



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 2023 中期報告

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	NOTES	Six months ended 30 June	
		2023 US\$'000 (unaudited)	2022 US\$'000 (unaudited)
Revenue	3	3,085	5,261
Cost of sales and services		(1,190)	(2,541)
Gross profit		1,895	2,720
Other income (expense), gains and losses		427	99
Selling and distribution costs		(149)	(245)
General and administrative expenses		(1,963)	(1,999)
Interest expense on lease liabilities	4	(21)	(19)
Profit before tax	5	189	556
Tax credit (expense)	6	108	(67)
Profit for the period attributable to owners of the Company		297	489
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		205	(2,102)
Other comprehensive income (expense) for the period, net of tax		205	(2,102)
Total comprehensive income (expense) for the period attributable to owners of the Company		502	(1,613)
Earnings per share	8		
– Basic		0.04 US cents	0.07 US cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	NOTES	30 June 2023 US\$'000 (unaudited)	31 December 2022 US\$'000 (audited)
Non-current assets			
Investment properties	9	65,632	65,518
Property, plant and equipment	10	19,761	19,788
Right-of-use assets		2,199	2,310
Accrued rentals		207	206
		87,799	87,822
Current assets			
Inventories		196	557
Trade and other receivables	11	1,128	2,196
Financial assets at fair value through profit or loss ("FVTPL")		567	451
Bank balances and cash		10,535	8,588
		12,426	11,792
Current liabilities			
Trade and other payables	12	2,726	2,601
Lease liabilities		109	106
Provision for housing provident fund	14	423	421
Tax payable		773	773
		4,031	3,901
Net current assets		8,395	7,891
		96,194	95,713
Capital and reserves			
Share capital	13	9,428	9,428
Reserves		69,621	69,119
Total equity		79,049	78,547
Non-current liabilities			
Deferred tax liabilities		16,399	16,367
Lease liabilities		746	799
		17,145	17,166
		96,194	95,713

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	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 2022 (audited)	9,428	21,637	(4,512)	41,245	17,091	(5,273)	79,616
Profit for the period	-	-	-	-	-	489	489
Exchange differences on translating foreign operations	-	-	-	-	(2,102)	-	(2,102)
Total comprehensive income (expense) for the period	-	-	-	-	(2,102)	489	(1,613)
Payment of dividends (Note 6)	-	-	-	-	-	-	-
At 30 June 2022 (unaudited)	9,428	21,637	(4,512)	41,245	14,989	(4,784)	78,003
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

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 2023

	Six months ended 30 June	
	2023	2022
	US\$'000	US\$'000
	(unaudited)	(unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	1,899	1,747
INVESTING ACTIVITIES		
Interest received	136	18
NET CASH FROM INVESTING ACTIVITIES	136	18
FINANCING ACTIVITIES		
Repayment of lease liabilities	(73)	(68)
Interest expense on lease liabilities	(21)	(19)
NET CASH USED IN FINANCING ACTIVITIES	(94)	(87)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,941	1,678
CASH AND CASH EQUIVALENTS AT 1 JANUARY	8,588	8,780
Effect of foreign exchange rate changes	6	(59)
CASH AND CASH EQUIVALENTS AT 30 JUNE		
REPRESENTED BY BANK BALANCES AND CASH	10,535	10,399

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

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.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are consistent with those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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	
	2023	2022
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Manufacture and sales of footwear products	784	2,847
Revenue from other sources:		
Lease of properties	2,301	2,414
Total revenue	3,085	5,261

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 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

3. REVENUE AND SEGMENT INFORMATION (Continued)

(ii) (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2022

	Manufacturing and sales of footwear products US\$'000 (unaudited)	Lease of properties US\$'000 (unaudited)	Total US\$'000 (unaudited)
REVENUE	2,847	2,414	5,261
RESULTS			
Segment results	246	2,229	2,475
Unallocated other income (expense), gain and losses			99
Unallocated corporate expenses			(2,018)
Profit before tax			556

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	
	2023	2022
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Interest expense on lease liabilities	21	19

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2023	2022
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:		
Directors' emoluments	34	33
Other staff costs	1,025	1,495
Retirement benefits scheme contributions	83	64
	1,142	1,592
Capitalised in inventories	(209)	(613)
	933	979
Auditor's remuneration	96	96
Cost of inventories recognised as an expense	1,018	2,356
Depreciation of property, plant and equipment	163	193
Depreciation of right-of-use assets	49	79
and after (crediting) charging to other income (expense), gains and losses:		
Redundancy costs	13	–
Gain on fair value changes of financial assets at FVTPL	(116)	(44)
Interest income	(136)	(18)
Net foreign exchange loss	127	229

6. TAX CREDIT (EXPENSE)

	Six months ended 30 June	
	2023	2022
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profit Tax	2	–
People's Republic of China ("PRC") Enterprise Income Tax	(110)	67
	(108)	67

6. TAX CREDIT (EXPENSE) (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

The directors have determined that an interim dividend of 1.0 HK cent per share (2022: interim dividend of 1.0 HK cent per share) should be paid to the shareholders of the Company whose name appear on the Register of Member on 28 September 2023.

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\$297,000 (six months ended 30 June 2022: US\$489,000) and on the number of ordinary shares of 730,650,000 (2022: 730,650,000) in issue during the period.

There are no potential ordinary shares outstanding for six months ended 30 June 2023 and 2022.

