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## **S.A.S. Dragon Holdings Limited**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 1184)**

### **CONTINUING CONNECTED TRANSACTIONS**

On 28 December 2018, the Company entered into the Conditional Master Agreement for the sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group in place of the Previous Master Agreement with Hon Hai dated 9 November 2015 which will expire on 31 December 2018. In anticipation of such continuing sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group in future, the Group entered into the Conditional Master Agreement with Hon Hai for the next 3 financial years during the period between 1 January 2019 and 31 December 2021 (both dates inclusive).

#### **LISTING RULES IMPLICATIONS**

Foxconn, being a wholly owned subsidiary of Hon Hai, is interested in 19.81% of the issued share capital of the Company and a substantial shareholder of the Company. FIT Taiwan, Huai An Fulitong Trading and SHARP are non-wholly owned subsidiaries of Hon Hai. Therefore, Hon Hai, Foxconn, FIT Taiwan, Huai An Fulitong Trading, SHARP and their respective associates are connected persons of the Company and the Continuing Connected Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable Percentage Ratios for the Purchase Caps and the Sale Caps are expected to exceed 5% on an annual basis, the Continuing Connected Transactions constitute non-exempt continuing connected transactions of the Company and the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder are subject to the disclosure and Independent Shareholders' approval, annual review by the independent non-executive Directors and auditors and annual reporting requirements under Chapter 14A of the Listing Rules.

As the SGM will be convened after 1 January 2019, the Company will comply with the requirement under Rule 14A.34 of the Listing Rules and enter into written agreements for all connected transactions carried out during the period between 1 January 2019 and the date of SGM.

### **SPECIAL GENERAL MEETING**

The Company will convene the SGM in due course to consider and approve the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder by poll. A circular containing, inter alia, (a) further information on the Conditional Master Agreement and the Caps; (b) the letter of advice from Gram Capital; (c) the recommendations from the Independent Board Committee; and (d) a notice of the SGM will be dispatched to the Shareholders as soon as practicable but no later than 18 January 2019.

### **INTRODUCTION**

Reference is made to the announcements dated 23 November 2006, 18 November 2009, 9 April 2010, 12 November 2012, 9 November 2015, 30 November 2015, 14 December 2015 and 2 May 2017 as well as the circulars dated 12 December 2006, 3 December 2009, 29 April 2010, 3 December 2012 and 18 December 2015 in relation to the Continuing Connected Transaction of the Company. Since the Previous Master Agreement dated 9 November 2015 for the sales and purchases of electronic components and other products between the Group and the Hon Hai Group will expire on 31 December 2018, in anticipation of such continuing sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group in future, on 28 December 2018, the Company entered into the Conditional Master Agreement with Hon Hai which governs the sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group to be made for the next 3 financial years during the period between 1 January 2019 and 31 December 2021 (both dates inclusive).

### **THE CONDITIONAL MASTER AGREEMENT**

The Company entered into the Conditional Master Agreement with Hon Hai on 28 December 2018 which governs the sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group to be made for the next 3 financial years during the period between 1 January 2019 and 31 December 2021 (both dates inclusive). The principal terms of the Conditional Master Agreement are set out below:

Date: 28 December 2018

Parties: The Company  
Hon Hai

Subject matter: sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group

Term: from 1 January 2019 to 31 December 2021

The Conditional Master Agreement is conditional upon the approval of the Conditional Master Agreement and the Caps by the Independent Shareholders at the SGM.

Under the Conditional Master Agreement, the parties agree that the Continuing Connected Transactions shall be on normal commercial terms and, in particular:

- (a) the members of the Group who are parties to the Continuing Connected Transactions shall receive or pay such consideration for the transactions with members of the Hon Hai Group based on market rates or rates which are no less favourable than those available from or to (as appropriate) independent third parties;
- (b) the terms of the Continuing Connected Transactions shall be fair and reasonable and negotiated on arm's length basis;
- (c) for purchases made by the Group from the Hon Hai Group, as the members of the Hon Hai Group are the approved vendors designated by certain end-customers, the Group will review and ensure prices for products to be purchased are charged on a cost-plus basis with reasonable profit margin;
- (d) for sales made by the Group to the Hon Hai Group, for the purpose of ensuring the terms of sales being fair and reasonable, the Group will review its pricing policy based on the following factors:
  - (i) the historical selling price of similar products;
  - (ii) the market information obtained from current customers or other vendors;
  - (iii) quotations from independent third party(ies); or

