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S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	2024	2023	Change
Revenue (<i>HK\$ million</i>)	27,757	22,371	+24.1%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	501.2	403.8	+24.1%
Basic earnings per share (<i>HK cents</i>)	80.09	64.52	+24.1%
Dividend per share (<i>HK cents</i>)			
– Final proposed	25.00	25.00	
– Interim paid	15.00	10.00	
Total	40.00	35.00	+14.3%

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 2024 together with last year’s comparative figures are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	<i>NOTES</i>	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Revenue	3	27,756,985	22,370,616
Cost of sales		(26,326,898)	(21,054,205)
Gross profit		1,430,087	1,316,411
Other income	5(b)	31,492	62,284
Other gains and losses, net	5(c)	7,220	(56,893)
Impairment losses under expected credit loss model, net of reversal		(2,113)	(9,545)
Distribution and selling expenses		(181,437)	(209,187)
Administrative expenses		(209,375)	(192,729)
Change in fair value of investment properties		(76,936)	(51,546)
Share of profit of an associate		372	662
Share of loss of a joint venture		(130)	(222)
Finance costs		(68,625)	(86,396)
Loss from derecognition of trade receivables at fair value through other comprehensive income (“FVTOCI”)		(125,426)	(56,629)
Profit before tax		805,129	716,210
Income tax expense	4	(132,638)	(130,537)
Profit for the year	5(a)	672,491	585,673

	NOTE	2024 HK\$'000	2023 HK\$'000
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value on trade receivables at FVTOCI		(120,833)	(71,462)
Reclassification adjustment for cumulative profit included in profit or loss upon disposal of trade receivable measured at FVTOCI		125,426	56,629
Exchange differences arising on translation of foreign operations of subsidiaries		(32,605)	7,894
Share of other comprehensive expense of an associate and a joint venture		(867)	(1,251)
Other comprehensive expense for the year		(28,879)	(8,190)
Total comprehensive income for the year		<u>643,612</u>	<u>577,483</u>
Profit for the year attributable to:			
Owners of the Company		501,237	403,801
non-controlling interests		<u>171,254</u>	<u>181,872</u>
		<u>672,491</u>	<u>585,673</u>
Total comprehensive income attributable to:			
Owners of the Company		473,167	399,225
Non-controlling interests		<u>170,445</u>	<u>178,258</u>
		<u>643,612</u>	<u>577,483</u>
Basic earnings per share (HK cents)	7	<u>80.09</u>	<u>64.52</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current Assets			
Investment properties		507,600	662,660
Property, plant and equipment		387,647	347,062
Intangible assets		17,004	17,105
Right-of-use assets		157,281	164,554
Interest in an associate		–	31,536
Interest in a joint venture		10,516	10,850
Financial assets at fair value through profit or loss (“FVTPL”)		2,998	2,998
Finance lease receivables		–	187
Deferred tax assets		10,096	8,658
		1,093,142	1,245,610
Current Assets			
Inventories		3,061,620	1,780,168
Trade and other receivables	8(a)	1,367,908	983,047
Trade receivables at FVTOCI	8(b)	1,603,691	2,100,479
Finance lease receivables		1,607	5,343
Amount due from an associate		–	609
Financial assets at FVTPL		126,938	89,366
Tax recoverable		634	5,154
Pledged bank deposits		64,666	35,980
Cash and cash equivalents		2,927,070	1,580,146
		9,154,134	6,580,292
Current Liabilities			
Trade and other payables	9	4,636,086	3,704,524
Contract liabilities		74,292	90,104
Lease liabilities due within one year		661	240
Amount due to a joint venture		3,000	3,000
Tax liabilities		54,760	120,269
Bank and other borrowings due within one year		2,385,304	953,909
		7,154,103	4,872,046

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net Current Assets	2,000,031	1,708,246
Total Assets less Current Liabilities	3,093,173	2,953,856
Non-current Liabilities		
Deferred tax liabilities	9,299	21,462
Lease liabilities due after one year	–	707
Bank and other borrowings due after one year	–	102,801
	9,299	124,970
Net Assets	3,083,874	2,828,886
Capital and Reserves		
Share capital	62,584	62,584
Share premium and reserves	2,800,549	2,574,815
Equity attributable to owners of the Company	2,863,133	2,637,399
Non-controlling interests	220,741	191,487
Total Equity	3,083,874	2,828,886

