Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHTS

	2012	2011	Change
Revenue *(HK$ million)*	**6,528.0**	5,553.3	+18%
Net profit attributable to owners of the Company *(HK$ million)*	**90.9**	102.1	-11%
Basic earnings per share *(HK cents)*	**34.66**	38.95	-11%
Dividend per share *(HK cents)*			
– Interim paid	**3.00**	3.00	–
– Proposed final	**12.00**	10.00	+20%
– Full year total	**15.00**	13.00	+15%
Net asset value per share *(HK$)*	**2.41**	2.16	+12%

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 2012 together with last year's comparative figures are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	NOTES	**2012** **HK$'000**	2011 HK$'000 (Restated)
Continuing operations			
Revenue	*3*	**6,528,034**	5,553,312
Cost of sales		**(6,244,369)**	(5,290,344)
Gross profit		**283,665**	262,968
Other income		**14,919**	4,512
Other gains and losses	*5*	**(885)**	(932)
Distribution and selling expenses		**(52,782)**	(49,187)
Administrative expenses		**(148,385)**	(135,333)
Increase in fair value of investment properties		**41,000**	9,100
Share of results of associates		**(97)**	(185)
Gain on disposal of distribution rights		**–**	46,800
Finance costs		**(15,077)**	(12,823)
Profit before tax		**122,358**	124,920
Income tax expense	*4*	**(13,599)**	(11,765)
Profit for the year from continuing operations		**108,759**	113,155
Discontinued operation			
Loss for the year from discontinued operation		**–**	(3,760)
Profit for the year	*5*	**108,759**	109,395
Other comprehensive income (expense)			
Fair value gain (loss) on available-for-sale investment		**150**	(3,463)
Reclassification adjustment on disposal of available-for-sale investment		**2,773**	–
Exchange differences arising on translation of foreign operations		**1,294**	2,193
Share of other comprehensive income of an associate		**8**	16
Other comprehensive income (expense) for the year		**4,225**	(1,254)
Total comprehensive income for the year		**112,984**	108,141

	NOTE	2012 HK$'000	2011 HK$'000 (Restated)
Profit (loss) for the year attributable to owners of the Company			
– from continued operations		**90,852**	105,843
– from discontinued operation		**–**	(3,760)
		90,852	102,083
Profit for the year attributable to non-controlling interests from continuing operations		**17,907**	7,312
		108,759	109,395
Total comprehensive income attributable to:			
Owners of the Company		**94,906**	100,587
Non-controlling interests		**18,078**	7,554
		112,984	108,141
Earnings per share *(HK cents)*	*7*		
From continuing and discontinued operations			
– basic and diluted		**HK34.66 cents**	HK38.95 cents
From continuing operations			
– basic and diluted		**HK34.66 cents**	HK40.38 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2012

	NOTES	31.12.2012 HK$'000	31.12.2011 HK$'000 (Restated)	1.1.2011 HK$'000 (Restated)
Non-current Assets				
Investment properties		**177,300**	136,300	127,200
Property, plant and equipment		**189,662**	154,149	159,580
Prepaid lease payments		**9,112**	9,080	8,650
Goodwill		**20,392**	20,392	17,829
Interests in associates		**417**	506	675
Available-for-sale investments		**34,414**	13,912	17,036
Club memberships		**3,278**	3,278	3,278
Deposit paid for acquisition of property, plant and equipment		**9,600**	14,508	–
Deferred tax assets		**3,399**	2,918	3,388
		447,574	355,043	337,636
Current Assets				
Inventories		**659,446**	397,045	379,242
Trade and other receivables	*8*	**828,052**	479,520	435,639
Bills receivable	*8*	**9,745**	7,448	22,556
Prepaid lease payments		**194**	189	177
Financial assets at fair value through profit or loss		**54,785**	113,744	65,213
Taxation recoverable		**2,732**	4,720	76
Pledged bank deposits		**3,961**	3,149	19,634
Bank balances and cash		**433,195**	648,860	421,820
		1,992,110	1,654,675	1,344,357
Current Liabilities				
Trade and other payables	*9*	**522,449**	460,708	392,369
Bills payable	*9*	**242,605**	59,125	122,202
Derivative financial instruments		**7,909**	8,776	6,321
Tax liabilities		**7,077**	5,899	11,502
Bank borrowings – due within one year		**942,916**	836,595	576,382
		1,722,956	1,371,103	1,108,776
Net Current Assets		**269,154**	283,572	235,581
Total Assets less Current Liabilities		**716,728**	638,615	573,217

