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PEGASUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 676)

ANNOUNCEMENTS OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 30 June 2026 with comparative figures for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	<i>NOTES</i>	2026	2025
		US\$'000	US\$'000
		(unaudited)	(unaudited)
Revenue	3	1,392	1,481
Cost of sales and services		(126)	(360)
Gross profit		1,266	1,121
Other income, other gains and losses		663	419
Selling and distribution costs		(40)	(32)
General and administrative expenses		(2,002)	(1,678)
Finance costs	4	(58)	(34)
Loss before tax	5	(171)	(204)
Tax credit	6	–	1
Loss for the period attributable to owners of the Company		(171)	(203)
Other comprehensive income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		2,242	42
Other comprehensive income for the period, net of tax		2,242	42
Total comprehensive income (expense) for the period attributable to owners of the Company		2,071	(161)
Loss per share			
– Basic		(US0.02 cents)	(US0.03 cents)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

		30 June 2026 US\$'000 (unaudited)	31 December 2025 US\$'000 (audited)
	NOTES		
Non-current assets			
Investment properties		59,217	58,022
Property, plant and equipment	8	20,784	20,026
Right-of-use assets		1,736	1,771
Accrued rentals		139	132
		<u>81,876</u>	<u>79,951</u>
Current assets			
Trade and other receivables	9	2,161	1,748
Financial assets at fair value through profit or loss ("FVTPL")		1,374	1,135
Time deposits		146	141
Pledged bank deposits		2,912	2,860
Bank balances and cash		7,424	7,930
		<u>14,017</u>	<u>13,814</u>
Current liabilities			
Other payables	10	1,191	1,310
Bank borrowings	11	2,412	250
Lease liabilities		79	82
Provision for housing provident fund	13	63	60
Tax payable		655	630
		<u>4,400</u>	<u>2,332</u>
Net current assets		<u>9,617</u>	<u>11,482</u>
		<u>91,493</u>	<u>91,433</u>
Capital and reserves			
Share capital	12	9,428	9,428
Reserves		66,067	63,996
Total equity		<u>75,495</u>	<u>73,424</u>
Non-current liabilities			
Deferred tax liabilities		15,280	14,941
Bank borrowings	11	–	2,332
Lease liabilities		718	736
		<u>15,998</u>	<u>18,009</u>
		<u>91,493</u>	<u>91,433</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

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 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.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2026 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards 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	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Revenue from contracts with customers:		
Manufacture and sales of footwear products	–	13
Revenue from other sources:		
Lease of properties	1,392	1,468
Total revenue	1,392	1,481

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.

- (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 2026

	Manufacturing and sales of footwear products US\$'000 (unaudited)	Lease of properties US\$'000 (unaudited)	Total US\$'000 (unaudited)
REVENUE	–	1,392	1,392
RESULTS			
Segment results	(122)	1,266	1,144
Unallocated other income, other gain and losses			663
Unallocated corporate expenses			(1,978)
Loss before tax			(171)

For the six months ended 30 June 2025

	Manufacturing and sales of footwear products US\$'000 (unaudited)	Lease of properties US\$'000 (unaudited)	Total US\$'000 (unaudited)
REVENUE	13	1,468	1,481
RESULTS			
Segment results	(204)	1,270	1,066
Unallocated other income, other gain and losses			419
Unallocated corporate expenses			(1,689)
Loss before tax			(204)

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, other 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. FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Interest expense on lease liabilities	20	21
Interest on bank borrowings	38	13
	58	34

5. LOSS BEFORE TAX

	Six months ended 30 June	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Directors' emoluments	71	69
Other staff costs	357	416
Retirement benefits scheme contributions	31	40
Total staff costs	459	525
Capitalised in inventories	–	(20)
	459	505
Auditor's remuneration	97	96
Cost of inventories recognised as an expense	–	161
Depreciation of property, plant and equipment	161	130
Depreciation of right-of-use assets	34	48
and after (crediting) charging to other income, other gains and losses:		
Redundancy costs	18	138
Gain on fair value changes of financial assets at FVTPL	(239)	(178)
Interest income	(151)	(130)
Net foreign exchange gain	(29)	(6)

6. TAX CREDIT

	Six months ended 30 June	
	2026	2025
	US\$'000	US\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profit Tax	–	(8)
The People's Republic of China ("PRC")		
Enterprise Income Tax	–	7
	–	(1)

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%.

