PEGASUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 676)

PROFIT WARNING

This announcement is made by Pegasus International Holdings Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company and potential investors that based on a preliminary review of the unaudited management accounts of the Group for the 5 months ended 31 May 2018, sales orders received from the Group's customers thus far and other unaudited financial information currently available, it is expected that the Group will record a significant loss for the 6 months ended 30 June 2018 as compared to the net profit before tax of approximately US$998,000 for the corresponding period in 2017, mainly due to significant decrease in revenue resulting from decrease in sales orders from the Group's existing customers as well as redundancy expenses incurred by the Group.

The information contained in this announcement is only a preliminary assessment by the management of the Company based on information currently available to it, which was neither reviewed nor audited by the Company's auditors. The Group's results for the six months ended 30 June 2018 are expected to be published in August 2018.

The Board wishes to emphasise that the Group's cash flow remains stable and the Company's management will continue to seek new customers to mitigate the impact of the decrease in sales orders received from existing customers on the Group's business operations and revenue.

Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 10 July 2018

As at the date of this announcement, the executive directors are Mr. Wu Chen San, Thomas, Mr. Wu Jenn Chang, Michael, Mr. Wu Jenn Tzong, Jackson and Mr. Ho Chin Fa, Steven. The independent non-executive directors are Mr. Huang Hung Ching, Mr. Lai Jenn Yang, Jeffrey and Mr. Liu Chung Kang, Helios.

The electronic version of this announcement will be published on the website of the Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the website of the Company (www.pegasusinternationalholdings.com).