S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

FINANCIAL HIGHLIGHTS

- Turnover increased by 52.1% to HK$3.5 billion
- Earnings before interest, tax, depreciation and amortization (EBITDA) rose by 22.3% to HK$100.1 million
- Profit attributable to equity holders grew by 148.8% to HK$45.3 million
- Basic earnings per share amounted to HK18.18 cents (2006: HK7.50 cents)
- Proposed final dividend per share was HK5 cents (2006: HK5 cents)
- Total dividend per share for 2007 was HK8 cents (2006: HK7 cents)

The Board of Directors (the "Board") of S.A.S. Dragon Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 together with last year's comparative figures are as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	Notes	2007 HK$'000	2006 HK$'000
Turnover	3	**3,499,789**	2,301,140
Cost of sales		**(3,298,111)**	(2,144,960)
Gross profit		**201,678**	156,180
Other income		**32,286**	17,612
Distribution and selling expenses		**(18,131)**	(14,755)
Administrative expenses		**(127,657)**	(88,056)
Increase in fair value of investment properties		**11,421**	4,521
Share of results of associates		**(21)**	(151)
Finance costs		**(36,603)**	(32,559)
Impairment loss on available-for-sale investments		**–**	(15,600)
Gain on deemed disposal of interest in an associate		**–**	329
Profit before taxation		**62,973**	27,521
Taxation	4	**(9,884)**	(5,149)
Profit for the year	5	**53,089**	22,372
Attributable to:			
Equity holders of the Company		**45,282**	18,201
Minority interests		**7,807**	4,171
		53,089	22,372
Dividends paid	6	**19,911**	16,978
Earnings per share			
Basic	7	**HK18.18 cents**	HK7.50 cents

CONSOLIDATED BALANCE SHEET
As at 31 December 2007

	2007	2006
	HK$'000	*HK$'000*
Non-current Assets		
Investment properties	**111,830**	87,200
Property, plant and equipment	**145,628**	135,508
Prepaid lease payments-non-current portion	**1,243**	1,179
Goodwill	**16,419**	1,369
Interests in associates	**678**	699
Available-for-sale investments	**8,180**	4,970
Club memberships	**3,465**	3,012
Pledged bank deposits	**–**	23,396
Deposits paid on acquisition of property, plant and equipment	**20,600**	–
	308,043	257,333
Current Assets		
Inventories	**504,601**	269,392
Trade and other receivables	**443,407**	357,665
Bills receivable	**25,012**	26,398
Prepaid lease payments-current portion	**26**	24
Financial assets at fair value through profit or loss	**28,178**	12,025
Available-for-sale investments	**5,084**	–
Taxation recoverable	**1,878**	3,047
Pledged bank deposits	**62,543**	45,097
Bank balances and cash	**179,501**	225,705
	1,250,230	939,353

	2007	2006
	HK$'000	*HK$'000*
Current Liabilities		
Trade and other payables	**316,669**	145,149
Bills payable	**97,762**	63,056
Derivative financial instruments	**692**	–
Taxation payable	**3,400**	1,224
Obligations under finance leases-due within one year	**–**	111
Bank borrowings-due within one year	**499,291**	471,870
	917,814	681,410
Net Current Assets	**332,416**	257,943
	640,459	515,276
Capital and Reserves		
Share capital	**25,949**	24,254
Share premium and reserves	**387,254**	341,906
Equity attributable to equity holders of the Company	**413,203**	366,160
Minority interests	**30,983**	7,681
Total Equity	**444,186**	373,841
Non-current Liabilities		
Obligations under finance leases-due after one year	**–**	56
Bank borrowings-due after one year	**184,812**	132,615
Deferred tax liabilities	**11,461**	8,764
	196,273	141,435
	640,459	515,276

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its subsidiaries are distribution of electronic components and semiconductors products, distribution of sports products and manufacture and sales of liquid crystal display modules.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendment or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 11	HKFRS 2: Group and Treasury Share Transactions[3]
HK(IFRIC)-Int 12	Service Concession Arranagements[4]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[5]
HK(IFRIC)-Int 14	HKAS 19-The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[4]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 March 2007
4 Effective for annual periods beginning on or after 1 January 2008
5 Effective for annual periods beginning on or after 1 July 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new or revised standards, amendment and interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for goods sold by the Group to outside customers, net of discounts.

