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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 2025

FINANCIAL HIGHLIGHTS

	2025	2024	Change
Revenue (<i>HK\$ million</i>)	30,536	27,757	+10.0%
Profit attributable to owners of the Company (<i>HK\$ million</i>)	556.7	501.2	+11.1%
Basic earnings per share (<i>HK cents</i>)	88.96	80.09	+11.1%
Dividend per share (<i>HK cents</i>)			
– Final proposed	25.00	25.00	
– Interim paid	15.00	15.00	
Total	40.00	40.00	Unchanged

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 2025 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 2025

	<i>NOTES</i>	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Revenue	3	30,536,444	27,756,985
Cost of sales		<u>(29,205,101)</u>	<u>(26,326,898)</u>
Gross profit		1,331,343	1,430,087
Other income	5(b)	57,560	31,492
Other gains and losses, net	5(c)	(1,720)	7,220
Impairment losses under expected credit loss model, net of reversal		4,498	(2,113)
Distribution and selling expenses		(169,757)	(181,437)
Administrative expenses		(230,600)	(209,375)
Changes in fair value of investment properties		(26,400)	(76,936)
Share of results of an associate		–	372
Share of results of a joint venture		949	(130)
Finance costs		(61,715)	(68,625)
Loss from derecognition of trade receivables at fair value through other comprehensive income (“FVTOCI”)		<u>(68,304)</u>	<u>(125,426)</u>
Profit before tax		835,854	805,129
Income tax expense	4	<u>(124,657)</u>	<u>(132,638)</u>
Profit for the year	5(a)	<u>711,197</u>	<u>672,491</u>

	<i>NOTE</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Other comprehensive income (expense)			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value on trade receivables at FVTOCI		(81,252)	(120,833)
Reclassification adjustment for cumulative profit included in profit or loss upon disposal of trade receivable at FVTOCI		68,304	125,426
Exchange differences arising on translation of foreign operations of subsidiaries		26,316	(32,605)
Share of other comprehensive income (expense) of a joint venture		155	(867)
		<hr/>	<hr/>
Other comprehensive income (expense) for the year		13,523	(28,879)
		<hr/>	<hr/>
Total comprehensive income for the year		724,720	643,612
		<hr/> <hr/>	<hr/> <hr/>
Profit for the year attributable to:			
Owners of the Company		556,715	501,237
Non-controlling interests		154,482	171,254
		<hr/>	<hr/>
		711,197	672,491
		<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to:			
Owners of the Company		570,808	473,167
Non-controlling interests		153,912	170,445
		<hr/>	<hr/>
		724,720	643,612
		<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (HK cents)	7	88.96	80.09
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	<i>NOTES</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current Assets			
Investment properties		488,400	507,600
Property, plant and equipment		366,769	387,647
Intangible assets		16,789	17,004
Right-of-use assets		150,125	157,281
Interest in a joint venture		11,620	10,516
Financial assets at fair value through profit or loss (“FVTPL”)		2,998	2,998
Finance lease receivables		7,105	–
Deferred tax assets		9,283	10,096
		<u>1,053,089</u>	<u>1,093,142</u>
Current Assets			
Inventories		1,567,638	3,061,620
Trade and other receivables	8(a)	1,077,392	1,367,908
Trade receivables at FVTOCI	8(b)	3,284,542	1,603,691
Finance lease receivables		2,790	1,607
Financial assets at FVTPL		105,142	126,938
Tax recoverable		1,372	634
Pledged bank deposits		37,398	64,666
Cash and cash equivalents		3,767,684	2,927,070
		<u>9,843,958</u>	<u>9,154,134</u>
Current Liabilities			
Trade and other payables	9	4,475,806	4,636,086
Contract liabilities		65,361	74,292
Lease liabilities due within one year		257	661
Amount due to a joint venture		3,000	3,000
Tax liabilities		112,446	54,760
Bank borrowings due within one year		2,676,538	2,385,304
		<u>7,333,408</u>	<u>7,154,103</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net Current Assets	<u>2,510,550</u>	<u>2,000,031</u>
Total Assets less Current Liabilities	<u><u>3,563,639</u></u>	<u><u>3,093,173</u></u>
Non-current Liabilities		
Deferred tax liabilities	4,880	9,299
Lease liabilities due after one year	<u>210</u>	<u>–</u>
	<u>5,090</u>	<u>9,299</u>
Net Assets	<u><u>3,558,549</u></u>	<u><u>3,083,874</u></u>
Capital and Reserves		
Share capital	62,584	62,584
Share premium and reserves	<u>3,120,604</u>	<u>2,800,549</u>
Equity attributable to owners of the Company	<u>3,183,188</u>	<u>2,863,133</u>
Non-controlling interests	<u>375,361</u>	<u>220,741</u>
Total Equity	<u><u>3,558,549</u></u>	<u><u>3,083,874</u></u>