NOTES

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 “HKEX”). The ultimate controlling shareholder of the Company is Dr. Yim Yuk Lun, Stanley *SBS BBS JP*. 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 Company acts as an investment holding company. The principal activities of its subsidiaries are distribution of electronic components and semiconductor products, distribution of home appliances and business equipment and provision of related ancillary services and property investments.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the HKEX and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual periods beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2025

³ Effective for annual periods beginning on or after 1 January 2026

⁴ Effective for annual periods beginning on or after 1 January 2027

The directors of the Company anticipate that the application of all amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	For the year ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
Type of goods or services		
Sales of electronic components and semiconductors	27,610,087	22,206,540
Sales of business equipment and provision of related ancillary services	70,953	70,709
Sales of LED lighting and display products	29,689	42,516
Contract works of LED lighting and display products	28,815	29,991
	<u>27,739,544</u>	<u>22,349,756</u>
Income from leasing activities		
For operating leases – lease payments that are fixed:		
– Rental income from investment properties	17,441	19,370
– Rental income from LED lighting and display products	–	1,490
	<u>17,441</u>	<u>20,860</u>
Total revenue	<u><u>27,756,985</u></u>	<u><u>22,370,616</u></u>

Segment information

The Group is engaged in the distribution of electronic components and semiconductor products that can be used in mobile phone products, consumer electronic products, computer and networking products, telecommunication products, sales of LED lighting and display products, distribution business equipment and provision of related ancillary services, contract works of LED lighting and display products and properties investments.

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 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.

Geographical information

The Group's operations are located in different places of domicile, including the Mainland China, Hong Kong and Taiwan.

The following is an analysis of the Group's revenue by the geographical locations of customers based on billing address of products or services, or location of properties or products for rental income for the year:

	Sales revenue by geographical market	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	19,543,150	15,498,560
Mainland China	7,000,767	6,000,890
Taiwan	524,229	292,980
Singapore	264,379	114,462
Vietnam	164,598	119,038
United States of America	101,007	119,453
Macao Special Administrative Region of the PRC	4,501	45,155
Others	154,354	180,078
	27,756,985	22,370,616

The following is an analysis of the carrying amount of non-current assets excluding financial assets at FVTPL, finance lease receivables and deferred tax assets by geographical area in which the assets are located:

	Carrying amount of non-current assets	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	743,055	838,564
Mainland China	322,667	379,400
Taiwan	13,397	14,873
Others	929	930
	1,080,048	1,233,767

Information about major customers

Revenue from a customer of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A	14,111,275	9,076,879
Customer B	N/A*	2,502,201
	<u>14,111,275</u>	<u>11,579,080</u>

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. INCOME TAX EXPENSE

	2024 HK\$'000	2023 HK\$'000
The charge comprises:		
Hong Kong Profits Tax		
– current year	128,538	120,975
– overprovision in prior years	(1,474)	–
PRC EIT		
– current year	4,882	2,709
– underprovision in prior years	139	249
Taiwan corporate income tax		
– current year	13,051	7,616
– under(over)provision in prior years	<u>512</u>	<u>2,051</u>
	<u>145,648</u>	<u>133,600</u>
Deferred tax credit	<u>(13,010)</u>	<u>(3,063)</u>
	<u>132,638</u>	<u>130,537</u>

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of EIT (the “EIT Law”) and Implementation Regulation of the EIT Law in the PRC, the applicable tax rate of the PRC subsidiaries is 25% for both years.

Corporate income tax in Taiwan is charged at 20% for both years.

5. PROFIT FOR THE YEAR/OTHER INCOME/OTHER GAINS AND LOSSES

(a) Profit for the year

	2024 HK\$'000	2023 HK\$'000
Profit for the year has been arrived at after charging:		
Staff costs, including directors' and chief executives' remuneration		
– salaries and other benefits	108,684	108,263
– performance related incentive payments (<i>note</i>)	48,196	59,455
– retirement benefits scheme contributions	13,255	13,638
	<u>170,135</u>	<u>181,356</u>
Auditor's remuneration		
– Audit services	2,398	2,408
– Non-audit services	305	217
Amortisation of intangible assets	279	190
Depreciation of property, plant and equipment	28,892	37,876
Depreciation of right-of-use assets	7,215	7,206
Cost of inventories recognised as an expense (including reversal of allowance for inventories of HK\$36,632,000 (2023: reversal of allowance for inventories of HK\$27,143,000))	<u>26,306,345</u>	<u>21,040,321</u>

Note: Performance related incentive payments were determined with reference to the Group's operating results and individual performance.

