



Since 1956

Pegasus International Holdings Limited
創信國際控股有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號：676)

INTERIM REPORT 2024 中期報告

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	NOTES	Six months ended 30 June	
		2024	2023
		US\$'000	US\$'000
		(unaudited)	(unaudited)
Revenue	3	3,232	3,085
Cost of sales and services		(1,264)	(1,190)
Gross profit		1,968	1,895
Other income (expense), gains and losses		227	427
Selling and distribution costs		(143)	(149)
General and administrative expenses		(1,882)	(1,963)
Interest expense on lease liabilities	4	(18)	(21)
Profit before tax	5	152	189
Tax credit	6	13	108
Profit for the period attributable to owners of the Company		165	297
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		707	205
Other comprehensive income for the period, net of tax		707	205
Total comprehensive income for the period attributable to owners of the Company		872	502
Earnings per share	8		
– Basic		0.02 US cents	0.04 US cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	NOTES	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)
Non-current assets			
Investment properties	9	19,432	19,534
Property, plant and equipment	10	64,931	64,927
Right-of-use assets		1,981	2,052
Accrued rentals		357	439
		86,701	86,952
Current assets			
Inventories		74	342
Trade and other receivables	11	2,384	1,279
Financial assets at fair value through profit or loss ("FVTPL")	15	623	585
Bank balances and cash		9,496	9,858
		12,577	12,064
Current liabilities			
Trade and other payables	12	2,703	2,137
Lease liabilities		17	111
Provision for housing provident fund	14	346	345
Tax payable		453	609
		3,519	3,202
Net current assets		9,058	8,862
		95,759	95,814
Capital and reserves			
Share capital	13	9,428	9,428
Reserves		69,282	69,352
Total equity		78,710	78,780
Non-current liabilities			
Lease liabilities		703	689
Deferred tax liabilities		16,346	16,345
		17,049	17,034
		95,759	95,814

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Attributable to owners of the Company						
	Share capital	Share premium	Merger reserve	Properties revaluation reserve	Translation reserve	Retained profits	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2023 (audited)	9,428	21,637	(4,512)	47,898	8,629	(4,533)	78,547
Profit for the period	-	-	-	-	-	297	297
Exchange differences on translating foreign operations	-	-	-	-	205	-	205
Total comprehensive income (expense) for the period	-	-	-	-	205	297	502
Payment of dividends (Note 6)	-	-	-	-	-	-	-
At 30 June 2023 (unaudited)	9,428	21,637	(4,512)	47,898	8,834	(4,236)	79,049
At 1 January 2024 (audited)	9,428	21,637	(4,512)	48,277	8,975	(5,025)	78,780
Profit for the period	-	-	-	-	-	165	165
Exchange differences on translating foreign operations	-	-	-	-	707	-	707
Total comprehensive income for the period	-	-	-	-	707	165	872
Payment of dividends (Note 6)	-	-	-	-	-	(942)	(942)
At 30 June 2024 (unaudited)	9,428	21,637	(4,512)	48,277	9,682	(5,802)	78,710

The merger reserve of the Group represents the difference between the nominal amount of the share capital of the subsidiaries acquired and the nominal value of the share capital of the acquiring companies issued in exchange pursuant to a corporate reorganisation prior to the listing of the Company's shares in 1996.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	498	1,899
INVESTING ACTIVITIES		
Interest received	164	136
NET CASH FROM INVESTING ACTIVITIES	164	136
FINANCING ACTIVITIES		
Repayment of lease liabilities	(66)	(73)
Dividends paid	(942)	–
Interest expense on lease liabilities	(18)	(21)
NET CASH USED IN FINANCING ACTIVITIES	(1,026)	(94)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(364)	1,941
CASH AND CASH EQUIVALENTS AT 1 JANUARY	9,858	8,588
Effect of foreign exchange rate changes	2	6
CASH AND CASH EQUIVALENTS AT 30 JUNE		
REPRESENTED BY BANK BALANCES AND CASH	9,496	10,535

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

1. BASIS OF PREPARATION

The condensed consolidated 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 (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

Other than change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

Application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”)

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Manufacture and sales of footwear products	1,033	784
Revenue from other sources:		
Lease of properties	2,199	2,301
Total revenue	3,232	3,085

Revenue from manufacturing and sales of footwear

Revenue generated from manufacturing and sales of footwear products is recognised at a point in time. Revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customers' specified location. The normal credit period is 60 days upon delivery. The contracts for manufacture and sales of footwear products are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Revenue from lease of properties

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. All operating lease payments are fixed for both years.