NOTES

1. GENERAL INFORMATION

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

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

In the current year, the Group has applied the following amendments to a HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to a 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

At the date of this report, the Group has not early applied the following 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 ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

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 2026

³ Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and position of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. REVENUE AND SEGMENT INFORMATION

Revenue

(i) Disaggregation of revenue from contracts with customers

	For the year	
	ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Type of goods or services		
Sales of electronic components and semiconductors	30,403,983	27,610,087
Sales of business equipment and provision of related ancillary services	65,795	70,952
Sales of LED lighting and display products	22,241	29,690
Contract works of LED lighting and display products	26,111	28,815
	<u>30,518,130</u>	<u>27,739,544</u>
Revenue from contracts with customers		
	<u>30,518,130</u>	<u>27,739,544</u>
Income from leasing activities		
For operating leases – lease payments that are fixed:		
– Rental income from investment properties	18,314	17,441
	<u>18,314</u>	<u>17,441</u>
Total revenue	<u><u>30,536,444</u></u>	<u><u>27,756,985</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 of 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 Chinese Mainland, 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	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	20,868,291	19,543,150
Chinese Mainland	7,845,256	7,000,767
Taiwan	933,841	524,229
Singapore	399,100	264,379
Vietnam	206,405	164,598
United States of America	101,028	101,007
Macao Special Administrative Region of the PRC	2,185	4,501
Others	180,338	154,354
	<u>30,536,444</u>	<u>27,756,985</u>

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	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	700,803	743,055
Chinese Mainland	318,623	322,667
Taiwan	13,348	13,397
Others	929	929
	<u>1,033,703</u>	<u>1,080,048</u>

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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	<u><u>16,385,107</u></u>	<u><u>14,111,275</u></u>

4. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
The charge comprises:		
Hong Kong Profits Tax		
– current year	121,154	128,538
– overprovision in prior years	(3,467)	(1,474)
PRC Enterprise Income Tax (“EIT”)		
– current year	2,762	4,882
– (overprovision) underprovision in prior years	(18)	139
Taiwan corporate income tax		
– current year	8,947	13,051
– (overprovision) underprovision in prior years	(100)	512
	<u>129,278</u>	<u>145,648</u>
Deferred tax credit	<u>(4,621)</u>	<u>(13,010)</u>
	<u><u>124,657</u></u>	<u><u>132,638</u></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.

The Group is operating in certain jurisdictions where the Pillar Two Rules are effective. However, as the Group’s estimated effective tax rates of all the jurisdictions in which the Group operates are higher than 15%, after taking into account certain adjustments under the Pillar Two Rules based on management’s best estimate, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

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

(a) Profit for the year

	2025 <i>HK\$’000</i>	2024 <i>HK\$’000</i>
Profit for the year has been arrived at after charging:		
Staff costs, including directors’ and chief executives’ remuneration		
– salaries and other benefits	113,235	108,684
– performance related incentive payments (<i>note</i>)	50,372	48,196
– retirement benefits scheme contributions	13,903	13,255
	<u>177,510</u>	<u>170,135</u>
Auditor’s remuneration		
– Audit services	2,766	2,398
– Non-audit services	227	305
Amortisation of intangible assets	276	279
Depreciation of property, plant and equipment	27,607	28,892
Depreciation of right-of-use assets	7,222	7,215
Cost of inventories recognised as an expense (including reversal of allowance for inventories of HK\$79,317,000 (2024: reversal of allowance for inventories of HK\$36,632,000))	<u>29,186,127</u>	<u>26,306,345</u>