	31.12.2012	31.12.2011	1.1.2011
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Capital and Reserves			
Share capital	**26,214**	26,214	26,214
Share premium and reserves	**606,712**	539,380	478,114
Equity attributable to owners of the Company	**632,926**	565,594	504,328
Non-controlling interests	**83,802**	61,771	51,389
Total Equity	**716,728**	627,365	555,717
Non-current Liabilities			
Bank borrowings			
– due after one year	**–**	11,250	17,500
	716,728	638,615	573,217

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 also 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 semiconductor products, distribution of sport products 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 amendments to HKFRSs, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets;
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets; and
Amendments to HKAS 1	As part of the Annual Improvements to HKFRSs 2009 – 2011 Cycle issued in 2012.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets

The Group has applied for the first time the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* in the current year. Under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to HKAS 12 is not rebutted.

The application of the amendments to HKAS 12 has resulted in the Group not recognising any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on disposal of its investment properties. Previously, the Group recognised deferred taxes on changes in fair value of investment properties on the basis that the entire carrying amounts of the properties were recovered through use.

The amendments to HKAS 12 have been applied retrospectively, resulting in the Group's deferred tax liabilities being decreased by HK$13,207,000 as at 1 January 2011, with the corresponding credit being recognised in retained profits and property revaluation reserve by HK$8,085,000 and HK$5,122,000, respectively. Similarly, the deferred tax liabilities have been decreased by HK$14,709,000 as at 31 December 2011.

In the current year, no deferred taxes have been provided for changes in fair value of the Group's investment properties. The change in accounting policy has resulted in the Group's income tax expense for the years ended 31 December 2012 and 31 December 2011 being reduced by HK$6,765,000 and HK$1,502,000 respectively and hence resulted in profit for the years ended 31 December 2012 and 31 December 2011 being increased by HK$6,765,000 and HK$1,502,000 respectively.

Amendments to HKAS 1 Presentation of Financial Statements (as part of the Annual Improvements to HKFRSs 2009-2011 Cycle issued in June 2012)

Various amendments to HKFRSs were issued in June 2012, the title of which is *Annual Improvements to HKFRSs (2009 – 2011 Cycle)*. The effective date of these amendments is annual periods beginning on or after 1 January 2013.

In current year, the Group has applied for the first time the amendments to HKAS 1 in advance of the effective date (annual periods beginning on or after 1 January 2013).

HKAS 1 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to HKAS 1 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position.

In the current year, the Group has applied the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets* for the first time, which has resulted in a material effect on the information in the consolidated statement of financial position as at 1 January 2011. In accordance with the amendments to HKAS 1, the Group has therefore presented a third statement of financial position as at 1 January 2011 without the related notes.

Summary of the effects of the above changes in accounting policies

The effects of changes in accounting policies described above on the results for the current and prior years by line items are as follows:

	2012	2011
	HK$'000	*HK$'000*
Decrease in income tax expense	**(6,765)**	(1,502)
Increase in profit for the year	**6,765**	1,502

The effects of the above changes in accounting policies on the financial positions of the Group as at 1 January 2011 and 31 December 2011 is as follows:

	As at 1.1.2011 (originally stated)	Adjustments	As at 1.1.2011 (restated)	As at 31.12.2011 (originally stated)	Adjustments	As at 31.12.2011 (restated)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Deferred tax assets (liabilities)	(9,819)	13,207	3,388	(11,791)	14,709	2,918
Total effect on net assets	542,510	13,207	555,717	612,656	14,709	627,365
Retained profits	370,009	8,085	378,094	431,269	9,587	440,856
Property revaluation reserve	32,225	5,122	37,347	32,225	5,122	37,347
Total effect on equity	402,234	13,207	415,441	463,494	14,709	478,203

The effects of the above changes in accounting policies on the financial positions of the Group as at 31 December 2012 is as follows:

	As at 31.12.2012
	HK$'000
Decrease in deferred tax liabilities	21,474
Total effects on net assets	21,474
Increase in retained profits	16,352
Increase in property revaluation reserve	5,122
Total effect on equity	21,474

The effects of the above changes in accounting policies on the Group's basic and diluted earnings per share for the current and prior year are as follows:

Impact on basic and diluted earnings per share

	Impact on basic and diluted earnings per share from continuing and discontinued operations		Impact on basic and diluted earnings per share from continuing operations	
	Year ended 31.12.2012	Year ended 31.12.2011	**Year ended 31.12.2012**	Year ended 31.12.2011
	HK cents	*HK cents*	***HK cents***	*HK cents*
Figure before adjustment	**32.08**	38.37	**32.08**	39.80
Adjustment arising from changes in the Group's accounting policies in relation to application of amendment to HKAS 12 in respect of deferred taxes on investment properties	**2.58**	0.58	**2.58**	0.58
Figure after adjustment	**34.66**	38.95	**34.66**	40.38

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle, except for the amendments HKAS 1[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]

HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] *Effective for annual periods beginning on or after 1 January 2013.*

[2] *Effective for annual periods beginning on or after 1 January 2014.*

[3] *Effective for annual periods beginning on or after 1 January 2015.*

[4] *Effective for annual periods beginning on or after 1 July 2012.*

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

The directors anticipate that the adoption of HKFRS 9 in the future may affect the classification and measurement of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. HK (SIC)-Int 12 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 *Interests in Joint Ventures*. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC)-Int 13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers* will be withdrawn upon the effective date of HKFRS 11.

Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time.

These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after 1 January 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors anticipate that the application of these five standards may have a significant impact on amounts reported in the consolidated financial statements. The application of HKFRS 11 will change the classification and subsequent accounting of the Group's jointly controlled entities. For example, under HKAS 31, the Group's jointly controlled entities that include Kitronix Limited and SPT Technology Limited have been accounted for using proportionate consolidation method. Under HKFRS 11, Kitronix Limited and SPT Technology Limited will be classified as joint ventures and will be accounted for using the equity method, resulting in the aggregation of the Group's proportionate share of Kitronix Limited's and SPT Technology Limited's respective net assets and items of profit or loss and other comprehensive income into a single line item which will be presented in the consolidated statement of financial position and in the consolidated statement of comprehensive income as 'investment in joint ventures' and 'share of profits of joint ventures' respectively.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 Presentation of Items of Other Comprehensive Income introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 also require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied.

The directors of the Company anticipate that the application of the other new and revised HKFRSs 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 Group are engaged in the distribution of electronic components and semiconductor products that can be used in consumer electronic products, mobile phone products, computer products, telecommunication products and lighting products, properties investments and distribution of sport products.

Information reported to chairman and managing director of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses only on revenue analysis excluding the revenue generated by the jointly controlled entity by geographical location of customers. 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.

The Group was involved in the manufacturing of liquid crystal display modules (operated through a jointly controlled entity accounted for using proportionate consolidation), which was reporting as a major business product and services of the Group. That operation was discontinued with effect in prior year.

Continuing operations

Entity-wide disclosures

Revenue from major business product and services

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

	2012	2011
	HK$'000	*HK$'000*
Distribution of electronic components and semiconductor products	**6,492,651**	5,519,349
Distribution of sport products	**30,410**	30,230
Office building rental	**4,973**	3,733
	6,528,034	5,553,312

Geographical information

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

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

	Sales revenue by Geographical market	
	2012	2011
	HK$'000	*HK$'000*
Mainland PRC	**3,508,839**	3,008,246
Hong Kong	**2,581,938**	1,928,658
Taiwan	**252,832**	401,253
Republic of Korea	**54,561**	1,037
Brazil	**53,567**	8,212
India	**25,479**	18,561
Japan	**12,468**	4,687
Singapore	**–**	27,733
Mexico	**4,672**	125,565
Others	**33,678**	29,360
	6,528,034	5,553,312

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

	Carrying amount of non-current assets	
	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**291,790**	246,297
Mainland PRC	**101,984**	87,014
Taiwan	**15,059**	3,973
Others	**928**	929
	409,761	338,213

4. TAXATION

Continuing operations

	2012	2011
	HK$'000	*HK$'000*
		(Restated)
The charge comprises:		
Hong Kong Profits Tax		
Current year	**12,381**	11,082
Under(over)provision in prior years	**334**	(28)
Taiwan Corporate Income Tax		
Current year	**1,337**	347
	14,052	11,401
Deferred tax		
Current year	**(453)**	364
	13,599	11,765

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Corporate Income Tax in Taiwan is charged at 17%.

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%.