- (iv) continuing to expand the Company's customer base and obtaining market information from those customers; and
- (e) the total amount of the Continuing Connected Transactions shall not exceed the applicable caps or such other caps as approved by the Independent Shareholders from time to time.

Hon Hai will procure members of the Hon Hai Group to comply with the terms and conditions of the Conditional Master Agreement.

Certain members of the Group and certain members of the Hon Hai Group have entered or may from time to time enter into agreements to provide for more detailed terms on certain Continuing Connected Transactions. Any such agreements (including the Distribution Agreements and the Sales Agreement) made or to be made between the relevant members of the Group and relevant members of the Hon Hai Group in respect of the Continuing Connected Transactions will be subject to the Conditional Master Agreement.

At present, the products sold by the Group to the Hon Hai Group which can be divided into following categories:

- (i) semiconductors such as memory ICs, super I/O controllers, embedded controllers, etc.;
- (ii) electronic components including discrete components (such as transistors and diodes) and passive components (such as tan capacitor, multi-layer ceramic capacitors, varistors);
- (iii) accessory products such as PCBs, cables and connectors, metal parts, packaging parts and semi-finished modules of wireless modules, camera modules and sensor modules; and
- (iv) production and testing equipments.

On the other hand, the products currently bought by the Group from the Hon Hai Group which can be divided into the following categories:

- a) Products which the end-customers have designated the Hon Hai Group as the only vendor (Not related to SHARP products):
  - (i) cables and connectors and accessory;
  - (ii) keyboards parts, earphone parts, modules and clips; and
  - (iii) flexible print circuits.
- b) Products related to SHARP products:
  - (i) AV PRODUCTS;
  - (ii) BES PRODUCTS;
  - (iii) H&P PRODUCTS; and
  - (iv) EC PRODUCTS.

#### **SALES AND PURCHASES CAPS**

The following is a summary of the approximate amounts of transactions in respect of the sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group for the financial years ended 31 December 2016 and 31 December 2017 and the ten months ended 31 October 2018 respectively:

	<b>For the financial year ended 31 December 2016 (HK\$'000)</b>	<b>For the financial year ended 31 December 2017 (HK\$'000)</b>	<b>For the ten months ended 31 October 2018 (HK\$'000) (unaudited)</b>
Purchases from Hon Hai Group	702,276	1,446,862	987,000
Sales to Hon Hai Group	1,059,632	3,348,266	3,197,000

The aggregated transaction amounts in respect of the sales and purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group for the two financial years ended 31 December 2016 and 31 December 2017 and the ten months ended 31 October 2018 respectively have not exceeded (i) the purchase caps of HK\$1,300 million, HK\$1,600 million and HK\$2,000 million; and (ii) the sale caps of HK\$2,600 million, HK\$3,500 million and HK\$4,700 million, for each of the three financial years ended 31 December 2016, 2017 and 2018 respectively which were approved by the Independent Shareholders at the SGM on 6 January 2016.

The proposed Purchase Caps and the Sale Caps of the Continuing Connected Transactions for each of the three financial years ending 31 December 2019, 2020 and 2021 of the Group are set out below:

	<b>For the financial year ending 31 December 2019 (HK\$'000)</b>	<b>For the financial year ending 31 December 2020 (HK\$'000)</b>	<b>For the financial year ending 31 December 2021 (HK\$'000)</b>
Purchase Caps	1,700,000	2,200,000	2,700,000
Sale Caps	5,600,000	7,200,000	9,000,000

In determining the proposed Caps of the Continuing Connected Transactions for each of the three financial years ending 31 December 2019, 2020 and 2021 of the Group, the Board based on the following major factors:

- (a) Turnover outlook of the Group;
- (b) New product lines of the Group sales to the Hon Hai Group;
- (c) Expanded customer base of the Group in 2018 which have been utilizing products supplied by the Hon Hai Group and increasing demand for Hon Hai connectors, modules and clips;
- (d) The anticipated sales growth that will be achieved from the products provided by SHARP; and
- (e) A buffer of 10% on the estimate of factors (a) to (d) above.