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

(b) **Other income**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest income on bank deposits	53,548	18,032
Dividend income from equity investments	2,805	6,761
Interest income on finance leases	215	423
Others	992	6,276
	<u>57,560</u>	<u>31,492</u>

(c) **Other gains and losses, net**

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Net foreign exchange (losses) gains	(16,462)	2,811
Change in fair value of financial assets at FVTPL	14,624	1,811
Gains on disposal of property, plant and equipment, net	169	281
Others	(51)	2,317
	<u>(1,720)</u>	<u>7,220</u>

6. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
2025 interim dividend of HK15 cents (2024: 2024 interim dividend of HK15 cents) per share	93,876	93,876
2024 final dividend of HK25 cents (2023: 2023 final dividend of HK25 cents) per share	156,459	156,459
	<u>250,335</u>	<u>250,335</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 2025 (2024: final dividend of HK25 cents per share in respect of the year ended 31 December 2024), in an aggregated amount of HK\$156,459,000 (2024: 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Earnings:		
Profit for the year attributable to owners of the Company, for the purpose of basic earnings per share	<u>556,715</u>	<u>501,237</u>
	2025 <i>'000</i>	2024 <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

	31.12.2025 <i>HK\$'000</i>	31.12.2024 <i>HK\$'000</i>
Trade receivables at amortised cost	911,100	1,267,244
Less: allowance for credit losses	<u>(7,896)</u>	<u>(10,383)</u>
	903,204	1,256,861
Other receivables	131,124	83,488
Prepayment and deposits paid	<u>43,064</u>	<u>27,559</u>
Total trade and other receivables	<u>1,077,392</u>	<u>1,367,908</u>

As at 1 January 2024, trade receivables from contracts with customers measured at amortised cost amounted to HK\$839,379,000.

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 year:

	31.12.2025	31.12.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Not past due	711,271	943,715
Overdue by:		
1 – 30 days	73,579	64,652
31 – 60 days	55,445	95,431
61 – 90 days	23,551	78,337
Over 90 days	39,358	74,726
	903,204	1,256,861

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

	31.12.2025	31.12.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables held for collecting contractual cash flows or factoring to banks	3,284,542	1,603,691

As at 1 January 2024, trade receivables at FVTOCI from contracts with customers amounted to HK\$2,100,479,000.

9. TRADE AND OTHER PAYABLES

	31.12.2025	31.12.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables (<i>note i</i>)	3,738,453	3,837,230
Other payables	84,526	106,750
Dividend payable to non-controlling shareholders	541,048	600,097
Accruals and deposits received	111,779	92,009
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Total trade and other payables	4,475,806	4,636,086
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Notes:

- (i) As at 31 December 2025, the balance of trade payables included bills presented by the Group of HK\$26,899,000 (2024: HK\$20,736,000), which the Group issued letter of credit to suppliers but the related facilities were not drawn.

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\$143,121,000 (2024: HK\$218,753,000) 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:

	31.12.2025	31.12.2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current	2,643,158	3,347,912
Within 30 days	851,600	302,691
More than 30 days and within 60 days	95,546	45,028
More than 60 days and within 90 days	38,306	43,062
More than 90 days	109,843	98,537
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	3,738,453	3,837,230
	<hr/> <hr/>	<hr/> <hr/>

DIVIDENDS

The Board has recommended a final dividend of HK25.00 cents per share for the year ended 31 December 2025 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 (2024: HK40.00 cents per share).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 13 May 2026 to 19 May 2026 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 12 May 2026. The record date for the attending and voting at the annual general meeting is 19 May 2026.