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.

The Group is operating in certain jurisdictions where the Pillar Two Rules (“Pillar Two Rules”) are effective. However, as the Group’s estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account the adjustments under the Global Anti-base Erosion Rules based on management’s best estimate, the management of the Group considered the Group is not liable to income taxes under the Pillar Two Rules.

7. DIVIDENDS

The directors have determined that an interim dividend of 1.0 HK cent per share (2025: Nil) should be paid to the shareholders of the Company whose name appear on the Register of Member on 29 September 2026.

8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group did not acquire any property, plant and equipment (six months ended 30 June 2025: approximately US\$47,000 addition of property, plant and equipment).

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 2026 are not materially different from their fair values at 31 December 2025. Accordingly, no valuation movement has been recognised in respect of the Group’s buildings included in property, plant and equipment for the period.

9. TRADE AND OTHER RECEIVABLES

	30 June 2026 US\$’000 (unaudited)	31 December 2025 US\$’000 (audited)
Trade receivables	1,341	974
Other receivables	<u>959</u>	<u>906</u>
Total trade and other receivables	2,300	1,880
Less: accrued rentals shown under non-current assets	<u>(139)</u>	<u>(132)</u>
	<u>2,161</u>	<u>1,748</u>

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 2026 US\$'000 (unaudited)	31 December 2025 US\$'000 (audited)
0–30 days	314	–
31–60 days	–	–
Over 60 days	1,027	974
Total trade receivables	1,341	974

10. OTHER PAYABLES

	30 June 2026 US\$'000 (unaudited)	31 December 2025 US\$'000 (audited)
Accrued payroll	324	218
Accrued expenses	144	337
Rental deposit received	634	602
Others	89	153
	1,191	1,310

The average credit period on other payables is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

11. BANK BORROWINGS

The Group's bank borrowings, all of which are secured, comprised:

	30 June 2026 US\$'000 (unaudited)	31 December 2025 US\$'000 (audited)
Bank loans	<u>2,412</u>	<u>2,582</u>
The bank borrowings are repayable as follows:		
Within one year or on demand	2,412	250
More than one year, but not exceeding two years	<u>–</u>	<u>2,332</u>
	2,412	2,582
Less: Amount due within one year shown under current liabilities	<u>–</u>	<u>(250)</u>
Amount due after one year	<u><u>2,412</u></u>	<u><u>2,332</u></u>

The exposure of the Group's borrowings are as follows:

	30 June 2026 US\$'000 (unaudited)	31 December 2025 US\$'000 (audited)
Fixed-rate borrowings	<u><u>2,412</u></u>	<u><u>2,582</u></u>

Notes:

- (i) As at 30 June 2026 and 31 December 2025, the Group's fixed-rate borrowings carry an interest rate of 3% per annum.
- (ii) The borrowings are secured by a pledged bank deposits of US\$2,912,000 (31 December 2025: US\$2,860,000).

12. SHARE CAPITAL

	Number of shares	Amount US\$'000
Authorised:		
<i>Ordinary shares of Hong Kong dollar ("HK\$") 0.10 each</i>		
At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	1,500,000,000	19,355
<i>Convertible non-voting preference shares of US\$100,000 each (Note)</i>		
At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	150	15,000
		34,355

	Number of shares		Amount	
	30 June 2026 '000	31 December 2025 '000	30 June 2026 US\$'000	31 December 2025 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 2026 and year ended 31 December 2025.

13. 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 announcement, 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 2026.