If the amounts of the Continuing Connected Transactions shall exceed the respective Caps or upon the expiry of the Caps or where there is a material change to the terms of the Continuing Connected Transactions, the Company will re-comply with all applicable requirements under the Listing Rules, including (where required) making necessary announcement(s) and obtaining of approval of the Independent Shareholders. The Company will also comply with the annual review and reporting requirements under Rule 14A.55 to Rule 14A.59 and Rule 14A.71 in relation to the Continuing Connected Transactions.

## **RELATIONSHIP BETWEEN THE COMPANY AND THE CONNECTED PERSONS**

Foxconn, being a wholly owned subsidiary of Hon Hai, is interested in 19.81% of the issued share capital of the Company and a substantial shareholder of the Company. FIT Taiwan, Huai An Fultong Trading and SHARP are non-wholly owned subsidiaries of Hon Hai. Therefore, Hon Hai, Foxconn, FIT Taiwan, Huai An Fultong Trading, SHARP and their respective associates are connected persons of the Company and the Continuing Connected Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **INFORMATION ABOUT THE GROUP AND HON HAI GROUP**

The Group specialises in design, development, sourcing, quality assurance and logistics management of global proprietary electronic components and semiconductor products including chipset solutions, display panels, memory chips, power supply system solutions, multimedia system solutions, PEMCO, IoT home automation solutions, light-emitting diode (“LED”) lighting solutions and other premier solutions for a wide range of applications for mobile, consumer electronic, computer and networking, telecommunication and LED lighting products.

The Group is also a distributor of innovative environmental-friendly lifestyle enhancement finished products under **SHARP** and our owned brands of 



and  in the Asia Pacific region.

Hon Hai is a company listed in Taiwan Stock Exchange (Stock Code: 2317) and the Hon Hai Group is the world’s leading computer, communication, consumer electronics manufacturing services provider.

## **REASONS AND BENEFITS FOR THE CONTINUING CONNECTED TRANSACTIONS**

The Previous Master Agreement dated 9 November 2015 between the Company and Hon Hai will expire on 31 December 2018. As a result, the Company entered into the Conditional Master Agreement which governs the Continuing Connected Transactions of sales and purchase of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and the Hon Hai Group to be made during the period between 1 January 2019 and 31 December 2021 (both dates inclusive).

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from Gram Capital) consider that the Hon Hai Group is a reliable source of business for the Group and it is in its best interests to generate incremental income by carrying out Sales Transactions and Purchase Transactions as long as the Sales Transactions and Purchase Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) confirm that the Continuing Connected Transactions will be conducted in the usual and ordinary course of business of the Group, and based on normal commercial terms and on terms no less favourable to the Group than terms available to or from (as appropriate) other independent third parties. The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from Gram Capital) are of the view that the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Purchase Transactions**

A number of the members of Hon Hai Group are the approved vendors designated by certain end-customers of the Group. The Group is required by these customers to purchase materials and components from approved vendors. In addition, the Group is a distributor of SHARP products in Hong Kong, Macau and Non-exclusive Territories. The aggregated amount of purchases made by the Group from Hon Hai Group increased slightly from 2015 to 2016, and increased more than two-fold from 2016 to 2017, the Board estimates that the Purchase Transactions will continue to grow in the next three financial years since the Group has expanded its customer base in 2018 which have been utilizing products supplied by the Hon Hai Group.

### **Sale Transactions**

The sales of electronic components and other products by the Group to the Hon Hai Group declined slightly from 2015 to 2016 but had been increased dramatically during both the financial year ended 31 December 2017 and the ten months period ended 31 October 2018. The Board estimates that the Sale Transactions will further increase in the next three financial years.



