

# Samson Holding acquires majority stake in Vietnam furniture plant

Move will benefit subsidiary Universal Furniture by shifting production outside China



Thomas Russell // Senior Editor, Furniture Today • July 16, 2019

DONG NAI PROVINCE, Vietnam – Samson Holding Ltd., the parent company of case goods and upholstery resource Universal Furniture, is acquiring a majority ownership position in one of the largest furniture plants in Vietnam for \$32.5 million.

The company announced it has acquired a 70% stake in the Timber Inds. furniture plant in Bien Hoa, Vietnam, which is located in the Dong Nai Province. Timber Inds. is a part of Green River Group.

The company said this purchase is a “strategic investment” that will support Universal and “enter a well-established Vietnam furniture manufacturing community while remaining a viable, vertically integrated partner to retailers and interior designers around the world.” Samson said the factory also will continue to service its current OEM customer base.

The purchase is key to Universal’s success moving as it is part of a move to shift the company’s production outside the China-based production facilities of Lacquer Craft Manufacturing, also a Samson subsidiary.

Universal already has passed along temporary China tariff-related surcharges to offset increased costs of China-made products. By shifting production outside China, it potentially can lessen or remove these tariff related surcharges sooner than later. “Our goal is to lessen the impact of Chinese tariffs and mitigate any future issues with production in China,” said Samson Holding Executive Director Mohamad Amini.

“We are putting significant resources on this project to minimize disruption in our current supply chain as we strive to continue to be an easy company to transact with,” added Universal Furniture President and CEO Jeff Scheffer.

The company said that Universal will have an exclusive production line in the Timber facility and that production is slated to begin in October. Samson’s Jiashan, China, facility will provide Timber with both engineering and manufacturing support during the transition.

Samson added that the Jiashan facility will also continue to produce Universal products during the transition and afterward will remain focused on China and other international markets.

Samson said the 2 million-square-foot facility, which employs about 3,700 workers, can produce 700 containers a month of finished goods.

It also noted that this purchase is part of its global investment in manufacturing to support its supply chain and diversified customer base around the world. The facility joins others Samson owns in the U.S., China, Indonesia and Bangladesh.

“We chose the Timber facility because of its veteran senior management team and its highly experienced work force of 3,700 employees, both of which will remain with the company,” said Samson Holding Chairman Samuel Kuo.