

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: 1998)

2020 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of Flyke International Holdings Ltd. (the “**Company**”) is pleased to announce the unaudited results of the Company and its subsidiaries for the six months ended 30 June 2020. This announcement, containing the full text of the 2020 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities (“**Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results. The Company’s 2020 interim report will be available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.chinaflyke.com in September 2020.

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 Ltd.
CHIN Chang Keng Raymond
Executive Director

Hong Kong, 31 August 2020

As of the date of this announcement, the executive Directors is 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.

Contents

Corporate Information	2
Management Discussion and Analysis	3
Corporate Governance and Other Information	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	11
Condensed Consolidated Statement of Cash Flows	12
Notes to the Condensed Consolidated Financial Statements	13

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. CHIN Chang Keng Raymond

Independent Non-executive Directors

Mr. CHU Kin Wang, Peleus
Mr. ZHU Guohe

COMPANY SECRETARY

Ms. WONG Chi Yan

BOARD COMMITTEES

Audit Committee

Mr. CHU Kin Wang, Peleus (*Chairman*)
Mr. ZHU Guohe

Remuneration Committee

Mr. ZHU Guohe (*Chairman*)
Mr. CHU Kin Wang, Peleus
Mr. CHIN Chang Keng Raymond

Nomination Committee

Mr. ZHU Guohe (*Chairman*)
Mr. CHU Kin Wang, Peleus
Mr. CHIN Chang Keng Raymond

AUTHORISED REPRESENTATIVES

Mr. CHIN Chang Keng Raymond
Ms. WONG Chi Yan

LEGAL ADVISERS

Cayman Islands:

Conyers Dill & Pearman

Hong Kong:

Lau, Horton & Wise LLP (In association with
CMS Hasche Sigle, Hong Kong LLP)

AUDITOR

ZHONGHUI ANDA CPA Limited

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit D, 12/F, Seabright Plaza
9-23 Shell Street, North Point
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

PRINCIPAL BANKERS

Industrial and Commercial Bank of China Limited
Standard Chartered Bank (Hong Kong) Limited

STOCK CODE

01998

COMPANY WEBSITE

<http://www.chinaflyke.com>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

References are made to the Company's announcements dated 31 March 2014 and 30 April 2014 respectively in relation to, among others things, clarification of the press release and delay in publication of the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013. At the request of the Company, trading in shares of the Company has been suspended since 31 March 2014.

In the announcement dated 5 September 2016, it was mentioned that the directors of the Company (the "Directors") have tried and have not been able to gain access to the plants of the Group located in The People's Republic of China ("PRC"). In addition, the Company has not been able to contact Mr. Lin Wenjian ("Mr. Lin"), the legal representative of the subsidiaries of the Company established in the PRC (the "PRC Subsidiaries"), in spite of repeated requests from the Company. Furthermore, since the resignation of Mr. Lin as a Director on 17 June 2016, Mr. Lin has not tendered his resignation as director and legal representative of the PRC Subsidiaries. Neither Mr. Lin nor Mr. Lin Wenzu, both of whom have resigned as Directors, have tendered resignations in relation to their directorship of those subsidiaries outside the PRC or provide assistance to the Company to change the authorised signatories mandates in respect of the bank accounts of the Group, as requested (the "Rejection of Assessment and Resignation").

As the Company has not been able to gain access to the plants of the Group located in the PRC and has not been able to contact Mr. Lin, the legal representative of the PRC Subsidiaries, to better understand the status of the PRC Subsidiaries, the Company has engaged a firm of PRC legal advisors to check the public records of the affairs of the PRC Subsidiaries. The findings of the PRC legal advisors and the work done were detailed in the announcement made by the Company dated 10 November 2016 (the "Announcement"). As explained in the sub-paragraph headed "Views of the Board" of the Announcement, having reviewed the report prepared by the PRC legal advisors, the Board concluded that the PRC Subsidiaries have ceased operations and the Company is no longer in control of the PRC Subsidiaries. As such, it is considered that they have lost the control over those subsidiaries which were deconsolidated from the Group since 1 January 2013.

Given that the current Directors did not have control, possession of, or access to the underlying accounting books and records of the deconsolidated subsidiaries, the discussion and analysis in this section is limited to discussion and analysis of the Company and those subsidiaries which it still has control over and the term "Group" as mentioned in this section should be construed accordingly.