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

	2012	2011
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging and (crediting):		
Continuing operations		
Staff costs, including directors' remunerations		
– salaries and other benefits	**68,979**	62,920
– performance related incentive payments	**10,039**	10,424
– retirement benefits scheme contributions	**6,666**	4,772
– share based payment expenses	**6,504**	–
	92,188	78,116
Auditor's remuneration	**1,422**	1,387
Depreciation of property, plant and equipment	**16,222**	13,868
Amortisation of prepaid lease payment	**194**	189
(Reversal of) allowance for trade and other receivables	**(4,645)**	4,420
Cost of inventories recognised as an expense (including reversal of allowance for inventories of HK$4,058,000 (2011: allowance of inventories of HK$5,529,000)) *(Note)*	**6,244,369**	5,290,344
Interest income	**(1,252)**	(1,458)
Dividend income from equity investments	**(5,935)**	(1,363)
Rental income from investment properties, net of outgoings of HK$35,000 (2011: HK$25,000)	**(4,938)**	(3,708)
The following items are included in other gains and losses:		
Change in fair value of derivative financial instruments	**(6,650)**	(2,458)
Impairment loss recognised in respect of goodwill	**–**	1,410
Change in fair value of financial assets at fair value through profit or loss	**(9,553)**	3,872
Loss on disposal of available-for-sale investment	**2,588**	–
Net foreign exchange loss (gain)	**1,206**	(1,140)
Gain on disposal of property, plant and equipment	**(2,668)**	(752)
Loss on disposal of a subsidiary	**1,035**	–
Impairment loss on available-for-sale investment	**14,927**	–

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

6. DIVIDENDS PAID

	2012 HK$'000	2011 HK$'000
Dividends recognised as distribution during the year:		
2012 Interim dividend of HK3.0 cents (2011: 2011 interim dividend of HK3.0 cents) per share	**7,864**	7,864
2011 Final dividend of HK10.0 cents (2011: 2010 final dividend of HK10.0 cents and a special dividend of HK2.0 cents) per share	**26,214**	31,457
	34,078	39,321

The final dividend of HK12.0 cents per share in respect of the year ended 31 December 2012 (2011: final dividend of HK10.0 cents per share in respect of the year ended 31 December 2011) have been proposed by the directors and is subject to approval by the shareholders in general meeting.

7. EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share for continuing and discontinued operations for the year is based on the profit for the year attributable to owners of the Company from continuing and discontinued operations of approximately HK$90,852,000 (2011: HK$102,083,000) and on the 262,140,720 (2011: 262,140,720) ordinary shares in issued during the year.

The computation of diluted earnings per share for the year ended 31 December 2012 and 2011 does not assume the exercise of the Company's outstanding warrants because the exercise prices of those warrants were higher than the average market price of the Company's share for the corresponding period.

From continuing operations

The calculation of the basic and diluted earnings per share for continuing operations for the year is based on the profit for the year attributable to owners of the Company from continuing operations of approximately HK$90,852,000 (2011: HK$105,843,000) and on the 262,140,720 (2011: 262,140,720) ordinary shares in issued during the year. The computation of diluted earnings per share for both years are the same as those detailed above.

From discontinued operation

During the year ended 31 December 2011, basic and diluted loss per share for discontinued operation is HK1.43 cents per share based on the loss for the year attributable to owners of the Company from discontinued operation of approximately HK$3,760,000 and on the 262,140,720 ordinary shares in issued during prior year. The computation of diluted loss per share for prior year is the same as those detailed above.

8. TRADE AND OTHER RECEIVABLES AND BILLS RECEIVABLE

	2012	2011
	HK$'000	*HK$'000*
Trade receivables	**771,666**	452,627
Less: allowance for doubtful debts	**(3,997)**	(8,642)
	767,669	443,985
Other receivables	**40,864**	23,870
Prepayment and deposits paid	**19,519**	11,665
Total trade and other receivables	**828,052**	479,520
Bills receivable	**9,745**	7,448

The Group allows a credit period ranging from 30 days to 120 days to its trade customers.

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.

	2012	2011
	HK$'000	*HK$'000*
Current	**561,708**	355,921
Within 30 days	**179,183**	77,549
More than 30 days and within 60 days	**19,510**	7,820
More than 60 days and within 90 days	**2,891**	2,547
More than 90 days	**14,122**	7,596
	777,414	451,433

9. TRADE AND OTHER PAYABLES AND BILLS PAYABLE

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**467,453**	404,212
Other payables	**17,853**	29,823
Accruals and deposits received	**37,143**	26,673
Total trade and other payables	**522,449**	460,708
Bills payable	**242,605**	59,125

The average credit period on purchase of goods ranged from 30 days to 120 days.

