SAMSON HOLDING LTD.
順誠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00531)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

The board of directors (the "Board") of Samson Holding Ltd. (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2018 with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2018

	Notes	Six months ended 30 June **2018** *US$'000* **(Unaudited)**	2017 *US$'000* (Unaudited)
Revenue	*4*	**227,895**	234,507
Cost of sales		**(153,958)**	(153,375)
Gross profit		**73,937**	81,132
Other income, gains, losses and expenses		**5,820**	6,783
Distribution costs		**(9,933)**	(8,573)
Sales and marketing expenses		**(37,552)**	(31,108)
Administrative expenses		**(21,785)**	(26,038)
Finance costs		**(917)**	(1,085)
Profit before tax	*5*	**9,570**	21,111
Income tax expense	*6*	**(1,857)**	(7,521)
Profit for the period		**7,713**	13,590
Earnings per share attributable to ordinary equity holders of the parent	*8*		
– Basic (in US cents)		**0.247**	0.447
– Diluted (in US cents)		**0.247**	0.447

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Six months ended 30 June	
	2018	2017
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**7,713**	13,590
Other comprehensive (loss)/income:		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising on translation of foreign operations	**(2,899)**	1,297
Total comprehensive income for the period	**4,814**	14,887

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2018

	Notes	30 June 2018 US$'000 (Unaudited)	31 December 2017 US$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**116,489**	128,961
Investment properties		**7,804**	7,918
Prepaid land lease payments – non-current portion		**3,079**	3,861
Goodwill		**13,705**	13,705
Other intangible assets		**5,911**	6,030
Deferred tax assets		**7,595**	9,431
Total non-current assets		**154,583**	169,906
CURRENT ASSETS			
Inventories		**142,360**	124,489
Trade and other receivables	*9*	**129,157**	106,738
Prepaid land lease payments – current portion		**93**	145
Held-for-trading investments	*10*	**21,170**	41,808
Derivative financial instruments		**–**	342
Tax recoverable		**2,891**	2,390
Pledged bank deposits		**5,821**	5,779
Cash and cash equivalents		**108,956**	68,405
Total current assets		**410,448**	350,096
CURRENT LIABILITIES			
Trade and other payables	*11*	**90,321**	86,236
Tax payable		**11,187**	11,027
Derivative financial instruments		**3,732**	716
Interest-bearing bank borrowings		**90,995**	39,029
Total current liabilities		**196,235**	137,008
NET CURRENT ASSETS		**214,213**	213,088
TOTAL ASSETS LESS CURRENT LIABILITIES		**368,796**	382,994
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**–**	4,566
Deferred tax liabilities		**2,140**	2,735
Total non-current liabilities		**2,140**	7,301
Net assets		**366,656**	375,693
EQUITY			
Issued capital		**155,946**	155,913
Reserves		**210,710**	219,780
Total equity		**366,656**	375,693

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA for the first time for the current period's condensed consolidated financial statements:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

Several other amendments and interpretations apply for the first time in 2018, but do not have significant impact on the unaudited interim condensed consolidated financial statements of the Group.

The Group applies, for the first time, HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments* that require restatement of previous financial statements. The nature and effect of these changes are disclosed below:

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings as of 1 January 2018. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus the comparative figures have not been restated.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognised revenue when it transfers control over a product or service to a customer.

The Group satisfied a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

(b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sales of that good at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

Sales of goods

The Group's contracts with customers for the sale of furniture generally include one performance obligation. The Group has concluded that revenue from sale of furniture should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the furniture. Therefore, the adoption of HKFRS 15 did not have an impact on the timing of revenue recognition. In addition, there are no contracts for sales of furniture provide customers with a right of return and volume rebates, the amount of revenue to be recognised was not affected.

Warranty obligations

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, most warranties are assurance-type warranties under HKFRS 15, which the Group accounts for under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, consistent with its practice prior to the adoption of HKFRS 15.

HKFRS 9 *Financial Instruments*

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Group has not restated comparative information for 2017 for financial instruments in the scope of HKFRS 9. Therefore, the comparative information for 2017 is reported under HKAS 39 and is not comparable to the information presented for 2018. Differences arising from the adoption of HKFRS 9 have been recognised directly in retained earnings as of 1 January 2018.

The impacts relate to the classification and measurement and the impairment requirements are summarised as follows:

(a) Classification and measurement

Except for certain trade receivables and other receivables, under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's debt financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and other receivables.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

(b) Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

For trade receivables, the Group has applied the standard's simplified approached and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payment are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. The adoption of the ECL requirements of HKFRS 9 did not have a significant impact in impairment allowances of the Group's debt financial assets.