FINANCIAL REVIEW

Due to the lack of control and thus the unavailability of these financial records of the PRC Subsidiaries, namely (鑫威(福建)轻工有限公司) Xin Wei (Fujian) Light Industry Co., Ltd.) and (福建省飛克體育用品有限公司) Feike Sports Products Co., Ltd. Fujian) for the period beginning from 1 January 2013, no operation nor revenue was recorded during the six months ended 30 June 2020 ("Period"). Loss of RMB1,130,000 (2019: RMB1,465,000) was recorded for the Period. The Group's general and administrative expenses of RMB1,130,000 (2019: RMB1,465,000) was recorded for the Period.

SEGMENT INFORMATION

The Group recorded no revenue generated for the Period and for the six months ended 30 June 2019 (the "Previous Period").

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, cash and cash equivalents of the Group were approximately RMB250,000 (31 December 2019: RMB241,000). As the Group had a net deficiency in capital as at 30 June 2020 and 31 December 2019, the Group's gearing ratio as at those dates were not applicable.

ASSETS AND LIABILITIES

As at 30 June 2020, the Group had total assets of approximately RMB251,000 (31 December 2019: RMB242,000), total liabilities of RMB50,494,000 (31 December 2019: RMB46,572,000). The net liabilities of the Group as at 30 June 2020 were RMB50,243,000 (31 December 2019: net liabilities of RMB46,330,000). Such liabilities mainly comprise other payables of RMB42,541,000 and the amount due to a deconsolidated subsidiary of RMB6,533,000.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

SIGNIFICANT INVESTMENTS AND ACQUISITIONS AND DISPOSALS

The Group did not have any significant investment nor did it make any material acquisition or disposal of subsidiaries and associates during the Period.

CHARGES ON GROUP ASSETS

The Group had no other charge as at 30 June 2020 and 31 December 2019.

RESERVES

As at 30 June 2020 and 31 December 2019, the Company did not have any reserves available for distribution. Details of movements in the reserves of the Group during the Period are set out in the condensed consolidated statement of changes in equity for the Period on page 11 of this interim report.

CAPITAL STRUCTURE

As at 30 June 2020, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.1 each, of which 812,600,000 ordinary shares were in issue and fully paid.

There was no change in the Company's share capital during the Period and the Previous Period.

CAPITAL COMMITMENTS

The Group and the Company did not have any significant capital commitments as at 30 June 2020 and 31 December 2019.

CONTINGENT LIABILITIES

The Group and the Company did not have any significant contingent liabilities as at 30 June 2020 and 31 December 2019.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2020, the Group had 3 (2019: 4) employees including Directors. The total of employee remuneration, including that of the Directors, for the Period amounted to approximately RMB242,000 (2019: RMB396,000). The Group remunerates its employees based on their performance, experience and the prevailing industry practice.

FOREIGN CURRENCY EXPOSURE

The Group's reporting currency is Renminbi ("RMB"). However, part of the Group's transactions were dominated in Hong Kong dollars. During the Period, the Group did not hedge against any exposure in foreign currency risk. Any substantial exchange rate fluctuation of foreign currencies against RMB may impact on the financial condition of the Group.

DIVIDEND

The Directors do not recommend the payment of interim dividend for the Period (2019: Nil).

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in the next paragraph "Prospect".

PROSPECT

As disclosed in previous announcements of the Company, 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 expired on 3 January 2020 and the Company should submit a viable resumption proposal to the Stock Exchange at least 10 business days before the third delisting stages expires (i.e. 17 December 2019) to address the resumption conditions.

On 17 December 2019, the Company submitted a resumption proposal (the "New Resumption Proposal") to the Stock Exchange in support of the resumption of trading in the shares of the Company. The Third Delisting Stage expired on 3 January 2020 and the Stock Exchange has granted an extension to allow the Company to submit a new listing application relating to the New Resumption Proposal on or before 30 June 2020. On 9 June 2020, the Company has submitted an application for further time extension to the Stock Exchange and the Stock Exchange has granted an extension to allow the Company to submit a new listing application relating to the New Resumption Proposal on or before 31 August 2020.