The Register of Members will be closed from 26 May 2026 to 28 May 2026 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 22 May 2026. Dividend warrants will be dispatched on 10 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Distribution of Electronic Components and Semiconductor

During the year under review, despite a challenging year marked with tariffs volatility and supply chain disruptions, driven by demand for data centre infrastructure and AI-related system, semiconductor shipment value ramped up significantly since the fourth quarter of 2025, the global semiconductor industry recorded a robust year in 2025. Benefited from the growing demand of AI solutions for smartphone, PC and GPU servers, the Group's component team recorded sales revenue of HK\$30.40 billion, increased by 10.1% from HK\$27.61 billion recorded in last year. According to Gartner's data, in terms of revenue, the Group is ranked as top 11 global semiconductor distributor and the top Hong Kong based semiconductor distributor in 2025.

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 expanding our geographical sales network.

Mobile Phone

According to IDC, worldwide smartphone shipments in 2025 is 1.26 billion units, rebound by 2% from 1.24 billion units. Top global smartphone brands are implementing their smartphone premiumization strategy with higher average selling prices to achieve business growth. 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

During the year under review, rising demand for AI PC, tablets, AI glasses, smart home appliances, EV control displays and AI infrastructure contributing the Group to record significant revenue in consumer electronics segment by delivering competitive 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 HSBC Main Building, Singapore Marina Bay Sands, 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 satisfactory business performance by offering competitive business solutions to enterprises compared to the same period of 2024.

Properties investment

As of 31 December 2025, the Group carried the 17 units of investment properties (31 December 2024: 17 units) for commercial and industrial uses in Hong Kong and the PRC. The aggregate carrying value of investment properties amounted to HK\$488 million (31 December 2024: HK\$508 million).

The above investment properties altogether generated rental income of HK\$18.3 million (2024: HK\$17.4 million) with an annualized return of 3.8% (2024: 3.4%).

OUTLOOK

Looking ahead, according to the China's 15th Five Year Plan starting from 2026, technology remains a core pillar, with renewed support for AI, supercomputing, semiconductors, aerospace, humanoid robots, 6G, biopharma, and the low altitude economy, alongside a push to accelerate AI adoption and commercialization. Rising demand for next generation AI smartphone, AI PCs and AI humanoid robots offers the Group's growth opportunities. However, semiconductor industry will navigate a complex landscape shaped by memory supply challenges, developments in the Middle East, uncertainties on oil prices and inflation and persistent geopolitical friction, particularly US – China tensions over advanced technology access and export controls. 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 over 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 2025, the Group recorded revenue of HK\$30,536,444,000, increased by 10.0% from HK\$27,756,985,000 recorded last year. The Group's gross profit was HK\$1,331,343,000 decreased by 6.9% from HK\$1,430,087,000 recorded last year and gross profit margin was 4.4%, compared with 5.2% recorded last year. Profit attributable to the shareholders of the Company for the year ended 31 December 2025 was HK\$556,715,000, increased by 11.1% compared with HK\$501,237,000 recorded last year. Basic earnings per share was HK88.96 cents (2024: HK80.09 cents).

Liquidity and Financial Resources

As of 31 December 2025, the Group's current ratio was 134% (31 December 2024: 128%). The Group was in net cash position of approximately HK\$1,236,685,000 (31 December 2024: HK\$736,368,000), 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 50 days for the year under review (2024: 38 days) based on the amount of trade and bills receivable as at 31 December 2025 divided by sales for the same year and multiplied by 365 days (2024: 366 days).

The Group recorded inventory turnover and average payable year of approximately 20 days and 47 days respectively for the year under review (2024: approximately 43 days and 53 days respectively) based on the amount of inventory and trade and bills payables as at 31 December 2025, divided by cost of sales for the same year and multiplied by 365 days (2024: 366 days).

During the year ended 31 December 2025, the Group recorded net operating cash inflow of HK\$809,797,000 compared with net operating cash inflow of HK\$552,809,000 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.

If necessary, the Group will consider to enter 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 2025 the Group employed approximately 500 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 2025, 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\$479 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 2025, 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 2025.

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 2025, except for the following deviations:

Under the code provision C.1.7 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 2025 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 2025 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 audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion 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, 26 March 2026

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.