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PEGASUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 676)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Pegasus International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to provide its shareholders and potential investors with the latest business development of the Group.

As at the date of this announcement, the Group is principally engaged in two businesses, (i) original equipment manufacturing of footwear products with customers with major markets in the North America (the “**Footwear Business**”); and (ii) leasing of idle plant spaces in the People’s Republic of China (the “**PRC**”) (the “**Leasing Business**”).

The global outbreak of COVID-19 and the trade war between the PRC and the United States have brought upon unprecedented challenges to the consumer market which in turn seriously affects the Footwear Business. In light of the tariffs imposed on footwear products from the PRC and global outbreak of COVID-19, although the management of the Group has spent great efforts to expand the Group’s customer base, the results were not satisfactory. The Group will explore the possibility to relocate its factories to Southeast Asia when the outbreak of COVID-19 is under control. The Group will also continue to find new customers and explore business opportunities with its existing customers.

The Group has started to lease its idle plants in the PRC to independent third parties in 2020. The Leasing Business enables the Group to use its existing resources to generate a stable source of income for the Group. The Group will continue to identify new lessees.

The Company will pay close attention to the development of COVID-19 pandemic in order to adopt appropriate strategies for the development of the business of the Group.

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

Hong Kong, 10 May 2021

List of all Directors of the Company as of the date of this announcement:

Executive Directors:

Wu Chen San, Thomas (*Chairman*)
Wu Jenn Chang, Michael (*Deputy Chairman*)
Wu Jenn Tzong, Jackson
Ho Chin Fa, Steven

Independent Non-executive Directors:

Lai Jenn Yang, Jeffrey
Liu Chung Kang, Helios
Huang Hung Ching