S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS

- Revenue increased by 16.7% to HK$3,520 million
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 435.4% to HK$73.9 million
- Profit attributable to equity holders was HK$51.9 million (2008: loss of HK$18.2 million)
- Basic earnings per share amounted to HK20.01 cents (2008: loss per share of HK7.00 cents)
- Proposed final dividend per share was HK6.5 cents (2008: HK2.0 cents)
- Total dividend per share for 2009 was HK9.0 cents (2008: HK3.0 cent)

The Board of Directors (the "Board") of S.A.S. Dragon Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 together with last year's comparative figures are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Revenue	3	**3,519,915**	3,015,277
Cost of sales		**(3,338,534)**	(2,865,060)
Gross profit		**181,381**	150,217
Other income		**13,684**	19,968
Distribution and selling expenses		**(30,435)**	(27,690)
Administrative expenses		**(104,279)**	(141,796)
Increase in fair value of investment properties		**14,700**	1,109
Share of results of associates		**(134)**	(76)
Finance costs		**(6,921)**	(20,753)
Profit (loss) before tax		**67,996**	(19,021)
Income tax (expense) credit	4	**(8,180)**	2,272
Profit (loss) for the year	5	**59,816**	(16,749)
Other comprehensive income			
Fair value loss on available-for-sales investment		**(43)**	(525)
Exchange differences arising on translation of foreign operations		**–**	2,148
Reclassification adjustment on disposal of available-for-sale investment		**(256)**	–
Share of translation reserve of an associate		**42**	(192)
Gain on revaluation of properties		**3,751**	4,325
Other comprehensive income for the year		**3,494**	5,756
Total comprehensive income for the year		**63,310**	(10,993)

	Notes	2009 HK$'000	2008 HK$'000
Profit (loss) for the year attributable to:			
Owners of the Company		**51,929**	(18,159)
Minority interests		**7,887**	1,410
		59,816	(16,749)
Total comprehensive income attributable to:			
Owners of the Company		**55,423**	(12,403)
Minority interests		**7,887**	1,410
		63,310	(10,993)
Earnings (loss) per share (HK cents) – basic	*7*	**HK20.01 cents**	(HK7.00 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current Assets			
Investment properties		**112,800**	119,400
Property, plant and equipment		**142,537**	156,045
Goodwill		**16,419**	16,419
Interests in associates		**316**	408
Available-for-sale investments		**7,447**	7,654
Club memberships		**3,278**	3,278
		282,797	303,204
Current Assets			
Inventories		**393,987**	370,783
Trade and other receivables	*8*	**475,926**	298,630
Bills receivable	*8*	**15,279**	1,125
Financial assets at fair value through profit or loss		**57,133**	34,770
Available-for-sale investments		**–**	5,142
Taxation recoverable		**76**	1,104
Pledged bank deposits		**10,751**	24,757
Bank balances and cash		**250,724**	119,259
		1,203,876	855,570
Current Liabilities			
Trade and other payables	*9*	**319,391**	209,496
Bills payable	*9*	**79,949**	23,734
Derivative financial instruments		**2,383**	1,375
Tax liabilities		**7,225**	3,642
Bank borrowings-due within one year		**563,398**	466,846
		972,346	705,093
Net Current Assets		**231,530**	150,477
Total Assets less Current Liabilities		**514,327**	453,681

	2009	2008
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**25,949**	25,949
Share premium and reserves	**403,744**	359,855
Equity attributable to owners of the Company	**429,693**	385,804
Minority interests	**35,819**	27,990
Total Equity	**465,512**	413,794
Non-current Liabilities		
Bank borrowings-due after one year	**41,490**	31,436
Deferred tax liabilities	**7,325**	8,451
	48,815	39,887
	514,327	453,681

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, manufacture and sales of liquid crystal display modules and property investment.

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

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK (IFRIC)-Int 13	Customers Loyalty Programmes
HK (IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK (IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK (IFRIC)-Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs Issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except for described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRS affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 3).

Improving Disclosure about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosure required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

New and revised HKFRS that may affect the reported results and/or financial position

HKAS 23 (Revised 2007) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 January 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1 January 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods.