As disclosed in the announcements of the Company dated 9 July 2020 and 21 July 2020, as additional time is required in connection with the New Listing Application and to finalise the content of the Circular, it is expected that the Circular will be despatched to the Shareholders on or before 30 September 2020.

On 28 August 2020, the Company has submitted an application for further time extension for new listing application. The time extension application is under review by the Stock Exchange.

As at the date of this report, the Company and the relevant parties are working closely to prepare the new listing application relating to the New Resumption Proposal.

The Company will issue further announcements as and when appropriate to update shareholders on the progress of the New Resumption Proposal and resumption of trading in the shares of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2020, none of the Directors had or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571

of the Laws of Hong Kong ("SFO")) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN AND/OR SHORT POSITIONS IN SHARES OR UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

So far as is known to the Directors, as at 30 June 2020, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name of shareholders	Capacity	Number of shares held	Number of underlying shares pursuant to share options	Position	Total	Approximate percentage of issued share capital (note 1)
Super Creation International Limited	Beneficial owner	480,000,000	—	Long	480,000,000	59.07%
Mr. LIN Wenjian	Interest of controlled corporation	480,000,000 (note 2)	—	Long	480,500,000	59.13%
	Beneficial owner	—	500,000	Long		
Mr. LI Heshi	Person having a security interest in shares	480,000,000 (note 3)	—	Long	480,000,000	59.07%

Notes:

- The total number of 812,600,000 shares of the Company in issue as at 30 June 2020 has been used for the calculation of the approximate percentage.
- These shares are held by Super Creation International Limited ("Super Creation"), the entire issued share capital of which is wholly and beneficially owned by Mr. LIN Wenjian. By virtue of the SFO, Mr. LIN Wenjian is deemed to be interested in the 480,000,000 shares of the Company held by Super Creation.
- 480,000,000 shares of the Company have been charged by Mr. LIN Wenjian to Mr. LI Heshi as security.
- The information set out in the above table is based on disclosure of interest notifications filed with the Company and on the website of the Stock Exchange.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, neither the Company nor any of these subsidiaries which it still retains control, purchased, sold or redeemed any of the Company's listed securities.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as those disclosed in the "Share Option Scheme" below, at no time during the Period was the Company or any of those subsidiaries which the Company still retains control, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance in relation to the business of the Group, to which the Company, its holding companies, its subsidiaries or fellow subsidiaries which the Company still retains control, was a party and in which an existing Director or an entity connected with the existing Director had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the Period.

SHARE OPTION SCHEME

Based on information available, the following table discloses details of the Company's share options held by the Directors and eligible employees of the Group pursuant to the Company's share option scheme and movements in such holdings during the Period:

Name or category of participant	Date of grant	Outstanding as of 1 January 2020	Granted during the Period	Exercised during the Period	Cancelled/ Lapsed during the Period	Outstanding as of 30 June 2020	Exercisable period	Exercise price	Closing price immediately before the date of grant
								HK\$	HK\$
(a) Directors									
Mr. LIN Wenjian	4 May 2011	500,000	—	—	—	500,000	4 May 2011 to 3 May 2021	1.620	1.620
Mr. LI Yong	31 December 2010	840,000	—	—	—	840,000	1 July 2012 to 30 December 2020	1.726	1.730
	31 December 2010	840,000	—	—	—	840,000	1 January 2014 to 30 December 2020	1.726	1.730
	31 December 2010	1,120,000	—	—	—	1,120,000	1 January 2016 to 30 December 2020	1.726	1.730
	4 May 2011	1,200,000	—	—	—	1,200,000	4 May 2011 to 3 May 2021	1.620	1.620
(b) Eligible employees									
	31 December 2010	3,948,000	—	—	—	3,948,000	1 July 2012 to 30 December 2020	1.726	1.730
	31 December 2010	3,948,000	—	—	—	3,948,000	1 January 2014 to 30 December 2020	1.726	1.730
	31 December 2010	5,264,000	—	—	—	5,264,000	1 January 2016 to 30 December 2020	1.726	1.730
	4 May 2011	15,500,000	—	—	—	15,500,000	4 May 2011 to 3 May 2021	1.620	1.620
		33,160,000	—	—	—	33,160,000			

Note: The information set out in the above table is based on information available to the current board of directors and disclosure of interests filed to the Stock Exchange. As the Company has ceased to have control over the PRC Subsidiaries or any of the books and records of the PRC Subsidiaries, the Company has yet to ascertain whether the outstanding options have been lapsed.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

According to the circular of the Company dated 23 April 2012, as at 30 June 2020, the total number of shares available for issue under the share option scheme adopted on 24 February 2010 under the existing share option scheme limit is 30,940,000, representing approximately 3.81% of the issued share capital of the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules throughout the Review Period except the Code provision A.1.8, A.2 and E.1.5.