3. OPERATING SEGMENTAL INFORMATION

For the purposes of resources allocation and performance assessment, the Group's executive directors review the operating results and financial information on a brand by brand basis. They focus on the operating results of each brand. Each brand constitutes an operating segment of the Group. As each brand shares similar economic characteristics, has similar products, is produced under similar production processes and has a similar target group of customers, the Group's operating segments are aggregated into a single reportable segment and accordingly no separate segment information is prepared.

Segment profit before tax of US$26,452,000 (six months ended 30 June 2017: US$41,451,000) represents the profit before tax earned by the single reportable segment excluding administrative expenses, other income, gains, losses and expenses and finance costs.

4. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

5. PROFIT BEFORE TAX

	Six months ended 30 June	
	2018	2017
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
The Group's profit before tax is arrived at after charging/(crediting):		
Provision of inventories	**6,932**	44
Reversal of inventories provision	**(3,150)**	(510)
Depreciation of investment properties	**114**	114
Depreciation of items of property, plant and equipment	**6,038**	6,779
Impairment loss on trade receivables	**279**	382
Net loss on derivative financial instrument	**2,003**	1,438
Net loss/(gain) on held-for-trading investments	**297**	(2,036)
Loss on disposal of items of property, plant and equipment	**395**	151
Gain on disposal of a prepaid land lease	**(5,632)**	–
Amortisation of prepaid land lease payments	**73**	142
Bank interest income	**(288)**	(585)
Gain on bargain purchase	**–**	(2,980)

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Tax charge comprises:		
Current tax		
The United States (the "U.S.") Income tax		
Current period	**325**	1,152
Elsewhere	**291**	1,823
Deferred tax	**1,241**	4,546
Total tax charge for the period	**1,857**	7,521

The U.S. income tax charge comprises federal income tax calculated at 21% (six months ended 30 June 2017: 34%) and state income tax calculated at various rates on the estimated assessable profits of the Company's subsidiaries in the U.S.

No provision for Hong Kong profits tax has been made for the six months ended 30 June 2018 as the Group did not generate any assessable profits arising in Hong Kong during the period (six months ended 30 June 2017: Nil).

7. DIVIDENDS

During the six months ended 30 June 2018, a final dividend of HK$0.035 per share, amounting to approximately HK$109,162,000 (approximately US$13,907,000) in aggregate, for the year ended 31 December 2017 was paid to the shareholders of the Company.

During the six months ended 30 June 2017, a final dividend of RMB0.03 per share, amounting to approximately RMB91,308,000 (approximately US$13,249,000) in aggregate, for the year ended 31 December 2016 was paid to the shareholders of the Company.

During the six months ended 30 June 2018, the Board resolved not to declare any interim dividend (six months ended 30 June 2017: HK$0.035 per share, amounting to approximately HK$106,526,000 (approximately US$13,635,000) in aggregate).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic and diluted earnings per share for the period is based on:

	Six months ended 30 June	
	2018	2017
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Profit for the period and earnings for the purpose of basic and diluted earnings per share	**7,713**	13,590

	Six months ended 30 June	
	2018	2017
	Number of shares	*Number of shares*
Weighted average number of ordinary shares in issue during the period used in basic earnings per share calculation *(Note)*	**3,118,443,940**	3,043,609,773
Effect of dilutive potential ordinary shares:		
Share options	**6,296,035**	–
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	**3,124,739,975**	3,043,609,773

Note:

No adjustment has been made to the basic earnings per share for the six months ended 30 June 2017 as the Group had no potential dilutive ordinary shares in issue during the period.

9. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date:

	30 June	31 December
	2018	2017
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Trade receivables:		
Within 1 month	**46,610**	48,863
1 to 2 months	**18,785**	14,594
Over 2 months	**22,477**	14,359
	87,872	77,816
Other receivables, deposits and prepayments	**41,285**	28,922
	129,157	106,738

10. HELD-FOR-TRADING INVESTMENTS

	30 June 2018	31 December 2017
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Debt securities, at fair value:		
Listed in the U.S. with an average yield rates of 3.51% to 4.81% and maturity from January 2018 to December 2021	**11,407**	7,289
Listed in Hong Kong with an average yield rates of 1.05% to 3.71% and maturity from May 2018 to January 2027	**5,552**	15,724
Listed in Singapore with an average yield rates of 3.00% to 4.38% and maturity from on demand to November 2027	**3,024**	11,665
Listed in the United Kingdom with average yield rates of 4.24% to 5.70% and maturity from January 2017 to January 2022	**–**	647
Listed in other jurisdictions with an average yield rates of 4.44% to 4.61% and maturity from March 2021 to November 2041	**1,187**	6,483
	21,170	41,808

The above investments as at 30 June 2018 and 31 December 2017 were classified as held-for-trading and were, upon initial recognition, designated by the Group as financial assets at fair value through profit or loss.

11. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade payables, presented based on the invoice date:

	30 June 2018	31 December 2017
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Trade payables:		
Within 1 month	**14,098**	16,910
1 to 2 months	**5,795**	5,542
Over 2 months	**6,616**	3,456
	26,509	25,908
Other payables and accruals	**63,812**	60,328
	90,321	86,236

REVIEW AND OUTLOOK

BUSINESS REVIEW

Samson is now proud to be the holding company that possesses of perhaps the best wholesale furniture branding portfolio in the U.S. after the successful acquisition of Baker Interiors Group, LTD. (formerly known as Kohler Interiors Group, LTD.) and its subsidiaries (collectively referred as "BIG").

We are proud to build a fully integrated U.S. wholesale furniture branding, including Universal Furniture, Smartstuff by Universal, Paula Deen Home, Legacy Classic Furniture, Legacy Classic Kids, Wendy Bellissimo, Craftmaster Furniture, LacquerCraft Hospitality, Willis & Gambier (United Kingdom), Universal Furniture China and Athome, backed up by Lacquer Craft Furniture with its unparalleled China manufacturing operations. BIG brings in three global luxury furniture brands, namely, "Baker", "Milling Road" and "McGuire", and each with a long history of leading design, quality and craftsmanship, backed up by its advanced manufacturing plants, consisting of approximately 36 acres of beautiful land and the building in Hickory, North Carolina, United States.

The performance of the first six months in 2018 was a mixed bag of good and bad news. Due to severe weather conditions in the first four months in 2018 in the United States, and implementation upgrades in Enterprise Resource Planning ("ERP") system for our newly-acquired luxury furniture brands, lots of confirmed orders and shipments will be postponed to the second half of the year; hence resulted in higher inventory level as at 30 June 2018. While on the cost side, despite of higher labour rates, rising raw material cost and rigid environmental requirements in China, the Group have achieved gross margins of 32.4%, as a result of continued improving product mix. There is a great momentum of sales and margins contributions from the mid-to-high end furniture brand of the Group due to the launch of successful new product and expansion of market shares in non-traditional channels (including E-Commerce) and hospitality.

The benefit of disposal of manufacturing plant in Dongguan China in 2017 are reflected in the Group's lower administrative expenses for the six-month period ended 30 June 2018. In order to increase cost competitiveness for higher margins, the Group will seek aggressively to work with outsourcing partners in Asia to further reduce concentration exposures for manufacturing of case goods furniture in China. Our investment in Bangladesh has started to blossom and we are planning to expand capacity in Bangladesh for dining tables and chairs. Our upholstery manufactured in the United States continued to perform well. With new ERP implemented for BIG, we are working closely with the management of BIG to bring in positive contributions to the Group.

FINANCIAL REVIEW

Net sales for the six-month period under review was US$227.9 million compared to US$234.5 million in the same period last year, a decrease of US$6.6 million or 2.8%. The decrease in net sales were attributable to the severe weather condition in the U.S. for the first four months in 2018 and implementation upgrades in ERP system for our newly-acquired luxury furniture brands.

Gross profit margin for the period decreased to 32.4% from 34.6% for the same period in 2017. The decrease in margin was mainly due to the impact of the higher labour rate, rising raw materials cost and rigid environment requirement in China.

Total operating expenses for the period increased to US$69.3 million from US$65.7 million for the same period in 2017, mainly due to the newly-acquired Baker Interiors Group, LTD. since March 2017 which increased two more months operating expenses than the same period in 2017.

Profit for the period decreased to US$7.7 million from US$13.6 million for the same period in 2017. Net profit margin decreased to 3.4% from 5.8% for the same period in 2017. The decrease in profit was mainly in line with the decrease of sales.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2018, the Group's cash and cash equivalents increased by US$40.6 million to US$109.0 million from US$68.4 million as at 31 December 2017. Interest-bearing bank borrowings increased by US$47.4 million to US$91.0 million from US$43.6 million as at 31 December 2017. The gearing ratio (total bank borrowings/shareholders' equity) increased to 24.8% from 11.6% as at 31 December 2017. In view of the investments average coupon rate around 3.8%, which is higher than the effective interest rate for bank loans ranging from 2.50% to 2.88%, that the management believe the loan value will not be further increased according to capital expenditure and working capital requirement. The Group's cash position remains strong and the Group possesses sufficient cash and available banking facilities to meet working capital requirements and further enable us to expand through acquisitions with confidence.