3. REVENUE AND SEGMENT INFORMATION (Continued)

- (ii) The following is an analysis of the Group's revenue and results by operating and reportable segments under HKFRS 8 Operating Segments ("HKFRS 8"), based on information reported to the Company's executive directors, being the chief operating decision maker (the "CODM"), for the purposes of resource allocation and assessment of segment performance, which are based on types of goods or services delivered or provided. The Group's operating and reportable segments under HKFRS 8 are as follows:

Segment revenue and results

For the six months ended 30 June 2024

	Manufacturing and sales of footwear products US\$'000 (unaudited)	Lease of properties US\$'000 (unaudited)	Total US\$'000 (unaudited)
REVENUE	1,033	2,199	3,232
RESULTS			
Segment results	(142)	1,966	1,824
Unallocated other income (expense), gain and losses			227
Unallocated corporate expenses			(1,899)
Profit before tax			152

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2023

	Manufacturing and sales of footwear products US\$'000 (unaudited)	Lease of properties US\$'000 (unaudited)	Total US\$'000 (unaudited)
REVENUE	784	2,301	3,085
RESULTS			
Segment results	(383)	2,129	1,746
Unallocated other income (expense), gain and losses			427
Unallocated corporate expenses			(1,984)
Profit before tax			189

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the (loss) profit earned by each segment without allocation of other income (expense), gains and losses and unallocated corporate expenses. This is the measure reported to the CODM of the Group for the purpose of resources allocation and performance assessment.

4. INTEREST EXPENSE ON LEASE LIABILITIES

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Interest expense on lease liabilities	18	21

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Directors' emoluments	61	34
Other staff costs	1,259	1,025
Retirement benefits scheme contributions	81	83
	<hr/>	<hr/>
Total staff costs	1,401	1,142
Capitalised in inventories	(234)	(209)
	<hr/>	<hr/>
	1,167	933
	<hr/>	<hr/>
Auditor's remuneration	96	96
Cost of inventories recognised as an expense	1,032	1,018
Depreciation of property, plant and equipment	172	163
Depreciation of right-of-use assets	50	49
and after (crediting) charging to other income (expense), gains and losses:		
Redundancy costs	20	13
Gain on fair value changes of financial assets at FVTPL	(38)	(116)
Interest income	(164)	(136)
Net foreign exchange loss	(13)	127

6. TAX CREDIT

	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profit Tax	–	2
People's Republic of China ("PRC")		
Enterprise Income Tax	(13)	(110)
	<hr/>	<hr/>
	(13)	(108)
	<hr/>	<hr/>

6. TAX CREDIT *(Continued)*

Under the two-tiered profits tax rates regime Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements and Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision has been made as the PRC subsidiaries incurred tax losses for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision has been made as the group entities incorporated in these jurisdictions have no assessable profits for both periods.

7. DIVIDENDS

During the current interim period, a final dividend of 1.0 HK cents per share in respect of the year ended 31 December 2023 (six months ended 30 June 2023: Nil) was declared and paid to the owners of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to US\$942,000 (six months ended 30 June 2023: Nil).

The directors of the Company have determined that no dividend will be paid in respect of the current interim period (2023: interim dividend of 1.0 HK cent per share).

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company of US\$165,000 (six months ended 30 June 2023: US\$297,000) and on the number of ordinary shares of 730,650,000 (2023: 730,650,000) in issue during the period.

There are no potential ordinary shares outstanding for six months ended 30 June 2024 and 2023.

9. INVESTMENT PROPERTIES

The directors of the Company are of the opinion that the carrying value of the Group’s investment properties as at 30 June 2024 are not materially different from their fair values at 31 December 2023. The management assessed the fair value of these investment properties which are determined based on valuations performed by RHL Appraisal Limited (“RHL”) on an income approach. RHL is an independent qualified professional valuers not connected with the Group. Accordingly, no valuation movement has been recognised in respect of the Group’s investment properties for the period.

10. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group paid approximately US\$29,000 on addition of property, plant and equipment (six months ended 30 June 2023: US\$34,000).

