

The Board of Directors (the "Directors") of Pegasus International Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2004 with comparative figures for the corresponding period in 2003.

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30th June, 2004

		Six months ended	
		30th June,	
		2004	2003
		(unaudited)	(unaudited)
	NOTES	US\$'000	US\$'000
Turnover		70,949	60,405
Cost of sales		(57,388)	(46,748)
Gross profit		13,561	13,657
Other operating income		740	216
Selling and distribution costs		(3,617)	(3,233)
Administrative expenses		(6,383)	(6,429)
Profit from operations	3	4,301	4,211
Interest on bank borrowings wholly repayable within five years		(293)	(415)
Share of results of associates		335	12
Amortisation of goodwill of an associate		–	(68)
Impairment loss recognised in investment security		(1,164)	–
Share of results of jointly controlled entities		91	173
Profit before taxation		3,270	3,913
Taxation	4	(191)	(96)
Net profit attributable to shareholders		3,079	3,817
Dividends attributable for the year	5	943	943
Earnings per share	6		
Basic		0.4 US cent	0.5 US cent
Diluted		N/A	N/A