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

	2012	2011
	HK$'000	*HK$'000*
Current	**664,892**	392,992
Within 30 days	**35,558**	53,504
More than 30 days and within 60 days	**6,490**	14,521
More than 60 days and within 90 days	**24**	251
More than 90 days	**3,094**	2,069
	710,058	463,337

DIVIDENDS

The Board has recommended a final dividend of HK12 cents (2011: HK10 cents) per ordinary share for the year ended 31 December 2012 subject to approval by shareholders at the forthcoming annual general meeting. Together with an interim dividend of HK3 cents (2011: HK3 cents) per share already paid, total dividend for the year will amount to HK15 cents (2011: HK13 cents) per share.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 8 May 2013 to 13 May 2013 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, 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 7 May 2013.

The Register of Members will be closed from 21 May 2013 to 23 May 2013 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for 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 20 May 2013. Dividend warrants will be dispatched on 30 May 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

Distribution of Electronic Components and Semiconductor Products

During the year under review, the slow economic recovery in the USA, the unsettled Eurozone debt crisis and the deceleration of economic growth in China have adversely affected the confidence of consumers all over the world.

Amid the tough market environment, this segment achieved record sales revenue of approximately HK$6.5 billion, up 18% from approximately HK$5.5 billion recorded last year. Such growth was driven by the growing popularity of smartphones, tablet computers and LED lighting products worldwide.

Mobile Phone Products

In 2012, China smartphone vendors achieve significant volume growth and market share expansion in both China and global market by leveraging their strong relationship with telecom operators, improved brand awareness and cost advantages. We work together with many leading China smartphone vendors and generate substantial revenue on smartphone segment by providing wide range product solutions including different 3G/2G baseband processors, large memory storage, high resolution displays, upgraded camera and acoustic modules, WiFi, low power consumption battery IC, cable connectors and other embedded solutions to their factories and design houses in the Greater China region.

Consumer Electronic Products

Growing demand of mobile internet devices (such as tablet computers and e-books) as well as environmental friendly electronic appliances have continued to boost the Group's revenue during the year under review. In 2012, the Group started to promote mobile internet device solutions from Fuzhou Rockchip Electronics Company Limited, a leading China mobile internet IC solution provider.

LED Lighting Products

Growth of demand of LED general lighting for the commercial sector has been accelerated as price declines bring forward the payback time on the initial cost of investment. The Group completed more commercial indoor and outdoor LED lighting installation projects with smart lighting control systems for property developers, hotels, banks, departments stores, retail shops, restaurants, offices and factories under the LIM branding. By leveraging the Group's engineering expertise to deliver one-stop LED lighting solutions, the Group achieved sales revenue under the LED lighting business of approximately HK$289 million during the year under review, representing a growth of 51% compared with approximately HK$192 million recorded in 2011.

Telecommunication and Networking Products

The rapid development of information and communication technology sector created more demand of 3G/4G network, cloud and data center infrastructure. The Group is able to generate satisfactory contributions from providing networking, switches, WIFI, storage, routers and WLAN solutions to those telecommunication and networking equipment makers.

Properties investment

As of 31 December 2012, the Group continues to carry the 6 units of investment properties (31 December 2011: 6 units), all of which are commercial units located in Hong Kong. The aggregate fair value of the investment properties was approximately HK$177 million (31 December 2011: approximately HK$136 million).

The above investment properties altogether generated rental income of approximately HK$5.0 million (2011: approximately HK$3.7 million) with an annualized return of 2.8% (2011: 2.7%).

OUTLOOK

Looking ahead, facing with peripheral adverse factors, we are cautiously positive about our business outlook. We have confidence that the Group will manage to perform competitively in the Greater China region by virtue of our economies of scales, solid customer relations supported by our superior local sales and field application engineers, competent inventory management and other value added services.

Recently, the Group has incorporated a subsidiary in Taiwan named Time Speed Technology Corporation so as to capture more distribution business opportunities and provide better support to our customers and vendors in Taiwan. Meanwhile, the Group will continue to adopt measures to reduce expenditure, control costs in a proactive manner with the aim of strengthening the cost efficiency of the Group. We will continue to pursue a healthy and sustainable business growth and are confident to generate more returns to our shareholders.