Business segments

For management purposes, the Group's operations are organised into three (2006: two) operating divisions namely distribution of electronic components and semiconductors products, distribution of sports products and design, manufacture and sales of liquid crystal display modules ("LCMs"). These divisions are the basis on which the Group reports its primary segment information.

During the year, the Group has one new business segment- design, manufacture and sales of LCMs.

Segment information about these businesses is presented below.

2007

	Distribution of electronic components and semiconductors products *HK$'000*	**Distribution of sports products** *HK$'000*	**Design, Manufacture and sales of LCMs** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
TURNOVER					
External sales	**3,449,010**	**28,341**	**22,438**	**–**	**3,499,789**
Inter-segment sales	**16,496**	**–**	**–**	**(16,496)**	**–**
Total	**3,465,506**	**28,341**	**22,438**	**(16,496)**	**3,499,789**

Inter-segment sales are charged at prevailing market rates.

RESULTS					
Segment results	**74,262**	**1,950**	**1,599**		**77,811**
Interest income					**9,656**
Unallocated corporate expenses					**(15,872)**
Unallocated corporate income					**16,581**
Increase in fair value of investment properties					**11,421**
Finance costs					**(36,603)**
Share of results of associates	**(21)**	**–**	**–**		**(21)**
Profit before taxation					**62,973**
Taxation					**(9,884)**
Profit for the year					**53,089**

2006

	Distribution of electronic components and semiconductors products *HK$'000*	Distribution of sports products *HK$'000*	Consolidated *HK$'000*
TURNOVER			
External sales	2,274,532	26,608	2,301,140
RESULTS			
Segment results	73,790	(3,092)	70,698
Interest income			7,129
Unallocated corporate expenses			(13,885)
Unallocated corporate income			7,039
Increase in fair value of investment properties			4,521
Finance costs			(32,559)
Share of results of associates	(151)	–	(151)
Impairment loss on available-for-sale investments			(15,600)
Gain on deemed disposal of interest in an associate	329	–	329
Profit before taxation			27,521
Taxation			(5,149)
Profit for the year			22,372

4. TAXATION

	2007 ***HK$'000***	2006 *HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**6,623**	3,271
Under (over) provision in prior years	**564**	(273)
	7,187	2,998
Deferred taxation	**2,697**	2,151
	9,884	5,149

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profit for both years.

No PRC income tax is payable by the Group since the Mainland PRC subsidiaries incurred tax losses for both years.

5. PROFIT FOR THE YEAR

	2007	2006
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Staff costs, including directors' remunerations		
– salaries and other benefits	**62,666**	42,137
– equity-settled share-based payment expenses	**430**	–
– performance related incentive payments	**1,204**	1,589
– retirement benefits scheme contributions, net of forfeited contributions of HK$12,000 (2006: HK$71,000)	**1,942**	1,288
	66,242	45,014
Auditor's remuneration	**1,368**	1,291
Depreciation of property, plant and equipment	**11,931**	10,891
Release of prepaid lease payments	**26**	–
Loss on disposal of property, plant and equipment	**–**	528
Change in fair value of derivative financial instruments	**692**	–
Allowance for trade and other receivables	**10,781**	1,137
Allowance for inventories	**16,011**	–
Cost of inventories recognised as an expense	**3,298,111**	2,144,960
and after crediting:		
Interest income	**9,656**	7,129
Dividend income from listed securities	**202**	–
Gain on disposal of property, plant and equipment	**3,054**	–
Net foreign exchange gain	**306**	493
Change in fair value of financial assets designated as at FVTPL	**1,092**	–
Change in fair value of financial assets classified as held-for-trading	**8,581**	3,702
Rental income from properties, net of outgoings of HK$37,000 (2006: HK$42,000)	**3,630**	3,391
Reversal of allowance for inventories	**–**	744

6. DIVIDENDS PAID

	2007	2006
	HK$'000	*HK$'000*
2007 interim dividend of HK3.0 cents (2006: HK2.0 cents) per share	**7,784**	4,851
2006 final dividend of HK5.0 cents (2005: HK5.0 cents) per share	**12,127**	12,127
	19,911	16,978

A final dividend of HK5.0 cents (2006: HK5.0 cents) per share has been proposed by the board of directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share for the year is based on the profit attributable to equity holders of the Company of HK$45,282,000 (2006: HK$18,201,000) and on the weighted average of 249,042,090 (2006: 242,540,720) ordinary shares in issued during the year.

No diluted earnings per share for the year was presented since the exercise price of the Company's share options were higher than the average market price per share for the year.