In the current year, no borrowing costs were capitalised for qualifying asset, the adoption of HKAS 23 (Revised 2007) has no financial impact to the consolidated statement of comprehensive income nor consolidated statement of financial position.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 January 2010
[4] Effective for annual periods beginning on or after 1 February 2010
[5] Effective for annual periods beginning on or after 1 July 2010
[6] Effective for annual periods beginning on or after 1 January 2011
[7] Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 *Financial Instruments* introduced new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable for goods sold by the Group in the normal course of business to outside customers, net of discounts for the year.

The Company is engaged in the distribution of electronic components and semiconductors products that can be used in customer electronic products, mobile phone products, computer products and communication products. In addition, its jointly controlled entity accounted for using proportionate consolidation is engaged in the manufacturing of liquid crystal display modules and distribution of sports products.

HKFRS 8 "Operating Segments", with effect from 1 January 2009, requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and to assess its performance. The Group's chairman, who is also the managing director, is the chief operating decision maker as he collectively make strategic decision towards the Group's operation. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was geographical segments by location of customers, irrespective of the origin of the goods.

The Group's chairman and managing director regularly review only revenue analysis excluding the revenue generated by the jointly controlled entity by geographical location of customers for the purposes of resource allocation and performance assessment. As no other discrete financial information is available for the assessment of different business activities, no segment information is presented other than entity-wide disclosures.

Entity-wide disclosures

Revenue from major business product and services

The following is an analysis of the Group's revenue from its major business product and services:

	2009	2008
	HK$'000	*HK$'000*
Distribution of electronic components and semiconductors products	**3,442,890**	2,926,749
Distribution of sports products	**30,467**	26,155
Manufacturing of liquid crystal display modules (operated through the jointly controlled entity)	**41,937**	58,130
Office building rental	**4,621**	4,243
	3,519,915	3,015,277

Geographical information

The Group's operations are located in different places of domicile, including mainland PRC and Hong Kong.

The following is an analysis of the Group's revenue by geographical locations of customers for the year:

	Sales revenue by Geographical market	
	2009	2008
	HK$'000	*HK$'000*
Place of domicile of relevant group entities		
– Mainland PRC	**2,142,428**	1,978,093
– Hong Kong	**1,042,980**	711,401
Other places		
– Taiwan	**306,133**	278,621
– Others	**28,374**	47,162
	3,519,915	3,015,277

The following is an analysis of the carrying amount of non-current assets excluding financial instruments by geographical area in which the assets are located.

	Carrying amount of non-current assets	
	2009	2008
	HK$'000	*HK$'000*
Hong Kong	**187,558**	205,360
Mainland PRC	**86,554**	88,860
Others	**1,238**	1,330
	275,350	295,550

Information about major customers

During the year ended 31 December 2009 and 2008, no customer was contributing over 10% of the total sales of the Group.

4. TAXATION

	2009	2008
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
Current year	**7,840**	1,730
Under(over)provision in prior years	**1,466**	(992)
	9,306	738
Deferred tax		
Current year	**(1,126)**	(2,354)
Attributable to change in tax rate	**–**	(656)
	(1,126)	(3,010)
	8,180	(2,272)

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

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

5. PROFIT (LOSS) FOR THE YEAR

	2009	2008
	HK$'000	*HK$'000*
Profit (loss) for the year has been arrived at after charging and (crediting):		
Staff costs, including directors' remunerations		
– salaries and other benefits	**46,483**	61,895
– equity-settled share-based payment expenses	**143**	574
– performance related incentive payments	**4,205**	3,557
– retirement benefits scheme contributions	**3,165**	3,314
	53,996	69,340
Auditor's remuneration	**1,276**	1,848
Depreciation of property, plant and equipment	**13,523**	13,100
Change in fair value of derivative financial instruments	**1,008**	683
Allowance (reversal of allowance) for trade and other receivables	**3,975**	(5,332)
Cost of inventories recognised as an expense (including allowance for inventories for the year ended 31 December 2009 of HK$7,078,000 (2008: Reversal of allowance for inventories of HK$5,229,000 (Note))	**3,338,534**	2,865,060
Change in fair value of financial assets at fair value through profit or loss	**(4,691)**	8,618
Net foreign exchange (gain) loss	**(2,249)**	9,168
Interest income	**(719)**	(6,183)
Dividend income from listed securities	**(241)**	(201)
Gain on disposal of property, plant and equipment	**(768)**	(110)
Gain on disposal of available-for-sales investments	**(256)**	–
Rental income from investment properties, net of outgoings of HK$42,000 (2008: HK$24,000)	**(4,579)**	(4,219)

Note: The reversal of allowance for inventories arose because of the subsequent sale prices for the relevant inventories were higher than the net realisable value of such inventories which were written down in prior years.

