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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in S.A.S. Dragon Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTION OF DIRECTORS, AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 28/F., Noble Centre, No. 1006, 3rd Fuzhong Road, Futian District, Shenzhen, P.R.C. on Wednesday, 3 June 2009 at 11:00 a.m. is set out on pages 9 to 13 of this circular. Whether or not you intend to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Share Registrars in Hong Kong, Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting should you so wish.

30 April 2009

LETTER FROM THE BOARD



S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

Directors:

Executive:

Mr. Yim Yuk Lun, Stanley *JP*

Chairman and Managing Director

Mr. Wong Sui Chuen

Mr. Lau Ping Cheung

Non-Executive:

Dr. Chang Chu Cheng

Independent Non-Executive:

Mr. Cheung Chi Kwan

Mr. Liu Chun Ning, Wilfred

Dr. Lui Ming Wah *SBS JP*

Mr. Wong Tak Yuen, Adrian

Registered Office:

Clarendon House

Church Street

Hamilton

HM11

Bermuda

Principal Office:

6th Floor

Tower B

Hunghom Commercial Centre

37 Ma Tau Wai Road

Hunghom

Kowloon

Hong Kong

30 April 2009

To the shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE
AND ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

It is proposed that at the annual general meeting of the Company to be held on 3 June 2009, the ordinary resolutions as set out in the notice of annual general meeting, will be proposed to grant the directors general mandates for issue of new shares by the Company and for the repurchase by the Company of its own shares and re-election of retiring directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

Approval is being sought from the shareholders of the Company to grant a general mandate in order to ensure flexibility and discretion to the directors of the Company (“Directors”) in the event it becomes desirable for the Company to issue new shares equal in aggregate up to 51,898,144 shares, representing 20% of the issued share capital of the Company as at the date of passing the relevant ordinary resolution (the “Issue Mandate”). The Issue Mandate will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of shareholders in general meeting, whichever is the earliest. The obtaining of such a mandate is in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The Directors wish to state that they have no immediate plans to issue any new shares of the Company.

SHARES REPURCHASE MANDATE

The Listing Rules permit companies with a primary listing on The Stock Exchange of Hong Kong Limited (“the Exchange”) to purchase their own shares, subject to certain restrictions, on the Exchange. At the annual general meeting of the Company to be held on 3 June 2009 an ordinary resolution will be proposed to grant the Directors a general mandate to, inter alia, purchase up to 25,949,072 shares, representing 10% of the shares of the Company in issue as at the date of the passing of the relevant resolution (“Repurchase Proposal”). In addition, an ordinary resolution will be proposed to provide the Directors with a general mandate to allot and issue new shares of the Company up to an amount not exceeding 20% of the share capital of the Company in issue as at the date of the passing of such resolution and adding to such general mandate by a separate ordinary resolution to be proposed at the said annual general meeting, any shares purchased by the Company pursuant to the Repurchase Proposal (up to a maximum of 25,949,072 shares, representing 10% of the Company’s issued share capital as at the date of the resolution). The Repurchase Proposal will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of shareholders in general meeting, whichever is the earliest. The Company is required by the particular rules in the Listing Rules regulating such share repurchases to send to shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Proposal. The explanatory statement required by the Listing Rules to be included in this circular is set out in the Appendix I to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice of the annual general meeting is set out pages 9 to 13 of this circular. At the annual general meeting, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the general mandates for issue of new shares by the Company and for the repurchase by the Company of its own shares and re-election of retiring directors respectively.

Pursuant to Bye-laws 87, Mr. Wong Sui Chuen, Dr. Lui Ming Wah *SBS JP* and Mr. Wong Tak Yuen, Adrian respectively shall retire by rotation and, being eligible, offer themselves for re-election at the annual general meeting. Their details are set out in Appendix II to this circular.

VOTING BY POLL

According to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll.

RECOMMENDATION

The Directors consider that the general mandate to issue shares and the Repurchase Proposal and the re-election of Directors are in the best interests of the Company and its shareholders and accordingly recommend that all shareholders should vote in favour of the ordinary resolutions to be proposed at the said annual general meeting, as they intend to do so themselves in respect of their own holdings.

Yours faithfully,
On behalf of the Board
Yim Yuk Lun, Stanley JP
Chairman and Managing Director

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information in relation to the Repurchase Mandate for your consideration.