FINANCIAL REVIEW

In 2012, the Group has adhered to its strategy of focusing on high growth potential products in the Greater China region. During the year under review, the Group achieved record turnover of HK$6,528,034,000, up 18% from HK$5,553,312,000 achieved last year. Gross profit was HK$283,665,000, 8% higher than HK$262,968,000 of last year. However, since our focusing products, namely smartphones, tablet computers and LED lighting products, have become the most important driver in the semiconductor market, the Group is facing fierce competition and the overall gross margin declined to 4.3% from 4.7% of last year. As mentioned in 2011, the Group has proactively implemented certain cost control measures to improve its cost efficiency such that its distribution, selling and administrative expenses collectively grew only by 9% when compared with last year. Meanwhile, during the year under review, the Group recorded an non-operating loss related to an impairment on its investment in listed equity securities of PC Partner Group Limited amounting to HK$14,927,000, being the difference between the cost and the fair value of the equity securities as of 31 December 2012 (included in "Other gains and losses") while the Group recorded a non-recurred gain on disposal of distribution rights of HK$46,800,000 in 2011. As a result, the net profit attributable to owners for the Company for the year was approximately HK$90,852,000, decrease 11% compared with HK$102,083,000 of last year. Basic earnings per share was HK34.66 cents (2011: HK38.95 cents).

Liquidity and Financial Resources

As of 31 December 2012, the Group's current ratio was 116% (31 December 2011: 121%). The Group's net gearing ratio was 63% (31 December 2011: 13%), defined as 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) of HK$450,975,000 (31 December 2011: HK$82,092,000) over total equity of HK$716,728,000 (31 December 2011: HK$627,365,000). The increase of net gearing ratio was mainly due to the increase of bank borrowings in relation to the increase of working capital required to support the growth of the distribution business.

The Group recorded debtors turnover of approximately 43 days for the year under review (2011: 30 days) based on the amount of trade and bills receivable as at 31 December 2012 divided by sales for the same period and multiplied by 365 days.

The Group recorded inventory turnover and average payable period of approximately 39 days and 42 days respectively for the year under review (2011: approximately 27 days and 32 days respectively) based on the amount of inventory and trade and bills payables as at 31 December 2012 divided by cost of sales for the same period and multiplied by 365 days.

The increase of debtor, inventory and payable turnover days were mainly due to more shipments were made or prepared to deliver in the last quarter of 2012 compared with that of 2011.

The Group recorded net operating cash outflow of HK$202,566,000 and net raising of bank borrowings of HK$95,071,000 in the year under review, compared with generated net operating cash inflow of HK$30,093,000 and recorded net raising of bank borrowings of HK$219,040,000 of 2011.

Foreign Exchange Risk Management

The Group has foreign currency sales and purchases, bank deposits and borrowings primary denominated in United States dollars and Renminbi which expose the Group to foreign currency risk.

The Group entered into foreign currency forward contracts to hedge the currency risk resulting from its short-term bank loans denominated in foreign currencies.

Employee and Remuneration Policy

At 31 December 2012, the Group employed approximately 500 employees in the Greater China. 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.

Pledge of Assets

At 31 December 2012, certain of the Group's assets (including investment properties, leasehold land and buildings, bank deposits, trade receivables and financial assets at fair value through profit or loss) with the carrying value of totaling approximately HK$483 million were pledged to secure general banking facilities granted to the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2012, 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 2012.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) as contained in Appendix 14 to the Listing Rules (the "Code") for the year ended 31 December 2012, except for the following deviations:

Under the code provision A.1.8 of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is very low. The Company will consider to make such an arrangement as and when it thinks necessary.

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 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.

Under the code provision A.6.7 of the Code, two non-executive directors were unable to attend the AGM meeting of the Company held on 16 May 2012 due to their unexpected business engagement, three non-executive directors were unable to attend two SGM meetings of the Company held on 27 July 2012 due to their unexpected business engagement and five non-executive directors were unable to attend the SGM meeting of the Company held on 20 December 2012 due to their unexpected business engagement.

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 2012 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 2012 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.

.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all our employees for their contribution and commitments. I also wish to extend my sincere gratitude to our shareholders, customers, suppliers and other business partners for their long-term supports and dedication.

By Order of the Board
S.A.S. Dragon Holdings Limited
Yim Yuk Lun Stanley
Chairman and Managing Director

Hong Kong, 25 March 2013

As at the date of this announcement, the Board comprises four executive directors are Mr. Yim Yuk Lun, Stanley, Mr. Wong Sui Chuen, Mr. Lock Shui Cheung and Mr. Lau Ping 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.