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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: 1998)

PROFIT WARNING

This announcement is made by the Group pursuant to listing rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, according to the unaudited comprehensive management accounts, the Group is expected to have recorded a significant loss for the Relevant Period as compared with a profit for the same period of 2012.

Shareholders of the Company and potential investors are advised to exercise cautions when dealing in the securities of the Company.

This announcement is made by Flyke International Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to listing rule 13.09 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, according to the unaudited comprehensive management accounts, the Group is expected to have recorded a significant loss for the six months ended 30 June 2013 (the “**Relevant Period**”) as compared with a profit for the same period of 2012.

According to the analysis on preliminary financial information, the significant loss incurred during the Relevant Period is mainly attributed to the following factors:

1. As the sports apparel industry in China is facing intense competition, the Group decreased the sales to its distributors so as to avoid the excessive inventories accumulated by them, which resulted in a decrease in the total sales of the Group for the Relevant Period; and

2. To reduce inventories accumulated by distributors and consolidate less efficient stores, the Group repurchased the excessive inventories purchased by the distributors in 2011 to 2012 as at 30 June 2013.

As referred to the above, after communication between the Group and the distributors, since the second quarter of 2013, the Group has been repurchasing the excessive inventories purchased by the distributors in 2011 to 2012 as at 30 June 2013 at approximately 95% of the original ex-factory price, in order to (1) alleviate the inventory pressure on distributors; (2) enhance distributors' market competitiveness; (3) strengthen cooperation with distributors; and (4) consolidate certain less efficient stores to improve the competitiveness of a single store. It is expected that the total repurchase amount will be RMB302.2 million. The relevant repurchase will be completed during this year. As of 30 June 2013, the total repurchase amount of the Group is RMB191.5 million. The Group has sold the repurchased inventories at approximately 20% of the repurchase price to overseas customers.

The Group will concentrate its resources on the development and the promotion of new casual brands, in order to enhance the profit margin and competitiveness of the Group in the future. Meanwhile, the Group will strengthen the Export ODM Business, so as to enhance the profit of the Group as a whole.

This profit warning announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group subject to finalization and other potential adjustments if found necessary.

The unaudited interim results of the Group for the six months ended 30 June 2013 will be announced in August 2013. Shareholders of the Company and potential investors are advised to read the unaudited interim results announcement of the Company when it is published.

Shareholders of the Company and potential investors are advised to exercise cautions when dealing in the securities of the Company.

By order of the Board
Flyke International Holdings Ltd.
LIN Wenjian
Chairman

Hong Kong, 17 July 2013

As at the date of this announcement, the executive directors are Mr. LIN Wenjian (Chairman and Chief Executive), Mr. LIN Mingxu, Mr. LIN Wenzu and Mr. LI Yong, and the independent non-executive directors are Mr. CHU Kin Wang, Peleus, Mr. WANG Dong and Mr. ZHU Guohe.