1. SHARE CAPITAL

As at 23 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining such information (the “Latest Practicable Date”), the issued share capital of the Company comprised 259,490,720 shares of HK\$0.10 each. Subject to the passing of the relevant ordinary resolution and on the basis that no further shares are issued or repurchased prior to the annual general meeting on 3 June 2009, the Company will be allowed under the Repurchase Proposal to repurchase a maximum of 25,949,072 shares, representing 10% of the issued share capital of the Company until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchases may, depending on whether the Company’s shares are trading at prices below the Company’s net asset value per share and funding arrangements at the time, lead to an enhancement of the net value per share of the Company’s shares and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the laws of Bermuda.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts for the year ended 31 December 2008) in the event that the mandate to repurchase shares is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, if the repurchase proposal is approved by the shareholders at the annual general meeting on 3 June 2009, to sell any shares to the Company or its subsidiaries.

The Directors have undertaken to the Exchange that so far as the same may be applicable, they will exercise the repurchase mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

The Company has not repurchased any shares on the Exchange during the past six months.

If as a result of the exercise of the power to repurchase shares pursuant to the repurchase mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers ("Takeover Code"). As a result a shareholder, or group of shareholders acting in concert depending on the level of increase of the shareholders interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Unimicro Limited, a company wholly and beneficially owned by Mr. Yim Yuk Lun, Stanley *JP*, the Chairman and Managing Director of the Company was beneficially interested in 63,771,400 shares of HK\$0.10 each. Mr. Yim Yuk Lun, Stanley *JP* also has personal interest of 13,990,000 shares of HK\$0.10 each. Unimicro Limited and Mr. Yim Yuk Lun, Stanley *JP* hold shares representing approximately 29.97% of the total issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase shares, the joint shareholdings of Unimicro Limited and Mr. Yim Yuk Lun, Stanley *JP* would increased from approximately 29.97% to approximately 33.30%, and such increase would give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeover Code. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have an effect to give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

In addition, Foxconn Holding Limited* ("Foxconn") is the substantial shareholder of the Company holding 46,000,000 shares of HK\$0.10 each (represents 17.73% of the total issued share capital of the Company). In the event that the Directors exercise in full the power repurchase the shares, the shareholding of Foxconn would be increased from approximately 17.73% to approximately 19.70%, and such increase would not give rise to an obligation to make a mandatory

offer in accordance with Rule 26 of the Takeover Code. Mr. Chung Shun Ming is the substantial shareholder of the Company holding 27,343,400 shares of HK\$0.10 each (represents 10.54% of the total issued share capital of the Company). In the event that the Directors exercise in full the power repurchase the share, the shareholding of Mr. Chung Shun Ming would be increased from approximately 10.54% to approximately 11.71%, and such increase would not give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

No connected persons or their associates (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company, or have undertaken not to do so in the event that the Company is authorized to make purchases of shares.

* Hon Hai Precision Industry Co. Ltd. (“Hon Hai”) owns 100 per cent. interests in Foxconn. All interests from Foxconn are deemed to be beneficially interested by Hon Hai.

5. SHARE PRICES

The highest and lowest prices at which the Company’s shares were traded on the Exchange during in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	shares	
	highest	lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2008	1.05	0.95
May 2008	1.02	0.92
June 2008	0.92	0.90
July 2008	0.87	0.75
August 2008	0.80	0.73
September 2008	0.75	0.40
October 2008	0.76	0.40
November 2008	0.50	0.34
December 2008	0.84	0.44
January 2009	0.60	0.40
February 2009	0.50	0.35
March 2009	0.74	0.50
April 2009 (up to the Latest Practicable Date)	0.55	0.45

APPENDIX II DETAILS OF PROPOSED DIRECTORS TO BE RE-ELECTED

As required by the Listing Rules, the following are the particulars of the three Directors proposed to be re-elected at the annual general meeting.

Mr. Wong Sui Chuen, aged 55, was appointed as an Executive Director of the Company in 2003. He is mainly responsible for overall administration operations in the PRC. Mr. Wong has over fifteen years' experience in the PRC business affairs. He is currently appointed as the vice president of Shenzhen Association of Enterprises with Foreign Investment, the director of Shanghai Chinese Overseas Friendship Association, the consultant of Shenzhen Association for the Promotion of International Economy & Culture and the director of Dongguan Electronic Industries Association. Save as aforesaid, Mr. Wong has not held any directorship in other listed companies in the past three years.

So far as the directors are aware as at the Latest Practicable Date, Mr. Wong is beneficially interested in 762,000 ordinary shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. Mr. Wong has no service contract with the Company and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company' Bye-Laws. His directors' remuneration was approximately HKD623,420 for the financial year ended 31 December 2008. The level of this remuneration was determined on the basis of his responsibilities, the prevailing market conditions and the performance of the Company's results.