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 2023 are not materially different from their fair values at 31 December 2022. 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 2023, the Group paid approximately US\$34,000 on addition of property, plant and equipment (six months ended 30 June 2022: Nil).

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 2023 are not materially different from their fair values at 31 December 2022. 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 2023 US\$'000 (unaudited)	31 December 2022 US\$'000 (audited)
Trade receivables	369	1,741
Other receivables	966	661
Total trade and other receivables	1,335	2,402
Less: accrued rentals shown under non-current assets	(207)	(206)
	1,128	2,196

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 2023 US\$'000 (unaudited)	31 December 2022 US\$'000 (audited)
0–30 days	182	790
31–60 days	50	602
Over 60 days	137	349
Total trade receivables	369	1,741

12. TRADE AND OTHER PAYABLES

	30 June 2023 US\$'000 (unaudited)	31 December 2022 US\$'000 (audited)
Trade payables	518	104
Accrued payroll	253	337
Accrued expenses	333	364
Rental deposit received	922	919
Others	700	877
	2,726	2,601

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 2023 US\$'000 (unaudited)	31 December 2022 US\$'000 (audited)
0–30 days	7	10
31–60 days	–	–
Over 60 days	511	94
	518	104

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 2022, 30 June 2022, 1 January 2023 and 30 June 2023		1,500,000,000		19,355
<i>Convertible non-voting preference shares of US\$100,000 each (Note)</i>				
At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023		150		15,000
				34,355
	Number of shares		Amount	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	'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 2023 and year ended 31 December 2022.

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 2023.

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 2023	31 December 2022		
	US\$'000 (unaudited)	US\$'000 (audited)		
Financial assets mandatorily measured at fair value through profit or loss	567	451	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.

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of 1.0 HK cent per ordinary share for the six months ended 30 June 2023 to shareholders whose names appear on the register of members on 28 September 2023. The dividend warrants will be sent to shareholders on or before 18 October 2023.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 25 September 2023 to Thursday, 28 September 2023, both days inclusive, during which no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 September 2023.

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 2023, the Group achieved a revenue of US\$3,085,000 (six months ended 30 June 2022: US\$5,261,000) compared with the six months ended 30 June 2022, the revenue decreased by 41%.

Profit before taxation of the Group for the six months ended 30 June 2023 was US\$189,000 (six months ended 30 June 2022: profit before tax US\$556,000).

Basic profit per share for the six months ended 30 June 2023 was 0.04 US cents (six months ended 30 June 2022: basic profit per share 0.07 US cents). The gross profit is US\$1,895,000 during the current period.

BUSINESS REVIEW AND PROSPECTS

In the first six months of 2023, despite the initial surge of positivity, the market faced significant challenges, including the financial crises of financial institutions in Europe and the United States, ongoing conflicts in Eastern Europe, persistent high inflation and elevated interest rates, casting a shadow of pessimism across the global economy. Businesses were under immense pressure, which was evident from the release of various unsatisfactory data. As consumers' enthusiasm and confidence have been dampened, the global commodity trade volumes are expected to remain at low level. As an export-oriented manufacturing enterprise, the Group was also profoundly affected by the shrinking market demand. Footwear export sales for the first six months sharply declined when compared to the same period last year.

Starting from 2020, leveraging its strengths and resources, the Group has been leasing idle factories as a new business line. During the first half of the year, the leasing business remained stable and the rental income has contributed positive cash flow, further consolidating the Group's stable financial position.

It is expected that consumer demand and the macro-economic performance will remain subdued in the second half of 2023. The management has implemented strategies aiming at prudent cost management and expenditure control, while upholding the Group's longstanding commitment to delivering high-quality products. In addition, in order to prepare for the prospective market and economic fluctuations in the future, the Group will continue to identify suitable lessees and develop a more diversified business portfolio.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group's total net assets was US\$79,049,000, comprising mainly current assets of US\$12,426,000, non-current assets of US\$87,799,000, current liabilities of US\$4,031,000 and non-current liabilities of US\$17,145,000. As at 30 June 2023, the Group had cash and cash equivalent of US\$10,535,000 (as at 31 December 2022: US\$8,588,000). As at 30 June 2023, 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 3.1 (as at 31 December 2022: 3.0) times was derived by the total current assets of US\$12,426,000 (2022: US\$11,792,000) divided by the total current liabilities of US\$4,031,000 (2022: US\$3,901,000) as at 30 June 2023. 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 2023, 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 2023, 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 2023, 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 2023.

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

During the six months ended 30 June 2023, 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

According to paragraph A(c) of Part 1 of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Code Provisions”), any deviation from the Code Provisions during financial year should be disclosed. As disclosed in the supplemental announcement dated 3 May 2023, it was disclosed in the 2022 Annual Report, published on 27 April 2023, that the Company has fully complied with all requirements set out in the Code Provision throughout the year ended 31 December 2022, and the Company has clarified in the supplemental announcement that the Company inadvertently considered that the transitional period for appointment of new independent non-executive director for long-servicing non-executive directors also applied to the compliance of B.2.4(a) of the Code Provision and failed to comply with such Code Provision and make relevant disclosure in the circular of the Company dated 22 April 2022. Save as disclosed, the Company has complied with all other requirements under the Code Provisions during the six months ended 30 June 2023.

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 2023.

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 2023, 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, 30 August 2023