(b) Other income

	2024 HK\$'000	2023 HK\$'000
Interest income on bank deposits	18,032	48,193
Dividend income from equity investments	6,761	7,709
Interest income on finance leases	423	514
Others	6,276	5,868
	<u>31,492</u>	<u>62,284</u>

(c) Other gains and losses, net

	2024 HK\$'000	2023 HK\$'000
Net foreign exchange gains (losses)	2,811	(20,558)
Change in fair value of financial assets at FVTPL	1,811	(14,654)
Gain on disposal of property, plant and equipment, net	281	1,325
Impairment loss on investment in an associate	–	(22,442)
Change in fair value of derivative financial instruments	–	(77)
Others	2,317	(487)
	<u>7,220</u>	<u>(56,893)</u>

6. DIVIDENDS

	2024 HK\$'000	2023 HK\$'000
Dividends recognised as distribution during the year:		
2024 interim dividend of HK15 cents (2023: 2023 interim dividend of HK10 cents) per share	93,876	62,584
2023 final dividend of HK25 cents (2022: 2022 final dividend of HK25 cents) per share	156,459	156,459
	<u>250,335</u>	<u>219,043</u>

Subsequent to the end of the reporting period, a final dividend of HK25 cents per share in respect of the year ended 31 December 2024 (2023: final dividend of HK25 cents per share in respect of the year ended 31 December 2023), in an aggregated amount of HK\$156,459,000 (2023: HK\$156,459,000) has been proposed by the directors and are subject to approval by the shareholders in the forthcoming annual general meeting.

7. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings:		
Profit for the year attributable to owners of the Company, for the purpose of basic earnings per share	<u>501,237</u>	<u>403,801</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Number of shares:		
Number of ordinary shares for the purpose of basic earnings per share	<u>625,837</u>	<u>625,837</u>

8. TRADE AND OTHER RECEIVABLES/TRADE RECEIVABLES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(a) Trade and other receivables

	31.12.2024 <i>HK\$'000</i>	31.12.2023 <i>HK\$'000</i>
Trade receivables at amortised cost	1,267,244	853,665
Less: allowance for credit losses	<u>(10,383)</u>	<u>(14,286)</u>
	1,256,861	839,379
Other receivables	83,488	78,418
Prepayment and deposits paid	<u>27,559</u>	<u>65,250</u>
Total trade and other receivables	<u>1,367,908</u>	<u>983,047</u>

As at 1 January 2023, trade receivables from contracts with customers measured at amortised cost amounted to HK\$1,004,503,000.

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

The following is an aging analysis of trade receivables measured at amortised cost net of allowance for credit losses presented based on the due date at the end of the reporting period:

	31.12.2024	31.12.2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Not past due	943,715	595,525
Overdue by:		
1 – 30 days	64,652	160,660
31 – 60 days	95,431	28,130
61 – 90 days	78,337	15,108
Over 90 days	74,726	39,956
	<u>1,256,861</u>	<u>839,379</u>

Before accepting a new customer, the Group assesses the potential customer's credit quality by investigating their historical credit record and then sets a credit limit for that customer. Limits attributed to customers are reviewed periodically. The majority of the trade receivables that are neither past due nor impaired have no history of defaults on payments.

(b) Trade receivables at FVTOCI

	31.12.2024	31.12.2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables held for collecting contractual cash flows or factoring to banks	<u>1,603,691</u>	<u>2,100,479</u>

As at 1 January 2023, trade receivables at FVTOCI from contracts with customers amounted to HK\$1,702,299,000.

9. TRADE AND OTHER PAYABLES

	31.12.2024 HK\$'000	31.12.2023 HK\$'000
Trade payables (<i>note i</i>)	3,837,230	2,941,229
Other payables (<i>note ii</i>)	105,927	189,259
Dividend payable to non-controlling shareholders	600,920	480,097
Accruals and deposits received	92,009	93,939
	<u> </u>	<u> </u>
Total trade and other payables	<u>4,636,086</u>	<u>3,704,524</u>

Notes:

- (i) As at 31 December 2024, the balance of trade payables included bills presented by the Group of HK\$20,736,000 (2023: HK\$22,094,000), which the Group issued letter of credit to suppliers but the related facilities were not drawn.
- (ii) As at 31 December 2024, no retrospective sales discount was included in other payable (2023: HK\$116,067,000).