The directors of the Company are of the opinion that the carrying value of the Group's buildings included in property, plant and equipment as at 30 June 2024 are not materially different from their fair values at 31 December 2023. Accordingly, no valuation movement has been recognised in respect of the Group's buildings included in property, plant and equipment for the period.

11. TRADE AND OTHER RECEIVABLES

	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)
Trade receivables	356	702
Other receivables	2,385	1,016
Total trade and other receivables	2,741	1,718
Less: accrued rentals shown under non-current assets	(357)	(439)
	2,384	1,279

The Group allows an average credit period of 60 days to its trade customers. The following is an aged analysis of trade receivables presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)
0–30 days	256	411
31–60 days	95	249
Over 60 days	5	42
Total trade receivables	356	702

12. TRADE AND OTHER PAYABLES

	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)
Trade payables	526	110
Accrued payroll	256	248
Accrued expenses	305	393
Rental deposit received	666	665
Others	950	721
	2,703	2,137

The following is an analysis of trade payables by age presented based on the invoice date at the end of the reporting period:

	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)
0–30 days	2	34
31–60 days	3	17
Over 60 days	521	59
Total trade payable	526	110

The average credit period on purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

13. SHARE CAPITAL

	Number of shares		Amount	
			US\$'000	
Authorised:				
<i>Ordinary shares of Hong Kong dollar (“HK\$”) 0.10 each</i>				
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	1,500,000,000		19,355	
<i>Convertible non-voting preference shares of US\$100,000 each (Note)</i>				
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	150		15,000	
			34,355	
	Number of shares		Amount	
	30 June	31 December	30 June	31 December
	2024	2023	2024	2023
	'000	'000	US\$'000	US\$'000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each	730,650	730,650	9,428	9,428

Note: Convertible non-voting preference shares, when issued and outstanding, will carry a fixed cumulative dividend. Under certain circumstances, they will also be entitled to an additional dividend and can be convertible into ordinary shares of the Company. There were no convertible non-voting preference shares issued for the six months ended 30 June 2024 and year ended 31 December 2023.

14. PROVISION FOR HOUSING PROVIDENT FUND

There were claims made against a subsidiary of the Group in respect of housing provident fund which were initiated by the employees of the subsidiary, and the Group has lodged appeals against these claims. Up to the date of this report, part of the claims are still under process while certain appeals are still under review by the court. While the ultimate outcome of these claims and legal proceedings cannot presently be reliably estimated. The directors of the Company believe that adequate provisions has been made in the Group's condensed consolidated financial statements as at 30 June 2024.

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	30 June 2024 US\$'000 (unaudited)	31 December 2023 US\$'000 (audited)		
Financial assets mandatorily measured at fair value through profit or loss	623	585	Level 1	Quoted bid prices in an active market

There were no transfers between Level 1, 2 and 3 during the current interim period.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values at the end of the reporting period.

FINANCIAL REVIEW

Since the year ended 31 December 2020, in addition to the original business of manufacture and sales of footwear product, the Group entered into operating lease contracts with tenants and received rental income. For the six months ended 30 June 2024, the Group achieved a revenue of US\$3,232,000 (six months ended 30 June 2023: US\$3,085,000) compared with the six months ended 30 June 2023, the revenue increased by 4.8%.

Profit before taxation of the Group for the six months ended 30 June 2024 was US\$152,000 (six months ended 30 June 2023: profit before tax US\$189,000).

Basic profit per share for the six months ended 30 June 2024 was 0.02 US cents (six months ended 30 June 2023: basic profit per share 0.04 US cents). The gross profit is US\$1,968,000 during the current period.

BUSINESS REVIEW AND PROSPECTS

In the first half of 2024, the global environment remained complicated, with inflation pressures unabated and signs of escalating armed conflicts across various regions. These factors led to continued political and economic volatility, keeping the road to economic recovery beyond sight. Coupled with high interest rates, the landscape was unfavorable for corporate financing and development. In order to cope with the potential downside risks of the global economy, the general consumer purchasing sentiment has diminished, leading to a weaker retail market, especially in the consumer goods sector.

The Group, as a footwear export manufacturing enterprise, was not immune to these impacts. Owing to the trust from our customers and the dedication of our sales and production staff in maintaining excellent service and product quality, our footwear exports remained stable in the first six-month period, comparable to the previous year.