Summary of derivations of the CG Code:

Code Provision A.1.8

The directors and officers’ insurance expired in April 2019. The Company will arrange appropriate insurance cover in respect of legal action against its directors as soon as possible to comply with the Code.

Code Provision A.2

The roles of the chairman and chief executive of the Company were performed by the same individual, Mr. LIN Wenjian up to his resignation on 17 June 2016. Following the resignation of Mr. LIN Wenjian, the Company was not in compliance of the requirement under paragraph A.2 of the Code that there are two key aspects of the management, the chairman and chief executive.

Nevertheless, the current Board considered that the absence of the roles of chairman and chief executive would not impair the balance of power and authority between the Board and the management of the Company.

Arrangements will be made to appoint the chairman and chief executive as soon as practicable to comply with the CG Code.

Code Provision E.1.5

The Company does not have in place a policy on payment of dividends since the shares of the Company did not resume trading. The Board will make a dividend policy as soon as practicable to comply with the Code.

Upon the resignation of Mr. WANG Dong as an independent non-executive director, the chairman of remuneration committee and nomination committee and a member of audit committee of the Company on 17 June 2016, Mr. LEI Geng Qiang as a non-executive director and a member of the audit committee of the Company on 24 June 2016 and the subsequent resignation of Mr. Fong Sai Mo as an executive Director, an authorised representative of the Company and a member of the remuneration committee and the nomination committee of the Company on 17 December 2019, the numbers of the independent non-executive Directors and the members of audit committee, nomination committee and remuneration committee of the Company fell below the minimum number required under Rule 3.10(1) and Rule 3.21 of the Listing Rules.

The Company is now identifying suitable candidate(s) to fill the vacancies of one independent non-executive Director and one member of audit committee of the Company.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of which the current Directors, both of whom have confirmed that they have complied with the required standards set out in the Model Code during the Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION (continued)

REVIEW OF INTERIM REPORT BY THE AUDIT COMMITTEE

The Company established the audit committee to review and monitor the financial reporting process and internal control of the Group and to review the financial information of the Group. The audit committee consists of two independent non-executive Directors namely Mr. CHU Kin Wang, Peleus (“Mr. CHU”) and Mr. ZHU Guohe.

Mr. CHU is the chairman of the audit committee. The audit committee has reviewed this report for the Period, including the accounting principles and practices adopted by the Group.

The condensed consolidated interim financial statements are unaudited but have been reviewed by the audit committee.

PLEDGING OF SHARES BY CONTROLLING SHAREHOLDER

On 11 May 2015, Mr. LIN, the controlling shareholder of the Company (being the former chairman, chief

executive and executive Director of the Company who resigned on 17 June 2016), had charged his entire interest in 480,000,000 ordinary shares of the Company to Mr. LI Heshi (“Mr. LI”), an independent third party, to secure a loan by Mr. LI to Mr. LIN.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, there is sufficient public float of at least 25% of the Company’s total number of issued shares as required under the Listing Rules.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

None of the current Directors or any of their respective associates, has engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interest with the Group.

BOARD OF DIRECTORS

As at the date of this report, the executive Director is Mr. CHIN Chang Keng Raymond; the independent non-executive Directors are Mr. CHU Kin Wang, Peleus and Mr. ZHU Guohe.

On behalf of the Board

Flyke International Holdings Ltd.