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 2026 to shareholders whose names appear on the register of members on 29 September 2026. The dividend warrants will be sent to shareholders on or before 21 October 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 24 September 2026 to Tuesday, 29 September 2026, 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 Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 23 September 2026.

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. As disclosed in the announcement dated 22 May 2025, the business of manufacturing and export sales of footwear products has faced significant challenges following the imposition of escalated tariffs by the U.S. government on goods produced in China. The uncertainties around tariff policies resulted in a highly volatile trading environment and customers avoiding sourcing from Chinese manufacturers in the meantime. In response to these market dynamics, the Group has made the decision to temporarily suspend production activities and will monitor market conditions over the next one to two years for signs of improvement.

For the six months ended 30 June 2026, the Group achieved a revenue of US\$1,392,000 (six months ended 30 June 2025: US\$1,481,000) compared with the six months ended 30 June 2025, the revenue decreased by 6.0%.

Loss before taxation of the Group for the six months ended 30 June 2026 was US\$171,000 (six months ended 30 June 2025: US\$204,000).

Basic loss per share for the six months ended 30 June 2026 was US0.02 cents (six months ended 30 June 2025: US0.03 cents). The gross profit is US\$1,266,000 during the current period (six months ended 30 June 2025: US\$1,121,000).

BUSINESS REVIEW AND PROSPECTS

During the first half of 2026, the global economic and geopolitical environment remained complex and volatile. Persistent trade tensions, tariff uncertainty and military conflicts, particularly in the Middle East, continued to disrupt global supply chains and place pressure on energy prices, transportation costs and business confidence.

Although global merchandise trade recorded some growth, it was largely driven by technology-related products and remained uneven across industries. Demand for traditional consumer goods remained subdued, reflecting weak domestic demand and cautious consumer sentiment. Consequently, the operating environment for the Group's footwear export manufacturing business remained extremely challenging.

Meanwhile, economic conditions in mainland China remained uncertain, with subdued domestic demand and continued pressure on various sectors. These conditions also created challenges for the Group's leasing business, particularly in attracting suitable tenants and maintaining stable occupancy levels.

Nevertheless, the Group's leasing business continued to provide a relatively stable cash flow. In Q2 2026, the Group entered into two new tenancy agreements, which are expected to contribute additional cash flow in the second half of 2026. The Group also engaged a media partner to prepare promotional materials for our industrial park and leasing business, with a view to broadening the reach to potential tenants.

In response to the prevailing market conditions, the Group will maintain strict cost controls, enhance the utilization of its existing assets and pursue suitable business development opportunities.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2026, the Group's total net assets was US\$75,495,000, comprising mainly current assets of US\$14,017,000, non-current assets of US\$81,876,000, current liabilities of US\$4,400,000 and non-current liabilities of US\$15,998,000. As at 30 June 2026, the Group had cash and cash equivalent of US\$7,424,000 (as at 31 December 2025: US\$7,930,000). As at 30 June 2026, the Group had bank borrowings of US\$2,412,000 (as at 31 December 2025: US\$2,582,000), the management considered that current ratio is a better indicator to reflect the Group's financial position. The current ratio of 3.2 (as at 31 December 2025: 5.9) times was derived by the total current assets of US\$14,017,000 (2025: US\$13,814,000) divided by the total current liabilities of US\$4,400,000 (2025: US\$2,332,000) as at 30 June 2026.

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.

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

During the six months ended 30 June 2026, 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

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in the Listing Rules during the six months ended 30 June 2026.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in 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 2026.

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 2026, the interim report, the accounting principles and practices adopted by the Group and has discussed risk management, internal controls, and financial reporting matters.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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).

The interim report for the six months end 30 June 2026 containing all the information required by Appendix 16 to the Listing Rules will be despatched to the shareholders and published on the websites of the Stock Exchange of Hong Kong Limited and the Company in due course.

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

Hong Kong, 27 August 2026

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
Wu Meng Lung

Independent Non-executive Directors:

Lai Jenn Yang, Jeffrey
Huang Hung Ching
Wu Wen Yen

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