This is no information relating to Mr. Wong that is required to be disclosed pursuant to Rules 13.51 (2)(h) to (v) of the listing rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

Dr. Lui Ming Wah *SBS JP*, aged 71, was appointed as an Independent Non-Executive Director of the Company in 1994. Dr. Lui holds a Master's degree in applied science from the University of New South Wales, Australia and a Doctorate in engineering from the University of Saskatchewan, Canada. Dr. Lui is currently the managing director of Keystone Electronics Company Limited. In addition to being board member of nine other committees, Dr. Lui is one of the members of the Legislative Council of Hong Kong, the Hon. Chairman of the Hong Kong Electronic Industries Association Limited and an Executive committee member of CMA.

APPENDIX II DETAILS OF PROPOSED DIRECTORS TO BE RE-ELECTED

Dr. Lui is a director of AV Concept Holdings Limited, Gold Peak Industries (Holdings) Limited, Glory Mark Hi-Tech (Holdings) Limited and L.K. Technology Holdings Limited. Save as aforesaid, Dr. Lui has not held any directorship in other listed companies in the past three years.

So far as the directors are aware as at the Latest Practicable Date, Dr. Lui did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. Dr. Lui has no service contract with the Company and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Bye-Laws. His directors' remuneration was approximately HKD50,000 for the financial year ended 31 December 2008. The level of this remuneration was determined on the basis of his responsibilities, the prevailing market conditions and the performance of the Company's results.

This is no information relating to Dr. Lui that is required to be disclosed pursuant to Rules 13.51 (2)(h) to (v) of the listing rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

Mr. Wong Tak Yuen, Adrian, aged 54, was appointed as an Independent Non-Executive Director of the Company in 1999. Mr. Wong holds a Bachelor's degree in Economics and Mathematics from the University of Western Ontario, London, Canada. Mr. Wong has over twenty years experience in the financial industry. Save as aforesaid, Mr. Wong has not held any directorship in other listed companies in the past three years.

So far as the directors are aware as at the Latest Practicable Date, Mr. Wong did not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company. Mr. Wong has no service contract with the Company and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Company's Bye-Laws. His directors' remuneration was approximately HKD50,000 for the financial year ended 31 December 2008. The level of this remuneration was determined on the basis of his responsibilities, the prevailing market conditions and the performance of the Company's results.

This is no information relating to Mr. Wong that is required to be disclosed pursuant to Rules 13.51 (2)(h) to (v) of the listing rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



S.A.S. Dragon Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1184)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 28/F., Noble Centre, No. 1006, 3rd Fuzhong Road, Futian District, Shenzhen, P.R.C. on 3 June 2009 at 11:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and independent auditors for the year ended 31 December 2008;
2. To declare a final dividend of HK2 cents in respect of the year ended 31 December 2008;
3. To re-elect directors and to authorize the Board of Directors to fix their remuneration;
4. To re-appoint auditors and to authorize the Board of Directors to fix their remuneration;

As special business, to consider and if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. **“THAT**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved and authorized;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the approval pursuant to paragraph (a) shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting”.

6. **“THAT**

- (a) subject to paragraph (b) below, a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise all the powers of the Company during the Relevant Period (as hereinafter defined) to allot, issue and deal with the shares in the capital of the Company (including making and granting offers, agreements and options which would or might require the exercise of such powers, whether during the continuance of the Relevant Period or thereafter);

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted or dealt with pursuant to the approval in paragraph (a) above during the Relevant Period, otherwise than pursuant to the following, shall not exceed 20% of the nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly;
 - (i) a rights issue where shares are offered for a period fixed by the Directors to shareholders on the register on a fixed record date in proportion to their than holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard, as appropriate, to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or stock exchange in, or in any territory applicable to the Company);
 - (ii) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company and approved by the Stock Exchange;
 - (iii) any issue of shares in the Company upon the exercise of subscription rights attaching to any warrants of the Company; or
 - (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the bye-laws of the Company; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of;
 - (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting”; and
7. “**THAT** conditionally upon Resolutions Numbers 5 and 6 being, passed, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot shares in the capital of the Company be and is hereby extended by the addition to the nominal value of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution Number 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

On behalf of the Board

Yim Yuk Lun, Stanley JP

Chairman and Managing Director

Hong Kong, 30 April 2009

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited with the Company's Share Registrars in Hong Kong in Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
- (2) An Explanatory Statement in relation to Resolution Number 5 will be sent to shareholders and other persons who are entitled into.
- (3) The register of members of the Company will be closed from 2 June 2009 to 3 June 2009, both days inclusive. In order to qualify for the attending and voting at the annual general meeting and the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Secretaries Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 1 June 2009.
- (4) Concerning item 6 above, the Directors wish to state that they have no immediate plans to issue any additional new shares of the Company pursuant to the power to be conferred by this mandate. Under the listing rules of the Stock Exchange (as amended from time to time) the general mandate lapses unless it is renewed at each annual general meeting.