CHIN Chang Keng Raymond

Executive Director

Hong Kong, 31 August 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	NOTES	SIX MONTHS ENDED 30 JUNE	
		2020 RMB'000 (UNAUDITED)	2019 RMB'000 (UNAUDITED)
REVENUE		—	—
Administrative expenses		(1,130)	(1,401)
Other expenses		—	(64)
LOSS BEFORE TAX	4	(1,130)	(1,465)
Income tax expense	5	—	—
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(1,130)	(1,465)
Other comprehensive expenses after tax:			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of non-PRC operations		(975)	(44)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(2,105)	(1,509)
LOSS PER SHARE (RMB)	6		
— Basic		(0.001)	(0.002)
— Diluted		(0.001)	(0.002)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	30 JUNE 2020 RMB'000 (UNAUDITED)	31 DECEMBER 2019 RMB'000 (AUDITED)
Current assets		
Other receivables	1	1
Cash and cash equivalents	250	241
Total current assets	251	242
Current liabilities		
Other payables	42,541	38,905
Amount due to the controlling shareholder	1,420	1,369
Amount due to a deconsolidated subsidiary	6,533	6,298
Total current liabilities	50,494	46,572
Net current liabilities	(50,243)	(46,330)
NET LIABILITIES	(50,243)	(46,330)
Capital and reserves		
Share capital	71,551	71,551
Reserves	(121,794)	(117,881)
TOTAL DEFICIT	(50,243)	(46,330)

The condensed consolidated financial statements on pages 9 to 18 were approved and authorised for issue by the board of directors on 31 August 2020 and are signed on its behalf by:

CHIN Chang Keng Raymond
Director

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	SHARE CAPITAL RMB'000	SHARE PREMIUM* RMB'000	CAPITAL REDEMPTION RESERVE* RMB'000	SHARE OPTIONS RESERVE* RMB'000	EXCHANGE FLUCTUATION RESERVE* RMB'000	ACCUMULATED LOSSES* RMB'000	TOTAL RMB'000
At 1 January 2019 (audited)	71,551	272,419	945	24,766	(6,360)	(408,142)	(44,821)
Total comprehensive expenses for the period (unaudited)	—	—	—	—	(44)	(1,465)	(1,509)
At 30 June 2019 (unaudited)	71,551	272,419	945	24,766	(6,404)	(409,607)	(46,330)
At 1 January 2020 (audited)	71,551	272,419	945	24,766	(7,168)	(410,651)	(48,138)
Total comprehensive expenses for the period (unaudited)	—	—	—	—	(975)	(1,130)	(2,105)
At 30 June 2020 (unaudited)	71,551	272,419	945	24,766	(8,143)	(411,781)	(50,243)

* These reserve accounts comprise the consolidated reserves in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	SIX MONTHS ENDED 30 JUNE	
	2020 RMB'000 (UNAUDITED)	2019 RMB'000 (UNAUDITED)
NET CASH USED IN OPERATING ACTIVITIES	—	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	—	—
Cash and cash equivalents at beginning of the period	245	240
Effect on exchange rate changes, net	5	1
Cash and cash equivalents at end of the period	250	241
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	250	241

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

1. GENERAL INFORMATION

Flyke International Holdings Ltd. (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit D, 12/F, Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the trading in shares of the Company has been suspended since 31 March 2014.

The Company is an investment holding company.

2. BASIS OF PREPARATION

These condensed consolidation financial statements (“Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Statements should be read in conjunction with the 2019 annual financial statements. The accounting policies and methods of computation used in the preparation of these Interim Financial Statements are consistent with those used in the annual financial statements for the year ended 31 December 2019.

Suspension of trading in shares of the Company

References are made to the Company’s announcements dated 31 March 2014 and 30 April 2014 in relation to, among others things, clarification of the press release and delay in publication of the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2013. At the request of the Company, trading in shares of the Company has been suspended since 31 March 2014.

On 23 September 2014, the Stock Exchange issued a letter to the Company stating that it considers appropriate to impose on the Company the following conditions for resumption of trading in shares of the Company (the “Resumption Conditions”):

- (i) disclose the findings of the investigation on the outstanding audit issues of previous auditors (the “Outstanding Audit Issues”) and if necessary, conduct further investigations with appropriate scope to resolve the Outstanding Audit Issues;
- (ii) publish all outstanding financial results and reports and address any audit qualifications; and
- (iii) demonstrate adequate internal controls have been put in place by the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

Suspension of trading in shares of the Company (continued)