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

Included in the Group's trade and other payables with aggregate amount of approximately HK\$218,753,000 (2023: HK\$130,769,000) are denominated in US\$ which is other than the functional currency of the relevant group entities.

The following is an aging analysis of trade payables presented based on the due date at the end of the reporting period:

	31.12.2024 HK\$'000	31.12.2023 HK\$'000
Current	3,347,912	2,583,267
Within 30 days	302,691	202,363
More than 30 days and within 60 days	45,028	50,679
More than 60 days and within 90 days	43,062	42,957
More than 90 days	98,537	61,963
	<u> </u>	<u> </u>
	<u>3,837,230</u>	<u>2,941,229</u>

DIVIDENDS

The Board has recommended a final dividend of HK25.00 cents per share for the year ended 31 December 2024 subject to approval by the shareholders at the forthcoming annual general meeting. Together with an interim dividend of HK15.00 cents per share already paid, total dividend for the year will amount to HK40.00 cents (2023: HK35.00 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 14 May 2025 to 20 May 2025 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 of shares accompanied by the relevant share certificates should be lodged with the Company's Registrars in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 May 2025. The record date for the attending and voting at the annual general meeting is 20 May 2025.

The Register of Members will be closed from 26 May 2025 to 28 May 2025 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement of the proposed final dividend, all transfers of shares accompanied by the relevant share certificates should be lodged with the Company's Registrars in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 23 May 2025. Dividend warrants will be dispatched on 4 June 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Distribution of Electronic Components and Semiconductor

During the year under review, demand of smartphone and consumer electronic products showed signs of recovery, together with the growing demand of AI solutions for smartphone, PCs and GPU servers, the Group's component team recorded sales revenue of HK\$27.61 billion, increased by 24.3% from HK\$22.21 billion recorded in the same period last year.

We keep focusing on our strategy to provide comprehensive portfolio of design and supply chain services to our target customers in the Greater China region by broadening our world's leading semiconductor supplier base as well as expending our geographical sales network.

Mobile Phone

Global smartphone shipments rebounded in 2024 after two years of decline, with 6% growth to 1.24 billion units reported by IDC. Growth was driven by emerging markets and aggressive vendor strategies, including promotions, multi-tier pricing, and trade-in programs. Leading manufacturers are intensifying premiumization strategies to drive growth, focusing on advanced features and higher-margin devices to meet evolving consumer demands for innovation and enhanced user experiences.

During the year under review, the Group recorded significant revenue in mobile phone segment by delivering broader range of competitive products such as high-performance memory solutions, full screen high resolution display panels, high-megapixel CMOS sensors, auto focus actuators, mobile payment security ICs, fingerprint, force touch, multi-function motion sensors, high-speed wired and wireless charging technologies solutions to those branded handset manufacturers, design houses and camera module factories in the Greater China region.

Consumer Electronic

In 2024, the consumer electronics market is poised for transformative growth, driven by accelerating demand for AI-optimized smart home ecosystems, next-generation AI PCs with neural processing capabilities and advanced EV control interfaces tailored for autonomous driving systems. The proliferation of hybrid cloud-edge computing architectures, coupled with energy-efficient hyperscale data centers, will further catalyze innovation.

During the year under review, the Group recorded significant revenue in consumer electronics segment by delivering AI-accelerated system-on-chips, displays with high resolution and dynamic refresh rate, radio frequency modules, Bluetooth low energy solutions, larger storage memory chips, distance measurement and proximity sensors, optical couplers, frequency conversion ICs to our branded manufacturers.

LED technology solution provider

Our LED team specializing in providing customized order fulfilments including sales and contract work of LED lighting and display products under our owned brand of Light in Motion  and LIM InfraSystems  for global market.

During the year under review, our LED project team completed a number of sizeable LED lighting and display projects for The Twins of Sogo Kai Tak, Singapore QT Hotel, Hong Kong and Mainland developers, NGOs and government departments.

Distribution of home appliances and business equipment and provision of related ancillary services

During the year under review, our SHARP B2B business team achieved business growth by offering competitive business solutions to enterprises compared to 2023.