BUSINESS REVIEW AND PROSPECTS *(Continued)*

The rental business of idle factory space remained stable for the first half of the year, with rental income contributing good cash flow to the Group. Due to economic fluctuations in mainland China, the Group will exercise more caution in seeking new tenants, by meticulously reviewing tenants' business and financial capabilities. Simultaneously, efforts will be made to negotiate early lease renewals with existing high-quality tenants to maximize the utilization of rentable space.

The second half of 2024 is fraught with uncertainties in global political dynamics, and therefore it remains unclear that the overall economic trend can be reversed. It is anticipated that the general consumer sentiment will remain subdued, challenging business operations. The Group will timely adjust its operational strategies, while adhering to its long-standing principle of financial prudence to navigate through the diverse challenges that may arise in the ever-changing market landscape.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's total net assets was US\$78,710,000, comprising mainly current assets of US\$12,577,000, non-current assets of US\$86,701,000, current liabilities of US\$3,519,000 and non-current liabilities of US\$17,049,000. As at 30 June 2024, the Group had cash and cash equivalent of US\$9,496,000 (as at 31 December 2023: US\$9,858,000). As at 30 June 2024, the Group did not have any bank borrowing, the management considered that current ratio is a better indicator to reflect the Group's financial position. The current ratio of 3.6 (as at 31 December 2023: 3.8) times was derived by the total current assets of US\$12,577,000 (2023: US\$12,064,000) divided by the total current liabilities of US\$3,519,000 (2023: US\$3,202,000) as at 30 June 2024.

The Group services its debts primarily through cashflow generated from its operation. The Directors believe that the Group has maintained sufficient working capital for its operation and future expansion.

DIRECTORS' INTERESTS IN SHARES

As at 30 June 2024, the interests of the directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinances (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers, were as follows:

Long positions

(a) *Ordinary shares of HK\$0.10 each of the Company*

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Wu Jenn Chang, Michael	Beneficial owner	8,000,000	1.09%
Wu Jenn Tzong, Jackson	Beneficial owner	1,000,000	0.14%
		9,000,000	1.23%

DIRECTORS' INTERESTS IN SHARES *(Continued)*Long positions *(Continued)**(b) Ordinary shares of the associated corporations of the Company*

Pegasus Footgear Management Limited (note 1)

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the associated corporation
Wu Chen San, Thomas	Beneficial owner and Corporate (note 2)	6,470	32%
Wu Jenn Chang, Michael	Corporate (note 3)	6,470	32%
Wu Jenn Tzong, Jackson	Corporate (note 4)	6,470	32%
		19,410	96%

Notes:

1. Pegasus Footgear Management Limited is the holding company of the Company.
2. 3,235 shares are jointly held by Mr. Wu Chen San, Thomas and Mrs. Peggy Wu, the spouse of Mr. Wu Chen San, Thomas, and 3,235 shares are held by Skyplus Limited, a company owned by Mrs. Peggy Wu.
3. The shares are entirely held by MW Investment Limited, a company owned by Mr. Wu Jenn Chang, Michael.
4. The shares are entirely held by JW Investment Limited, a company owned by Mr. Wu Jenn Tzong, Jackson.

Save as disclosed above, at 30 June 2024, none of the directors nor their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company, its holding company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests disclosed in “Directors’ Interests in Shares”, the following shareholder had notified the Company of relevant interest in the issued share capital of the Company.

Long position

Ordinary shares of HK\$0.10 each of the Company

Name of shareholder	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Pegasus Footgear Management Limited (note)	Beneficial owner	468,743,940	64%

Note: Details of the directors’ interests in Pegasus Footgear Management Limited are disclosed under the section headed “Directors’ Interests in Shares”.

Save as disclosed above, the Company has not been notified of any other relevant interests or short position in the issued share capital of the Company as at 30 June 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the six months ended 30 June 2024.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules for securities transactions by directors of the Company.

Having made specify enquiry of all directors, the directors had complied with the required standard set out in the Model Code throughout the six months ended 30 June 2024.

AUDIT COMMITTEE

The audit committee of the Board has reviewed, with management of the Company, the Group's unaudited condensed consolidated financial information for the six months ended 30 June 2024, the interim report, the accounting principles and practices adopted by the Group and has discussed risk management, internal controls, and financial reporting matters.

By Order of the Board
Pegasus International Holdings Limited
Wu Chen San, Thomas
Chairman

Hong Kong, 29 August 2024