Reference is made to the Company's announcement dated 5 September 2016, the Directors have recently tried and have not been able to gain access to the plants of the Group located in the People's Republic of China ("PRC"). In addition, the Company has not been able to contact Mr. Lin Wenjian, the legal representative of the subsidiaries of the Company established in the PRC ("PRC Subsidiaries"). In spite of repeated requests from the Company, since the resignation of Mr. Lin Wenjian as a director of the Company on 17 June 2016, Mr. Lin Wenjian has not tendered his resignation as director and legal representative of the PRC Subsidiaries. Furthermore, neither Mr. Lin Wenjian nor Mr. Lin Wenzu, both of whom have resigned as directors of the Company, have tendered resignations in relation to their directorship of those subsidiaries outside the PRC or provided assistance to the Company to change the authorised signatories mandates in respect of the bank accounts of the Group, as requested (the "Rejection of Assessment and Resignation").

There were several changes in the Directors of the Company and senior management of the Group including (i) resignation of four executive Directors on 10 February 2015, 17 June 2016 and 24 June 2016; (ii) appointment of two new executive Directors on 9 November 2015 and 13 July 2016; and (iii) resignation of the chief financial officer on 17 June 2016.

Reference is made to the Company's announcements dated 2 April 2015 and 21 May 2015, the Board has set up an investigation committee comprising the independent non-executive Directors (the "Special Committee") to look into the matter, including (i) make enquiries with the staff of the Company regarding contacts with banks, reconciliation of bank statements with the ledgers and procedures for obtaining bank confirmations; and (ii) contact the relevant banks to understand the discrepancies in bank balances as shown on the bank statements of the PRC Subsidiaries (the "Discrepancies") and the procedures for obtaining bank confirmations and bank statements. It was noted that the bank statements obtained by the independent non-executive Director confirmed the Discrepancies of approximately RMB374 million that had come to the attention of the Board.

Reference is made to the Company's announcements dated 9 September 2016 and 18 October 2016, the Company, Southern Global Holdings Limited ("Investor A") and Everlink Development Limited ("Investor B", together with Investor A, the "Investors") have entered into a non-legally binding investment framework agreement (the "Investment Framework Agreement") in relation to the proposed restructuring of the business and finances of the Group (the "Proposed Restructuring").

Reference is made to the Company's announcement dated 20 March 2017, Investor A, Investor B and the Company have entered into an agreement under which the parties conditionally agreed to undertake the Proposed Restructuring. The circular, among other things, further information in respect of the Proposed Restructuring (the "Circular") will be despatched as soon as possible.

Reference is made to the Company's announcement dated 24 September 2018, the Company received a letter issued by the Listing Department of the Stock Exchange (the "Listing Department") to reject the Third New Listing Application on the basis that the target company would not be able to meet the minimum profit requirement under Rule 8.05(1)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Decision"). 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 of the Decision (the "Review").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

Suspension of trading in shares of the Company (continued)

Reference is made to the Company's announcements dated 1 August 2018 and 1 November 2018, the acquisition is subject to a number of conditions including but not limited to independent shareholders' approval, which may or may not be fulfilled. In addition, the Listing Committee's approval on the third new listing application submitted to the Stock Exchange on 8 June 2018 (the "Third New Listing Application") may or may not be granted. In the event that the approval of the Third New Listing Application is not granted by the Listing Committee, the restructuring agreement will not become unconditional and the acquisition and the Proposed Restructuring will not proceed.

Reference is made to the Company's announcement dated 9 November 2018, the Company has withdrawn its request for the Review. The Company does not agree with the Listing Department's analysis and decision to reject the Third New Listing Application, but the Company has decided to withdraw its request for the Review, which is supported by the following practical considerations:

1. The Third New Listing Application submitted on 8 June 2018 contains the financial information of the target group for the four years ended 31 December 2017 and given that it is less than two months from the end of another financial year, the target group is in the process of updating the financial information for the year ended 31 December 2018 for inclusion in the Circular in compliance with Rule 4.06(1) of the Listing Rules;
2. The disposal gain for sale of two office buildings, which the Listing Department considered to be not arisen from the ordinary and usual course of business, is relevant to the financial information for the year ended 31 December 2017, which will no longer represent the most recent year for the purpose of Rule 8.05(1)(a) of the Listing Rules with the inclusion of the audited financial information for the year ended 31 December 2018; and
3. The directors of the target company are of the view that the requirement of Rule 8.05(1)(a) of the Listing Rules will be satisfied with the financial information of the target group updated to include the year ended 31 December 2018.

