

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, 2005 with comparative figures for the corresponding period in 2004.

## CONDENSED CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30th June, 2005

		<b>Six months ended 30th June,</b>	
		<b>2005 (unaudited) US\$'000</b>	2004 (unaudited) US\$'000
	NOTES		
Turnover		<b>70,711</b>	70,949
Cost of sales		<b>(59,225)</b>	(57,388)
Gross profit		<b>11,486</b>	13,561
Other operating income		<b>495</b>	740
Selling and distribution costs		<b>(3,949)</b>	(3,617)
Administrative expenses		<b>(6,115)</b>	(6,383)
Profit from operations	3	<b>1,917</b>	4,301
Interest on bank borrowings wholly repayable within five years		<b>(559)</b>	(293)
Write-off of an investment security		–	(1,164)
Share of results of associates		<b>46</b>	335
Share of results of jointly controlled entities		<b>5</b>	91
Profit before taxation		<b>1,409</b>	3,270
Taxation	4	<b>(197)</b>	(191)
Net profit attributable to shareholders		<b>1,212</b>	3,079
Dividends	5	–	943
Earnings per share	6		
Basic		<b>0.17 US cent</b>	0.4 US cent
Diluted		<b>N/A</b>	N/A