Properties investment

As of 31 December 2024, the Group carried the 17 units of investment properties (31 December 2023: 18 units) for commercial and industrial uses in Hong Kong and the PRC. During the year under review, one property was transferred to property, plant and equipment from investment property. The aggregate carrying value of investment properties amounted to HK\$508 million (31 December 2023: HK\$663 million). The above investment properties altogether generated rental income of HK\$17.4 million (2023: HK\$19.4 million) with an annualized return of 3.4% (2023: 2.9%).

OUTLOOK

Looking ahead to 2025, semiconductor industry will navigate a complex landscape shaped by persistent geopolitical friction, particularly US – China tensions over advanced technology access and export controls. However, rising demand for next generation AI smartphone, AI PCs and AI humanoid robots offers growth opportunities. The Group will continue to maintain a prudent approach with strong focus on cash flow management.

We believe we are in a much better position than before against challenges and have confidence that the Group will maintain competitive in the Greater China region by virtue of our economies of scales, solid long-term customer relations supported by our strong financial strength, localized sales and engineers, competent inventory management and other value added services. By leveraging on our almost 45 years of experience, industry expertise and market recognition, we are confident to pursue a healthy and sustainable business growth and generate more returns to our shareholders.

FINANCIAL REVIEW

For the year ended 31 December 2024, the Group recorded revenue of HK\$27,756,985,000, increased by 24.1% from HK\$22,370,616,000 recorded last year. The Group's gross profit was HK\$1,430,087,000 increased by 8.6% from HK\$1,316,411,000 recorded last year and gross profit margin was 5.2%, compared with 5.9% recorded last year. Profit attributable to the shareholders of the Company for the year ended 31 December 2024 was HK\$501,237,000, increased by 24.1% compared with HK\$403,801,000 recorded last year. Basic earnings per share was HK80.09 cents (2023: HK 64.52 cents).

Liquidity and Financial Resources

As of 31 December 2024, the Group's current ratio was 128% (31 December 2023: 135%). The Group was in net cash position of approximately HK\$736,368,000 (31 December 2023: HK\$651,780,000), calculated as total cash and bank balances and financial assets at fair value through profit or loss minus total bank and other borrowings.

The Group recorded debtors turnover of approximately 38 days for the year under review (2023: 48 days) based on the amount of trade and bills receivable as at 31 December 2024 divided by sales for the same year and multiplied by 366 days (2023: 365 days).

The Group recorded inventory turnover and average payable period of approximately 43 days and 53 days respectively for the year under review (2023: approximately 31 days and 51 days respectively) based on the amount of inventory and trade and bills payables as at 31 December 2024, divided by cost of sales for the same year and multiplied by 366 days (2023: 365 days).

During the year ended 31 December 2024, the Group recorded net operating cash inflow of HK\$551,544,000 compared with net operating cash inflow of HK\$1,039,637,000 in same period last year.

Foreign Exchange Risk Management

The Group has foreign currency sales and purchases, bank deposits and borrowings primary 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 related to its payable denominated in foreign currencies.

Employee and Remuneration Policy

At 31 December 2024, the Group employed approximately 510 employees in the Greater China region. The Group ensures that their employees are offered competitive remuneration packages. Other staff benefits include 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 2024, certain of the Group's assets (including leasehold land and buildings, bank deposits, trade receivables, right-of-use assets and investment properties) with the carrying value of totaling approximately HK\$596 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 2024, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with management the accounting principles and policies adopted by the Group, internal control, risk management and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the “Code”) for the year ended 31 December 2024, except for the following deviations:

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

Under the code provision B.2.2 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 2024 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 profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 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 as approved by the Board of Directors on 27 March 2025. 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
Dr. Yim Yuk Lun Stanley SBS BBS JP
Chairman and Managing Director

Hong Kong, 27 March 2025

As at the date of this announcement, the Board comprises four executive directors, namely Dr. Yim Yuk Lun, Stanley SBS BBS JP, Mr. Yim Tsz Kit, Jacky, Mr. Wong Wai Tai and Mr. Tsui Chi Wing, Eric, two non-executive directors namely Mr. Wong Sui Chuen and Ms. Yim Kei Man, Carmen and three independent non-executive directors, namely Mr. Wong Tak Yuen, Adrian, Mr. Cheung Chi Kwan and Mr. Wong Wai Kin.