## **IMPLICATIONS OF THE LISTING RULES**

As the Continuing Connected Transactions constitute continuing connected transactions and the applicable Percentage Ratios for the Purchase Caps and the Sale Caps are expected to exceed 5% on an annual basis, the Continuing Connected Transactions constitute non-exempted continuing connected transactions of the Company and the Conditional Master Agreement and the Caps are subject to the announcement and the reporting and independent shareholders' approval requirements under Rule 14A.35 of the Listing Rules.

In view of the interests of Hon Hai and Foxconn in the Company, Hon Hai and Foxconn and their respective associates shall abstain from voting in relation to the resolutions to approve the Conditional Master Agreement, the Caps, and the Continuing Connected Transactions contemplated thereunder. None of the Directors of the Company has any material interest in the Continuing Connected Transactions. Therefore, none of them is required to abstain from voting on the board resolution for approving the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee of the Company and the Independent Shareholders regarding the Conditional Master Agreement, the Caps, and the Continuing Connected Transactions contemplated thereunder. An Independent Board Committee of the Company will also be appointed to advise the Independent Shareholders on whether or not the Conditional Master Agreement, the Caps, and the Continuing Connected Transactions contemplated thereunder are in the interest of the Company and are fair and reasonable so far as the Independent Shareholders are concerned.

As the SGM will be convened after 1 January 2019, the Company will comply with the requirement under Rule 14A.34 of the Listing Rules and enter into written agreements for all connected transactions carried out during the period between 1 January 2019 and the date of SGM.

## **SPECIAL GENERAL MEETING**

The SGM will be convened for the Independent Shareholders to consider and approve the Conditional Master Agreement, the Caps, and the Continuing Connected Transactions contemplated thereunder by poll.

In compliance with the Listing Rules, the votes to be taken at the SGM in respect of the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder will be taken by poll, the results of which will be announced after the SGM.

## **GENERAL**

A circular containing, among other things, (a) further information on the Conditional Master Agreement and the Caps; (b) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (c) the recommendations from the Independent Board Committee; and (d) a notice of the SGM will be dispatched to the Shareholders as soon as practicable but no later than 18 January 2019.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associate(s)”	have the meaning ascribed to it in the Listing Rules;
“AV PRODUCTS”	the LCD Televisions under the brand name of “SHARP” being produced by SHARP (or its affiliates, whether in Japan or elsewhere) or under the authority of SHARP, any accessory thereto and printed matter as well as their repair and replacement parts;
“BES PRODUCTS”	any and all business equipment and solutions products (whether under the brand name of “SHARP” or any other brand name owned or controlled by SHARP) currently being produced by or for or under the authority of SHARP which shall be the integrated white board, information display panels, video wall, digital signage, copier, multifunction peripheral, document system software and consumables, and all new products;
“Board” or “Directors”	the board of Directors;
“Caps”	The Purchase Caps and the Sale Caps;
“Company”	S.A.S. Dragon Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 1184);

“Conditional Master Agreement”	the conditional master agreement dated 28 December 2018 entered into between the Company and Hon Hai in relation to the sales and purchase of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group between the Group and Hon Hai and its subsidiaries for the 3 financial years from 1 January 2019 to 31 December 2021 (both dates inclusive);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Continuing Connected Transactions”	the Purchase Transactions and the Sale Transactions;
“Director(s)”	the director(s) of the Company
“Distribution Agreements”	<ol style="list-style-type: none"> <li>(1) The distributorship agreement made between FIT Taiwan and S.A.S. Electronic (as distributor) dated 2 November 2018 in relation to the non-exclusive distribution of Hon Hai’s electronic components and other products, such as connector, cable and accessory, by S.A.S. Electronic, in Taiwan, East China, South China and North China;</li> <li>(2) The distributorship agreement made between Huai An City Fultong Trading and S.A.S. Electronic (Shenzhen) (as distributor) dated 2 November 2018 in relation to the non-exclusive distribution of Hon Hai’s electronic components and other products, such as connector and cable, by S.A.S. Electronic (Shenzhen), in South China and East China;</li> <li>(3) The distribution agreement made between SHARP and RSL Microelectronics (as distributor) dated 26 August 2016 in relation to the sole and exclusive distribution of EC PRODUCTS in Hong Kong and Macau and the non-exclusive distribution of EC PRODUCTS in Non-exclusive Territories by RSL Microelectronics for the purpose of distributing EC PRODUCTS and to provide appropriate repair and maintenance services for the EC PRODUCTS sold by RSL Microelectronics;</li> </ol>

