Third New Listing Application; (3) the announcements of the Company dated 10 April 2017, 31 May 2017, 30 June 2017, 28 July 2017, 28 August 2017, 28 September 2017, 30 October 2017, 30 November 2017, 29 December 2017, 29 January 2018, 28 February 2018, 28 March 2018, 16 April 2018, 30 April 2018, 30 May 2018, 29 June 2018, 27 July 2018, 27 August 2018, 27 September 2018, 26 October 2018, 26 November 2018, 24 December 2018 and 24 January 2019 in relation to the delay in despatch of the Circular; (4) the announcements of the Company dated 1 August 2018 and 1 November 2018 in relation to the update on progress of resumption; (5) the announcement of the Company dated 24 September 2018 in relation to the decision of the Listing Division and request for review by the Listing Committee; (6) the announcement of the Company dated 9 November 2018 in relation to the withdrawal of request for review by the Listing Committee; and (7) the announcement of the Company dated 16 November 2018 in relation to the Second Delisting Stage and resumption conditions (collectively, the “**Announcements**”). Unless otherwise specified herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

UPDATE ON DEVELOPMENT TO RESUMPTION CONDITIONS

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company that, as at the date of this announcement, the latest development on the status and progress of the Company's efforts to fulfil the Resumption Conditions are as follows:

Withdrawal of request for review pursuant to Rule 2B.05 of the Listing Rules

As disclosed in the announcements of the Company dated 24 September 2018 and 27 September 2018, the Company has on 24 September 2018 submitted a written request to the Listing Committee (as defined in the Listing Rules) pursuant to Rule 2B.05(1) of the Listing Rules for a review by the Listing Committee of the Decision (the "**Review**"). Subsequently, as disclosed in the announcement dated 9 November 2018, the Company had withdrawn its request for the Review. The Company did not agree with the Listing Department's analysis and decision to reject the Third New Listing Application. However, the Company considered that the requirement of Rule 8.05(1)(a) will be satisfied using the Target Company's consolidated financial information for the three years ended 31 December 2018 to proceed with a new listing application. Therefore, the Company decided to withdraw the request for the Review and divest all resources in the preparation of a new listing application (the "**New Listing Application**") with the inclusion of the audited financial information for the year ended 31 December 2018.

Second Delisting Stage

As disclosed in the announcement of the Company dated 16 November 2018, on 14 November 2018, the Stock Exchange issued a letter to the Company that the Stock Exchange has placed the Company in the Second Delisting Stage, which will expire on 14 May 2019.

As set out in the announcement of the Company dated 24 December 2018, the Company has on 6 December 2018 submitted a resumption proposal (the "**Resumption Proposal**") in relation to the modified restructuring as terms and conditions revised and restated with the principal terms of the Proposed Restructuring (the "**Modified Restructuring**") to the Stock Exchange. As at the date of this announcement, the Company and the relevant parties are working closely to address comments from the Stock Exchange on the Resumption Proposal. The Company is also in the course of preparation for the New Listing Application with the inclusion of the audited financial information for the year ended 31 December 2018 to be made by the Company once the audited financial information is available.

As mentioned in the announcements of the Company dated 24 December 2018 and 24 January 2019, the Circular is expected to be despatched to the Shareholders on or before 30 April 2019. Further announcement will be made when the Circular is despatched or in the event of any changes to the expected timetable.

Compliance with Rule 13.24 of the Listing Rules

The Company has on 6 December 2018 submitted the Resumption Proposal in relation to the Modified Restructuring which involves, among other things, the Acquisition. The Target Group is principally engaged in the development and sale of residential and commercial properties in Jilin City in the PRC. The Directors believe that the Modified Restructuring would enable the Company to enhance its business operations to satisfy objectively the requirements for having and maintaining a sufficient level of operations or tangible assets of sufficient value as stipulated under Rule 13.24 of the Listing Rules.

The Acquisition is subject to a number of conditions including but not limited to the Independent Shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval on the New Listing Application may or may not be granted. In the event that the approval of the New Listing Application is not granted by the Listing Committee, the Restructuring Agreement will not become unconditional and the Acquisition and the Modified Restructuring will not proceed.

Publication of all outstanding financial results and addressing the Outstanding Audit Issue

As at the date of this announcement, the Company has already published all outstanding financial results, including (i) the annual reports for the years ended 31 December 2013, 2014, 2015, 2016 and 2017; and (ii) the unaudited interim reports for the six months ended 30 June 2014, 2015, 2016, 2017 and 2018.

After discussion with the Auditor, assuming the Completion successfully takes place in the financial year ending 31 December 2019, the Board expects that, taking into account, (i) the Company has no operating subsidiaries or other investments other than the Target Group after Completion; (ii) the PRC Subsidiaries will cease to be the members of the Group upon the Creditors Schemes becoming effective; (iii) the revenue, profit and assets of the Target Group is sufficient to meet the requirements of Rule 13.24 of the Listing Rules; (iv) the majority of the Group's liabilities prior to the Creditors Schemes becoming effective are not expected to

recur; and (v) unqualified audit opinions will continue to be issued for the Target Group for each of the years ended 31 December 2016, 2017 and 2018 (full reports will be set out in the Circular), the Outstanding Audit Issues will be resolved in the financial year ending 31 December 2019 and the audit qualifications arising from the deconsolidation of the PRC Subsidiaries and the material uncertainty relating to the going concern basis (save for the brought forward effect of corresponding figures in the next financial year upon Completion) will no longer have impact on the consolidated financial statements of the Enlarged Group after the financial year ending 31 December 2019.

In addition, there will be no eligible share option holders under the Existing Option Scheme, given that, based on the list of share option holders, those who have been granted share options by the Company have already resigned from the Group or are directors/employees of the Scheme Companies, which will cease to be the members of the Group upon the Creditors Schemes becoming effective. In this case, audit qualification in relation to the share options granted will be resolved upon Completion.

Adequate and effective financial reporting procedures and internal control systems

The Company has engaged an independent professional firm, ZHONGHUI ANDA Risk Services Limited (the “**Internal Control Reviewer**”), to perform an internal control review of the Company (the “**Internal Control Review**”) to assist the Directors to assess if the Group’s financial reporting procedure and internal control system are adequate to enable the Company to meet its obligations under the Listing Rules.

During the Internal Control Review, the Internal Control Reviewer has identified a number of internal control issues and deficiencies of the Group. The management of the Group is in the progress of reviewing such issues and deficiencies, and will take appropriate actions and steps to address those internal control issues and deficiencies with reference to the recommendations of the Internal Control Reviewer.

The Company will make a further announcement to update Shareholders regarding the status of such review as and when appropriate.

The Company is endeavouring to meet the Stock Exchange’s requirements and shall publish further announcement(s) to update Shareholders and potential investors of the Company on the development of the Company as and when appropriate in compliance with the Listing Rules.

CONTINUED SUSPENSION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 31 March 2014. Trading in the Shares will continue to suspend until further notice and full satisfaction of the Resumption Conditions and such other further conditions that may be imposed by the Stock Exchange.

By order of the Board
Flyke International Holdings Limited
CHIN Chang Keng Raymond
Executive Director

Hong Kong, 1 February 2019

As of the date of this announcement, the executive Directors are Mr. FONG Sai Mo and Mr. CHIN Chang Keng Raymond and the independent non-executive Directors are Mr. CHU Kin Wang, Peleus and Mr. ZHU Guohe.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.