6. DIVIDENDS PAID

	2009	2008
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2009 Interim – HK 2.5 cents (2008: 2008 interim dividend HK 1.0 cents) per share	**6,487**	2,595
2008 Final – of HK 2.0 cents (2008: 2007 final dividend HK 5.0 cents) per share	**5,190**	12,975
	11,677	15,570

The final dividend of HK 6.5 cents in respect of the year ended 31 December 2009 (2008: final dividend of HK 2.0 cents in respect of the year ended 31 December 2008) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share for the year is based on the gain attributable to equity holders of the Company of approximately HK$51,929,000 (2008: loss of HK$18,159,000) and on 259,490,720 (2008: 259,490,720) ordinary shares in issued during the year.

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

8. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE

The following is an aged analysis of trade and bills receivable net of allowance for doubtful debts presented based on the due date at the end of the reporting period.

	2009	2008
	HK$'000	*HK$'000*
Current	**320,344**	161,080
Within 30 days	**96,393**	64,758
More than 30 days and within 60 days	**17,672**	22,085
More than 60 days and within 90 days	**480**	5,864
More than 90 days	**12,087**	14,138
	446,976	267,925

9. **TRADE AND OTHER PAYABLES AND BILLS PAYABLE**

The following is an aged analysis of trade and bills payable presented based on the due date at the end of the reporting period.

	2009	2008
	HK$'000	*HK$'000*
Current	**232,901**	89,730
Within 30 days	**88,940**	48,987
More than 30 days and within 60 days	**15,201**	35,228
More than 60 days and within 90 days	**–**	5,463
More than 90 days	**8,670**	17,812
	345,712	197,220

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend of HK6.5 cents per share (2008: HK2.0 cents) for the year ended 31 December 2009 subject to the approval of the shareholders of the Company at the forthcoming annual general meeting. An interim dividend of HK2.5 cents per share (2008: HK1.0 cent) was paid by the Company on 25 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 3 June 2010 to 4 June 2010 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, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 2 June 2010. Dividend warrants will be dispatched on 17 June 2010.

MANAGEMENT DISCUSSION AND ANALYSES

BUSINESS REVIEW

Distribution of Electronic Components and Semiconductor Products

Concurred to our previous expectation, the electronics market has demonstrated significant improvement in second half of 2009. After those effective implementation of stimulus spending measures by various governments and the bottoming out of consumer confidence at 1Q 2009, demands from China and other developing countries recorded continuous increase. Since February 2009, the Group benefited from the recovery trend and made record sales of electronic components and kit solutions for wide range of electronic products.

Consumer Electronic Products

In 2009, China government has raise the price caps on the home appliances enjoying subsidy under the rural home appliance subsidy program and extend the urban home appliance replacement subsidy program to more areas. Strong domestic demand of LCD TV, DVD players, Set Top Box, portable navigation devices and PMP boosted the Group's revenue from the distribution of components of consumer electronic products.

Mobile Phone Products

Global handset shipments turned positive in 4Q 2009 along with the stabilization in the global economy. Furthermore, the rural-subsidy program and aggressive subsidies from telecom operators have driven up domestic demands of handsets. The Group recorded satisfactory sales on distribution of components to handset manufacturers and EMS factories.

Computer Products

The launch of Windows 7 has boosted solid growth of global PC shipment. China PC shipment is growing ahead of the world due to steady economic recovery under the government stimulus package. The Group recorded satisfactory sales on distribution of components for PC manufacturers for domestic and emerging markets.

LED Lighting Products

The concept of energy saving and environmental awareness has made LED the leading candidate for the next-generation lighting. Since 2007, the Group is benefited to provide wide range of LED lighting solutions for indoor lighting products, namely replacement solutions of fluorescent lamp, spotlight and incandescent bulb, and for outdoor lighting products likes the streetlight and tunnel lights.