No diluted earnings per share for the year ended 31 December 2006 had been presented as the Company had no potential ordinary shares outstanding during that year.

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend of HK5 cents per share (2006: HK5 cents) for the year ended 31 December 2007 subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. An interim dividend of HK3 cents per share (2006: HK2 cents) was paid by the Company on 4 October 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 22 May 2008 to 23 May 2008 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attending and voting at the annual general meeting and the proposed final dividend, all transfers, accompanied by the relevant share certificates, should be lodged with the Company's Registrars in Hong Kong, Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 21 May 2008. Dividend warrants will be dispatched on 2 June 2008.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS VIEW

For the year ended 31 December 2007, the Group's turnover increased by 52.1% to HK$3,499,789,000 (2006: HK$2,301,140,000), gross profit rose by 29.1% to HK$201,678,000 (2006: HK$156,180,000), and EBITDA (represented gross profit plus interest and other income minus distribution costs and administrative expenses plus depreciation and amortization) grew by 22.3% to HK$100,107,000 (2006: HK$81,872,000).

Profit attributable to equity holders of the Company rose by 148.8% to HK$45,282,000 (2006:HK$18,201,000), which resulted in basic earnings per share of HK18.18 cents (2006: HK7.5 cents).

2007 represents a record-setting year for the Group. Such significant growth was mainly attributed to the strong demand for consumer and other electronic products under the booming consumer market in China. Combined with the business operations of Hi-Level Technology Limited ("Hi-Level") and Kitronix Limited ("Kitronix"), we successfully captured market opportunities by virtue of the Group's broadened supply and sales network.

Distribution of Electronic Components and Semiconductor Products

Consumer Electronic Products

Building on our bolstered position following the acquisition of Hi-Level, the Group began business relations with Sunplus Technology Company Limited, a global consumer chip design company. Consequently, we were able to enlarge our consumer electronic distribution business, offering more solutions for LCD TV, digital camera, set top box, and portable DVD player products. Also our customers benefited from Hi-Level's outstanding multimedia chip and circuit board design capabilities.

During the year under review, strong demand for consumer electronic products in China created similarly keen demand for associated solutions. Besides, our focusing components, namely, TFT panels and memory chips, continued to record satisfactory sales in 2007.

Mobile Phone Products

Handset demand in China grew steadily during the reporting period. The Group generated additional revenue by providing solutions for smartphones, multimedia phones as well as dual-mode dual-card handsets.

Computer Products

The new generation of computer processors and operating systems have created demand for a large number of PC-related components. Accordingly, our Group's portfolio of products, which includes high-end motherboards, VGA cards and memory chips, generated significant sales during the year under review.

Communication Products

Due to the launch of 3G in China, we expect business growth on infrastructure upgrade and 3G applications. But there is still uncertainty on business re-organization of service operators. New application of mobile TV will strengthen the demand for high speed data communication which further enhance the demand for our products.

Distribution of Sports Products

Moderate growth was recorded for our sports products distribution business.

Design, Manufacture and Sale of Liquid Crystal Display Modules ("LCMs")

By setting up a joint-venture company in 2006, namely, Kitronix, the Group has broadened its business scope to include the design, production and sale of LCMs and related products. Kitronix's production facilities have given us a decided edge in terms of securing a stable supply of products, thereby complementing our ability to tailor solutions for customers to meet their specific needs. The company's production plant, equipped with fine-pitch COG manufacturing facilities, commenced first phase of production since early 2007, contributing profits to the Group in the year under review.

FINANCIAL REVIEW

Significant Acquisitions and Investment

On 2 January 2007, the Group has completed the acquisition of 51% equity interest in Hi-Level at a consideration of HK$30 million, which was paid in cash during the year under review. Details of the acquisition were included in the circular of the company dated 12 December 2006.

On 15 June 2007, the Group has entered into Agreements to acquire a commercial property located at Shanghai, the PRC, at a total consideration of RMB20 million, which was paid in cash during the year under review. Details of the acquisition were included in the circular of the Company dated 9 July 2007.

Except for the significant acquisitions and investment as disclosed above, there was no significant acquisition and investment for the year ended 31 December 2007.

Liquidity and Financial Resources

On 31 December 2007, the Group's current ratio was 136.2% (2006: 137.9%), net gearing ratio was 99.5% (2006: 83.0%), which is calculated based on the Group's net borrowings (calculated as total interest-bearing borrowing minus total cash and bank balances) of approximately HK$442,059,000 (2006: HK$310,454,000) and total equity of HK$444,186,000 (2006: HK$373,841,000).