- (4) The distribution agreement made between SHARP and S.A.S. Electric (as distributor) dated 26 August 2016 in relation to the sole and exclusive distribution of BES PRODUCTS in Hong Kong and Macau by S.A.S. Electric for the purpose of distributing BES PRODUCTS and to provide appropriate repair and maintenance services for the BES PRODUCTS sold by S.A.S. Electric;
- (5) The distribution agreement made between SHARP and S.A.S. Electric (as distributor) dated 26 August 2016 in relation to the sole and exclusive distribution of H&P PRODUCTS in Hong Kong and Macau and any other territories, which may be agreed by SHARP and S.A.S. Electric in writing, by S.A.S. Electric for the purpose of distributing H&P PRODUCTS and to provide appropriate repair and maintenance services for the H&P PRODUCTS sold by S.A.S. Electric;
- (6) The distribution agreement made between SHARP and S.A.S. Electric (as distributor) dated 26 August 2016 in relation to the sole and exclusive distribution of AV PRODUCTS in Hong Kong and Macau by S.A.S. Electric for the purpose of distributing AV PRODUCTS and to provide appropriate repair and maintenance services for the AV PRODUCTS sold by S.A.S. Electric;

“East China”

Zhejiang Province, Jiangsu Province, Shanghai Municipality, Shangdong Province, Fujian Province, Jiangxi Province and Anjui Province;

“EC PRODUCTS”

all Electronic Components (whether under the brand name of SHARP or any other brand name owned or controlled by SHARP) currently being produced by SHARP (or its direct or indirect subsidiaries, whether in Japan or elsewhere) or under the authority of SHARP or hereafter be produced or developed;

“Electronic Components”	all kinds of electronic components excluding displays, panels, LCD panels or LCD display. For clarification of understanding, the said electronic components do not include any finished products and photovoltaic products and any accessories, repair and replacement parts and consumables thereof;
“FIT Taiwan”	Foxconn Interconnect Technology Limited Taiwan Branch, a company incorporated in Taiwan and a non-wholly-owned subsidiary of Hon Hai;
“Foxconn”	Foxconn Holding Limited, a company incorporated in the British Virgin Islands, a wholly owned subsidiary of Hon Hai and a substantial shareholder of the Company;
“Group”	the Company and its subsidiaries;
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“H&P PRODUCTS”	home and kitchen appliances and air-conditioning products under the “SHARP” brand name being produced by SHARP (or its affiliates, whether in Japan or elsewhere) any accessory thereto and printed matter as well as their repair and replacement parts. The kitchen appliances products are freezer-refrigerators, microwave ovens, steam ovens, electric rice cookers and juicers. The home products are hair dryers, air purifiers, ion generators, and dehumidifiers;
“Hon Hai”	Hon Hai Precision Industry Company Limited (鴻海精密工業股份有限公司), a company incorporated in Taiwan with limited liability and the shares of which are listed on the Taiwan Stock Exchange Corporation;