Cash and cash equivalents held by the Group are mainly denominated in U.S. dollars, Renminbi, U.K. Pound Sterling and Hong Kong dollars. As at 30 June 2018, short-term interest-bearing bank borrowings of US$91.0 million (31 December 2017: US$39.0 million) bore interest at floating rates and fixed rate ranging from 2.50% to 2.88% respectively and there was no long-term bank borrowing (31 December 2017: US$4.6 million).

Our sources of liquidity include cash and cash equivalents, cash from operations and general banking facilities granted to the Group. The Group maintains strong and prudent liquidity for day-to-day operations and business development.

As a result of our international operations, we are exposed to foreign exchange risk arising from various currency exposures primarily with respect to Renminbi and U.K. Pound Sterling. Although the majority of our total revenues is denominated in U.S. dollars, a substantial portion of our cost of sales is paid in Renminbi and part of the sales are denominated in U.K. Pound Sterling. The exchange rates of U.K. Pound Sterling and Renminbi to U.S. dollars have fluctuated substantially in recent years and may continue to fluctuate in the future. In order to manage the risks arising from fluctuations in foreign exchange rates, we entered into forward foreign currency contracts to help manage currency exposures associated with certain sales and cost of sales. Most of the forward exchange contracts have generally ranged from one to twelve months in maturity whereas all foreign currency exchange contracts are recognised in the condensed consolidated statement of financial position at fair value. As at 30 June 2018, outstanding forward exchange contracts with notional value amounted to US$149.0 million (31 December 2017: US$242.6 million).

The Group's current assets increased by 17.2% to US$410.4 million from US$350.1 million as at 31 December 2017 and the Group's current liabilities increased by 43.2% to US$196.2 million from US$137.0 million as at 31 December 2017. The current ratio (current assets/current liabilities) is 2.1 times (31 December 2017: 2.6 times).

PLEDGE OF ASSETS

As at 30 June 2018, certain of the Group's property, plant and equipments, investment properties, other intangibles, inventories, trade and other receivable and bank deposits with carrying value of US$160.7 million (31 December 2017: US$167.3 million) has been pledged to banks to secure the general banking facilities granted to the Group.

CAPITAL EXPENDITURE

Capital expenditure for the six months ended 30 June 2018 amounted to US$8.3 million compared to US$39.7 million for the same period in 2017. Capital expenditure was mainly incurred for the purpose of upgrading and renovation of plant and machinery in the U.S.

OUTLOOK

Total furniture and bedding spending in the U.S. was US$104 billion in 2017, which is still the largest single furniture market in the world. The economy in the U.S. continues to be strong and consumer confidence is high. However, the recent trade disputes between U.S. and China certainly have caused business disruptions across many industries and would lead many corporations to rethink and re-examine their existing business strategies and investment.

The strong foundation we have built across our business models over the years has positioned us well to capitalise on continuing improvements in the economy of the U.S. Competition maybe fierce and economy is unpredictable. However, we believe our strong capital, our management, category expansion, diversified customer base, growing distribution channels and continuing operational efficiency will be the winning factors for the coming economic recovery cycle.

DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: HK$0.035 per share).

CORPORATE GOVERNANCE

The Board is committed to maintaining high standard of corporate governance. The Company confirms that it has complied with all code provisions of the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the six months ended 30 June 2018, save as mentioned below.

Mr. Shan Huei KUO is the Chairman of the Board and also the Chief Executive Officer of Lacquer Craft Mfg. Co., Ltd. (Zhejiang). The Group does not intend to separate these two functions as both the Board and senior management of the Group have significantly benefited from the leadership, support and experience of Mr. KUO in his management of the Board and the business of the Company.

CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted its own "Code for Securities Transactions by Directors and Employees" (the "Company's Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to govern the securities transactions of the directors and relevant employees.

Having made specific enquiry, all directors have confirmed that they have complied with the Model Code and the Company's Code throughout the six months ended 30 June 2018.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INDEPENDENT AUDITORS AND AUDIT COMMITTEE REVIEW

The unaudited interim results and interim report for the six months ended 30 June 2018 have been reviewed by Ernst & Young, which report is included in the interim report to be despatched to the shareholders, and the Company's Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is posted on the websites of the Company (www.samsonholding.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report will be despatched to the shareholders and posted on the aforementioned websites in due course.

For and on behalf of the Board
SAMSON HOLDING LTD.
Shan Huei KUO
Chairman

22 August 2018

As at the date of this announcement, Mr. Shan Huei KUO (Chairman), Ms. Yi-Mei LIU and Mr. Mohamad AMINOZZAKERI are the executive directors of the Company; Mr. Sheng Hsiung PAN is the non-executive director of the Company; and Mr. Ming-Jian KUO, Mr. Siu Ki LAU and Mr. Sui-Yu WU are the independent non-executive directors of the Company.