

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, 2006 with comparative figures for the corresponding period in 2005.

CONDENSED CONSOLIDATED INCOME STATEMENT

For The Six Months Ended 30th June, 2006

		Six months ended 30th June,	
		2006 (unaudited) US\$'000	2005 (unaudited) US\$'000
	<i>NOTES</i>		
Turnover		73,749	70,711
Cost of sales		(61,673)	(59,225)
Gross profit		12,076	11,486
Other income		454	495
Selling and distribution costs		(3,700)	(3,949)
Administrative expenses		(5,801)	(6,115)
Profit from operations	3	3,029	1,917
Interest on bank borrowings wholly repayable within five years		(683)	(559)
Share of results of associates		85	46
Share of results of jointly controlled entities		58	5
Profit before taxation		2,489	1,409
Taxation	4	(331)	(197)
Profit for the year		2,158	1,212
Dividends	5	943	–
Earnings per share	6		
Basic		0.30 US cent	0.17 US cent
Diluted		N/A	N/A