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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 and 27 August 2018 in relation to, among other things, monthly update on resumption progress and/or delay in despatch of the Circular; (4) the announcements of the Company dated 1 August 2018, 1 November 2018 and 1 February 2019 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; (7) the announcement of the Company dated 16 November 2018 in relation to the Second Delisting Stage and resumption conditions; (8) the announcements of the Company dated 27 September 2018, 26 October 2018, 26 November 2018, 24 December 2018, 24 January 2019, 25 February 2019, 26 March 2019 and 30 April 2019 in relation to the monthly update; (9) the announcement of the Company dated 11 March 2019 in relation to results of Internal Control

Review; and (10) the announcement of the Company dated 29 March 2019 in relation to the final results of the year ended 31 December 2018 (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.

On 29 March 2019, the Company announced (i) the results of the Internal Control Review setting out the Group’s financial reporting procedures and internal control systems in place on 11 March 2019 and (ii) the final results of the year ended 31 December 2018.

The Company and the relevant parties have been addressing comments from the Stock Exchange on the Resumption Proposal and the Stock Exchange has indicated that it has no comments on the Company's intended new listing application. As at the date of this announcement, the Company and the relevant parties are working closely to prepare the announcement in relation to the terms of the Modified Restructuring and to prepare for the new listing application.

As mentioned in the monthly update announcement of the Company dated 30 April 2019, as the Company is in the process of preparing the new listing application and additional time is required to finalise the content of the Circular, despatch date of the Circular was extended to a date no later than 28 June 2019.

Further announcement(s) will be made by the Company to keep the Shareholders and potential investors of the Company informed of the progress of the new listing application as and when appropriate.

### **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 outstanding financial results and addressing the Outstanding Audit Issue**

As at the date of this announcement, the Company has already published outstanding financial results, including (i) the annual reports for the years ended 31 December 2013, 2014, 2015, 2016 and 2017; (ii) the unaudited interim reports for the six months ended 30 June 2014, 2015, 2016, 2017 and 2018 and (iii) the announcement of final results of the year ended 31 December 2018. Reference is made to the announcement dated 30 April 2019 in relation to delay in despatch of annual report for the year ended 31 December 2018 (the "2018 Annual Report"), whereby it was announced that the despatch of the 2018 Annual Report is expected to be postponed to a date on or before 31 May 2019.

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.

As set out in the announcement of the Company dated 11 March 2019 in relation to results of Internal Control Review, (i) the Internal Control Reviewer noted that based on the results of their enquiries, observations and discussions with the management and responsible personnel of the Group as well as examination of documents and records, there was no indication of any material irregularity or error on the financial reporting procedures and systems of internal control of the Group; and (ii) the Company has implemented enhanced internal control measures to remedy all major internal control deficiencies identified by the Internal Control Reviewer. Having considered the results of the Internal Control Review conducted by Internal Control Reviewer, the Directors are of the view that the Group's financial reporting procedures and internal control systems are sufficient to meet the obligations under the Listing Rules.

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, 2 May 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.*