The Group recorded debtors turnover of approximately 41 days for the year under review (2006: approximately 56 days) based on the amount of trade and bills receivables as at 31 December 2007 divided by sales for the year ended 31 December 2007 and multiplied by 365 days.

The Group recorded inventory turnover and average payable period of approximately 56 days and 40 days respectively for the year ended 31 December 2007 (2006: approximately 46 days and 31 days respectively) based on the amount of inventory and trade and bills payables as at 31 December 2007 divided by cost of sales for year ended 31 December 2007 and multiplied by 365 days.

In August 2007, by way of placing of 16,950,000 shares, the Group intorduced CCB International Asset Management Limited, a wholly owned subsidiary of China Construction Bank Corporation, as one of its substantial shareholders.

The Directors considered that the Group's current cash and bank balances, together with available credit facilities will be sufficient to satisfy the Group's current and expected expending operation needs. The Group's liquidity is further strengthened after the placing of shares as mentioned above.

Foreign Exchange Risk Management

Most business transactions conducted by the Group and payments made to suppliers are either in Hong Kong Dollars, United States Dollars or Renminbi. Since the Group has maintained a near to naturally hedged position of the above foreign currency during the year under review, no financial instruments has been applied for direct hedging purposes. However, the management of the Group monitors foreign exchange exposure from time to time and will consider hedging significant foreign currency exposure when the need arises.

EMPLOYEE AND REMUNERATION POLICY

On 31 December 2007, the Group employed approximately 450 employees in the PRC and Hong Kong. They were remunerated according to their merit, qualification, competence and job nature. Other staff benefits include share option scheme, provident fund schemes and medical insurance. Also, discretionary bonus may be granted to eligible employees based on the Group's financial results and individual performance.

PROSPECTS

With uncertainties looming over the global economy, brought about by the sub-prime turmoil, record high oil prices, and possible inflation control measures to be employed by China, we will remain vigilant to changing market conditions and adopt swift yet prudent measures as needed.

Though challenges lay on the horizon, we draw optimism from the fact that the semiconductor industry is forecasted to grow by another 6-12% in 2008, and subscribe to the view that the fundamentals of the electronic industry will remain healthy. Moreover, with opportunities expected to develop from this year's Beijing Olympics, and demand for electronic security devices, LED lighting, GPS, mobile TV and 3G handsets anticipated to remain firm, sales of our products are set to enjoy further growth.

Regardless of how events may unfold, we remain committed to maintaining our lead position in the electronic components distribution market. Drawing synergy from our superior customer services, extensive sales and support network as well as careful management of supplier relations, we aim to deliver more fruitful returns for our shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2007, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities.

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2007.

CORPORATE GOVERNANCE

The Company has complied with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2007, except for the following deviations:

Under the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not performed by the same individual. Having considered the current business operation and the size of the Group, the Board is of the view that Mr. Yim Yuk Lun, Stanley *JP* acting as both the Chairman and the Managing Director of the Group is acceptable and in the best interest of the Group.

Under the code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. The non-executive directors of the Company have not been appointed for a specific term. However, according to the Bye-laws of the Company, one-third of the directors for the time being shall retire from office by rotation at each annual general meeting. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are similar to those in the Code.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.sasdragon.com.hk) and the Stock Exchange of Hong Kong Limited (www.hkex.com.hk). The 2007 annual report will be dispatched to the shareholders and available on the above websites in due course.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31st December, 2007 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

The Group's consolidated financial statements for the year ended 31 December 2007 have been reviewed by the Audited Committee and audited by Messrs. Deloitte Touche Tohmatsu.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our staff members for their contribution and effort. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their valuable support and dedication in 2007.

By Order of the Board
Yim Yuk Lun Stanley *JP*
Chairman and Managing Director

Hong Kong, 18 April 2008

As at the date of this announcement, the executive directors of the Company are Mr. Yim Yuk Lun, Stanley JP, Mr. Wong Sui Chuen and Mr. Lau Ping Cheung. The non-executive director is Dr. Chang Chu Cheng. The independent non-executive directors are Mr. Cheung Chi Kwan, Mr. Liu Chun Ning, Wilfred, Dr. Lui Ming Wah SBS JP and Mr. Wong Tak Yuen, Adrian