Properties investment

As of 31 December 2009, the Group was holding 7 investment properties (31 December 2008: 6), all are commercial units located at Hong Kong. The aggregate market value of investment properties amounted to HK$112.8 million (31 December 2008: HK$119.4 million). The above properties are held as long-term investment and for leasing.

During the year under review, the investment properties generated a total rental income of HK$4.6 million (2008: HK$4.2 million) with an average return of 4.1% per annum (2008: 3.6% per annum) and recognized increase in fair value in the financial statements of HK$18.4 million (2008: HK$5.4 million).

OUTLOOK

Amid recovering consumer demand, we believe electronics market has bottomed out in 1H 2009 and emerged from the financial crisis. More market research firms are forecasting double-digit growth of shipments of electronic components for 2010. The Group is positive on the business outlook and will continue to focus on China market to catch up the accelerating economic growth in the coming years.

Considered as a good start in 2010, based on the increased sales and purchase volumes of electronic components with Hon Hai Group in 1Q 2010, the Group revises upward both the purchase caps and sales caps for the three years ending 31 December 2012 in relation to the continuing connected transaction with Hon Hai Group as follows:

	For the financial year ending 31 December 2010 *HK$'000*	**For the financial year ending 31 December 2011** *HK$'000*	**For the financial year ending 31 December 2012** *HK$'000*
Revised Purchase Caps	308,000	616,000	924,000
Revised Sales Caps	770,000	1,431,100	2,093,410

Details of the above revision please refer to the announcement of the Company dated 9 April 2010.

FINANCIAL REVIEW

For the year ended 31 December 2009, the Group's turnover increased by 16.7% to HK$3,519,915,000 (2008: HK$3,015,277,000), gross profit increased by 20.7% to HK$181,381,000 (2008: HK$150,217,000), and EBITDA (represented gross profit plus other income minus distribution and selling expenses and administrative expenses plus depreciation and amortization) increased by 435.4% to HK$73,874,000 (2008: HK$13,799,000).

Net profit attributable to equity holders of the Company increased to HK$51,929,000 compared with a loss of HK$18,159,000 recorded in 2008. Basic earnings per share was HK20.01 cents compared with basic loss per share of HK7.00 cents in 2008.

Liquidity and Financial Resources

As of 31 December 2009, the Group's current ratio was 124% (31 December 2008: 121%), net gearing ratio was 61% (31 December 2008: 76%), which was calculated based on the Group's net borrowings (calculated as total bank borrowings minus total cash and bank balances minus financial assets at fair value through profit or loss and available-for-sale investments) of approximately HK$286,280,000 (31 December 2008: HK$314,354,000) and total equity of HK$465,512,000 (31 December 2008: HK$413,794,000).

The Group recorded debtors turnover of approximately 46 days for the year under review (2008: 33 days) based on the amount of trade and bills receivable as at 31 December 2009 divided by sales for the year and multiplied by 365 days (2008: 366 days).

The Group recorded inventory turnover and average payable period of approximately 43 days and 38 days respectively for the year under review (2008: approximately 47 days and 25 days respectively) based on the amount of inventory and trade and bills payables as at 31 December 2009 divided by cost of sales for the year and multiplied by 365 days (2008: 366 days).

Foreign Exchange Risk Management

The Group has foreign currency sales and purchases and foreign bank deposits and borrowing which expose the Group to foreign currency risk.

The Group currently does not have a foreign currency hedging policy. However, management will monitor foreign exposure closely and consider the usage of hedging instruments when the need arise.

Employee and Remuneration Policy

At 31 December 2009, the Group employed approximately 380 employees in the PRC and Hong Kong. The Group ensures that their employees are offered competitive remuneration packages. Other staff benefits include share option scheme, provident fund schemes and medical insurance. Also, discretionary bonus was granted to eligible employees based on the Group's financial results and individual performance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2009, 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 2009.

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 2009, 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 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 2009 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 statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December, 2009 as set out in this 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 this preliminary announcement.

The Group's consolidated financial statements for the year ended 31 December 2009 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 employees for their contribution and sacrifices. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and business partners for their valuable support and dedication in 2009.

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

Hong Kong, 16 April 2010

As at the date of this announcement, the Board comprises three executive directors are Mr. Yim Yuk Lun, Stanley, Mr. Wong Sui Chuen and Mr. Lock Shui Cheung, one non-executive director is Dr. Chang Chu Cheng and four 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.