Reference is made to the Company's announcement dated 24 December 2018, 1 January 2019, 1 February 2019 and 25 February 2019, 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.

Reference is made to the Company's announcement dated 28 June 2019, the Stock Exchange issued a letter to the Company on 21 June 2019 setting out the following resumption conditions which the Company must also fulfil for resumption of trading of its shares on the Stock Exchange:

- (i) demonstrate that the Company has a sufficient level of operations or assets of sufficient value as required under Rule 13.24;
- (ii) address the Outstanding Audit Issues and the Discrepancies as mentioned in the Company's announcements dated 2 April and 21 May 2015, take all necessary remedial actions and inform the market of all material information;
- (iii) publish all outstanding financial results and address any audit qualifications; and
- (iv) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

2. BASIS OF PREPARATION (continued)

Suspension of trading in shares of the Company (continued)

On 28 June 2019, the Company did not proceed with the Modified Restructuring.

Reference is made to the Company's announcement dated 3 January 2020, the Company submitted a resumption proposal (the "New Resumption Proposal") to the Stock Exchange in support of the resumption of trading in the Shares on 17 December 2019. The Company will issue further announcements as and when appropriate to update shareholders on the progress of the New Resumption Proposal and resumption of trading in the shares of the Company.

Reference is made to the Company's announcement dated 18 June 2020, the Company has entered into the restructuring agreement and the directors believe that the proposed 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. Detail of the restructuring agreement please refer to the Company's announcement dated 18 June 2020.

Reference is made to the Company's announcements dated 9 July 2020 and 21 July 2020, as additional time is required, despatch of the Circular will be delayed.

Deconsolidation of subsidiaries

The Interim Financial Statements have been prepared based on the books and records maintained by the Group. However, as a result of the Rejection of Assessment and Resignation, by that time, the Directors considered that the control over the following subsidiaries had been lost. Since then, the Directors neither had control over the operating and financial activities, nor any access to the underlying accounting books and records of those subsidiaries. Due to the lack of control and thus the unavailability of the financial records of these subsidiaries for the period beginning from 1 January 2013, the Directors considered that it was impracticable to consolidate the results, assets, liabilities and cash flows of these subsidiaries from 1 January 2013.

(1) 鑫威(福建)轻工有限公司
(Xin Wei (Fujian) Light Industry Co., Ltd.*)

(2) 福建省飛克體育用品有限公司
(Feike Sports Products Co., Ltd. Fujian*)

* The English name is for identification purpose only

Going concern basis

The Interim Financial Statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Group will be successfully completed, and that, following the financial restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the Interim Financial Statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting period beginning on 1 January 2020. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Interim Financial Statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of those new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. LOSS BEFORE TAX

The Group’s loss before tax is stated after charging the following:

	SIX MONTHS ENDED 30 JUNE	
	2020	2019
	RMB'000	RMB'000
	(UNAUDITED)	(UNAUDITED)
Directors' remuneration	242	396
Other staff costs	163	155

5. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong for each of the six months ended 30 June 2020 and 2019.

6. LOSS PER SHARE (RMB)

(a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the six months ended 30 June 2020 of approximately RMB1,130,000 (six months ended 30 June 2019: RMB1,465,000) attributable to owners of the Company and the weighted average number of 812,600,000 (six months ended 30 June 2019: 812,600,000) ordinary shares in issue during the six months ended 30 June 2020.

(b) Diluted loss per share

Diluted loss per share for the six months ended 30 June 2020 and 2019 is the same as the basic loss per share as the Company did not have any dilutive potential ordinary shares during the periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2020

7. DIVIDEND

The Board of Directors does not recommend the payment of interim dividend for the six months ended 30 June 2020 and 2019.

8. CONTINGENT LIABILITIES

The Directors were not aware of any significant contingent liabilities of the Group at the end of the reporting period.

9. APPROVAL OF FINANCIAL STATEMENTS

The Interim Financial Statements were approved and authorised for issue by the Board of Directors on 31 August 2020.