“Hon Hai Group”	Hon Hai, Foxconn, FIT Taiwan, Huai An Fultong Trading, SHARP and their respective subsidiaries and associates;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huai An Fultong Trading”	Huai An Fultong Trading Company Limited (淮安市富利通貿易有限公司), a company incorporated in the PRC with limited liability, and a non-wholly-owned subsidiary of Hon Hai;
“Independent Board Committee”	an independent board committee of the Company consisting of all the independent non-executive Directors, namely Mr. Wong Tak Yuen, Adrian, Mr. Liu Chun Ning, Wilfred, Mr. Cheung Chi Kwan and Mr. Wong Wai Kin to advise the Independent Shareholders in relation to the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder;
“Independent Shareholder(s)”	Shareholder(s) other than Hon Hai, Foxconn, FIT Taiwan, Huai An Fultong Trading, SHARP and any of their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau” or “Macao”	the Macau Special Administrative Region of the PRC;
“Non-exclusive Territories”	Guangdong and Fujian Provinces and such Special Economic Zones as Shenzhen, Xiamen, Guangzhou, Zuhai, Fuzhou and Hainan Dao;
“North China”	Henan Province, Beijing Municipality, Tianjin Municipality, Shanxi Province, Inner Mongolia Autonomous Region;
“Percentage Ratios”	The percentage ratios calculated based on the requirements under Rule 14.07 of the Listing Rules;

“Previous Master Agreement”	the master agreement entered into between the Company and Hon Hai dated 9 November 2015 which governs the continuing connected transactions between the Group and the Hon Hai Group made and to be made during the period between 1 January 2016 and 31 December 2018 (both dates inclusive);
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“Purchase Caps”	for the purpose of Chapter 14A of the Listing Rules, means the annual caps of HK\$1,700 million, HK\$2,200 million and HK\$2,700 million for each of the three financial years ending 31 December 2019, 2020 and 2021 respectively in respect of the Purchase Transactions;
“Purchase Transactions”	the purchases of electronic components and distribution of SHARP products and distribution of other brand products under the Hon Hai Group by the Group under the Conditional Master Agreement;
“RSL Microelectronics”	RSL Microelectronics Company Limited (時保晶電有限公司), a limited company incorporated in Hong Kong and a wholly owned subsidiary of the Company;
“Sales Agreement”	the sales agreement dated 8 March 2013 made between Hon Hai and S.A.S. Electronic (Shenzhen), a wholly-owned subsidiary of the Company, in relation for sale of electronic components and other products to Hon Hai and other sales agreement(s) which may be made between the Group and Hon Hai for the purpose of selling electronic components and other products to Hon Hai;
“Sale Caps”	for the purpose of Chapter 14A of the Listing Rules, means HK\$5,600 million, HK\$7,200 million and HK\$9,000 million for each of the three financial years ending 31 December 2019, 2020 and 2021 respectively in respect of the Sale Transactions;
“Sale Transactions”	the sale of electronic components and other products by the Group to the Hon Hai Group under the Conditional Master Agreement;

“S.A.S. Electric”	S.A.S. Electric Company Limited (時捷電氣有限公司), a company incorporated in Hong Kong and a wholly owned subsidiary of the Company;
“S.A.S. Electronic”	S.A.S. Electronic Company Limited (時捷電子有限公司), a company incorporated in Hong Kong and a wholly owned subsidiary of the Company;
“S.A.S. Electronic (Shenzhen)”	S.A.S. Electronic (Shenzhen) Co. Ltd. (時捷電子科技(深圳)有限公司), a company incorporated in Shenzhen and a wholly owned subsidiary of the Company;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGM”	The special general meeting of the Company to be held to approve the Conditional Master Agreement, the Caps and the Continuing Connected Transactions contemplated thereunder;
“Shareholder(s)”	holder(s) of shares of the Company;
“SHARP”	SHARP Corporation, a company incorporated in Japan and a non-wholly owned subsidiary of Hon Hai;
“South China”	Guangdong Province, Guangxi Province, Hainan Province, Hong Kong and Macau;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it in under the Listing Rules; and
“%”	per cent.

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

Hong Kong, 28 December 2018

*As at the date of this announcement, the Board comprises four executive directors are Mr. Yim Yuk Lun, Stanley, Mr. Wong Sui Chuen, Mr. Yim Tsz Kit, Jacky and Wong Wai Tai, and four independent non-executive directors are Mr. Wong Tak Yuen, Adrian, Mr. Liu Chun Ning, Wilfred, Mr. Cheung Chi Kwan and Mr. Wong Wai Kin.*