

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



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, 1 February 2019 and 2 May 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, 30 April 2019, 31 May 2019 and 28 June 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:

The Modified Restructuring will not proceed

Reference is made to the monthly update announcement dated 28 June 2019. At the time of the submission of the Resumption Proposal, Mr. Yang indicated that he intended to proceed with the Modified Restructuring subject to indication from the Stock Exchange that it can proceed to submit the intended new listing application. The Company was subsequently informed by Mr. Yang that he is considering other alternatives, including not to proceed further with the Modified Restructuring in late-May 2019. The Company wishes to inform the Shareholders that the Modified Restructuring will no longer proceed.

Third Delisting Stage

As mentioned in the monthly update announcement of the Company dated 28 June 2019 (the “**Third Delisting Stage Announcement**”), on 21 June 2019, the Stock Exchange issued a letter to the Company that the Stock Exchange has decided to place the Company into the Third Delisting Stage under Practice Note 17 to the Listing Rules. The Third Delisting Stage commenced on 4 July 2019 and will expire on 3 January 2020.

As set out in the Third Delisting Stage Announcement, the Company should submit a viable resumption proposal to the Stock Exchange at least 10 business days before the Third Delisting Stage expires (i.e. 17 December 2019) to address the following resumption conditions:

- (a) demonstrate that the Company has a sufficient operations or assets as required under Rule 13.24;

- (b) address the audit issues stated in the letter from the Stock Exchange of 23 September 2014 and the bank discrepancies mentioned in the Company’s announcements of 2 April and 21 May 2015, take all necessary remedial actions and inform the market of all material information;
- (c) publish all outstanding financial results and address any audit qualifications; and
- (d) demonstrate that the Company has in place adequate and effective financial reporting procedures and internal control systems to meet its obligations under the Listing Rules.

If no viable resumption proposal is received by the Stock Exchange by the end of the Third Delisting Stage, the Company’s listing will be cancelled.

Compliance with Rule 13.24 of the Listing Rules

The Company has been making efforts in fulfilling the resumption conditions. With an aim to formulate a viable resumption proposal, the Company has been, among other things, actively identifying potential investors to participate in the restructuring of debt and equity of the Company (the “**Potential Restructuring**”). The Directors believe that the Potential Restructuring, if proceed and materialize, 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.

Publication of outstanding financial results and addressing the Outstanding Audit Issue

As at the date of this announcement, the Company has published 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. Pursuant to Rule 13.46(2)(a) of the Listing Rules, the Company is required to despatch the annual report for the year ended 31 December 2018 (the “**2018 Annual Report**”) to the Shareholders on or before 30 April 2019. The delay has constituted non-compliance of Rule 13.46(2)(a) of the Listing Rules.

Further announcement(s) will be made by the Company to keep the Shareholders and potential investors of the Company informed of the latest development of the Potential Restructuring, the date of despatch of the 2018 Annual Report and details of a viable resumption proposal to address the Outstanding Audit Issue.

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 August 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.