



Samson Holding Ltd.

順誠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 531.hk)

Interim Report 2007



Better Homes And Gardens By Universal



* for identification purpose only

Contents

Corporate Information	2
Financial Highlights	3
Management Discussion and Analysis	4
Biographical Details of Directors and Senior Management	6
Other Information	12
Report on Review of Interim Financial Information	14
Condensed Consolidated Income Statement	15
Condensed Consolidated Balance Sheet	16
Condensed Consolidated Statement of Changes in Equity	17
Condensed Consolidated Cash Flow Statement	18
Notes to the Condensed Consolidated Financial Statements	19

Corporate Profile

Samson Holding Ltd. is one of the leading wholesalers in the U.S. residential furniture industry. We distinguish ourselves in our industry through our vertically-integrated U.S. wholesaler and Chinese manufacturer business model. This business model provides us with the competitive advantage of large-scale and cost-effective manufacturing facilities in China to support our U.S. branded products business. Our vertically-integrated business model is further enhanced by our comprehensive logistics and delivery capabilities that provide our customers with the flexibility to mix different furniture collections in their respective shipments.

We produce and market a wide range of high quality residential furniture at mid to high price points for the U.S. wholesale market under our own brand names, “Universal Furniture”, “Legacy Classic” and “Craftmaster”. We are committed to offering quality furniture with a high degree of perceived value at attractive prices, combined with comprehensive customer service. In addition to our powerful and trusted brands, our manufacturing division in China, operating under the name of Lacquer Craft, is the preferred original equipment manufacturer to many leading furniture brands and private label retailers in the North America and the rest of the world.

Corporate Information

Executive Directors

Mr. Shan Huei KUO (*Chairman*)
Ms. Yi-Mei LIU (*Deputy Chairman*)
Mr. Mohamad AMINOZZAKERI

Non-executive Director

Mr. Sheng Hsiung PAN

Independent Non-executive Directors

Ms. Huei-Chu HUANG
Mr. Ming-Jian KUO
Mr. Siu Ki LAU

Audit Committee

Mr. Siu Ki LAU (*Chairman*)
Ms. Huei-Chu HUANG
Mr. Sheng Hsiung PAN

Remuneration Committee

Mr. Ming-Jian KUO (*Chairman*)
Ms. Huei-Chu HUANG
Mr. Sheng Hsiung PAN

Company Secretary

Ms. Pik Yuk CHENG

Authorized Representatives

Ms. Yi-Mei LIU
Ms. Pik Yuk CHENG

Registered Office

Scotia Centre, 4th Floor
P. O. Box 2804, George Town
Grand Cayman, KY1-1112
Cayman Islands

Stock Code

The Stock Exchange of Hong Kong Limited: 531

Websites

<http://www.samsonholding.com/>
<http://www.universalfurniture.com/>
<http://www.legacyclassic.com/>
<http://www.legacyclassickids.com/>
<http://www.cmfurniture.com/>

Principal Places of Business

China:

Jian She Road, Jin Ju Village
Daling Shan Town
Dongguan City
Guang Dong Province
China, 523830

China Timber Industry City Development Area
No. 2 Taicheng Road
Jia Shan County
Zhejiang Province
China, 314100

Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

United States of America:

2575 Penny Road
High Point, NC 27265
USA

4190 Eagle Hill Drive
High Point, NC 27265
USA

221 Craftmaster Road
Hiddenite, NC 28636
USA

Auditors

Deloitte Touche Tohmatsu

Principal Bankers

Bank SinoPac
Chinatrust Commercial Bank
Fubon Bank (Hong Kong) Limited
Wachovia Bank, National Association

Share Registrars and Transfer Offices

Principal:

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 705
George Town
Grand Cayman
Cayman Islands

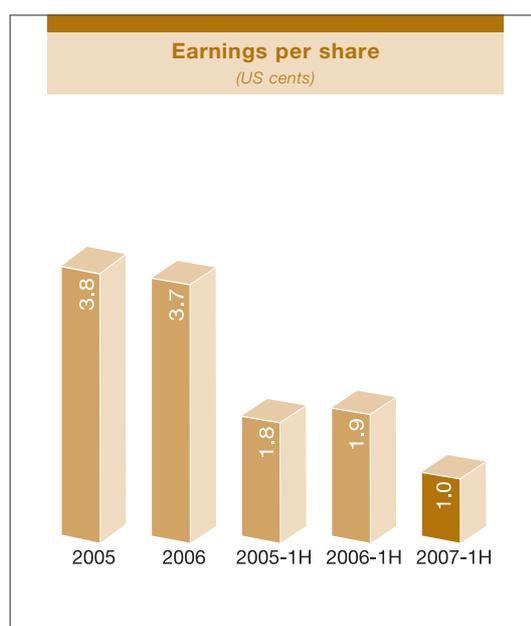
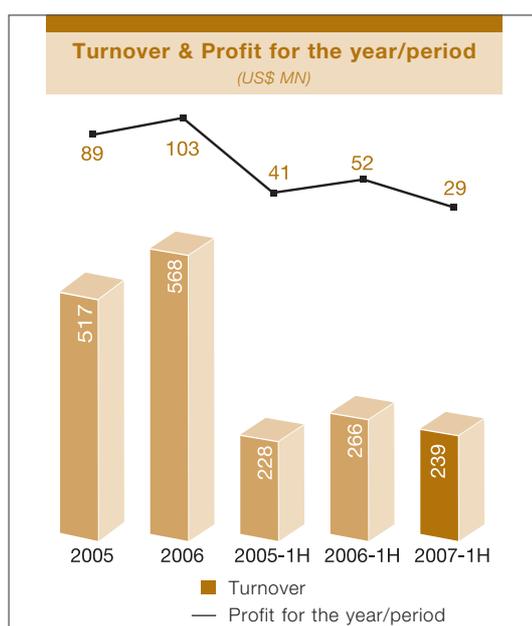
Hong Kong Branch:

Computershare Hong Kong Investor Services Limited
Shops 1712-16, 17/F
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

Financial Highlights

	Six months ended 30 June 2007 US\$'000	Six months ended 30 June 2006 US\$'000	Six months ended 30 June 2007 HK\$'000*	Six months ended 30 June 2006 HK\$'000*
Operating results				
Turnover	238,793	266,471	1,862,585	2,078,474
Gross profit	67,486	87,994	526,391	686,353
Earnings before interest and tax	29,730	54,950	231,894	428,610
Profit for the period	28,871	52,002	225,194	405,616
Earnings per share (US/HK cents)	1.0	1.9	8	15

	As at 30 June 2007 US\$'000	As at 31 December 2006 US\$'000	As at 30 June 2007 HK\$'000*	As at 31 December 2006 HK\$'000*
Financial position				
Total assets	575,472	552,095	4,488,682	4,306,341
Net current assets	246,014	237,233	1,918,909	1,850,417
Shareholders' equity	453,929	439,311	3,540,646	3,426,626



* exchange rate: US\$1 to HK\$7.8 (for reference only)

Management Discussion and Analysis

Business Review

With reference to our annual report 2006, we noted that the industry-wide slowdown does not appear to be over in the U.S. The year 2006 was the biggest percentage decline in sales of new-family houses in 25 years and the declining trend has been carrying forward to 2007.

The U.S. furniture industry has been getting weak since the second half of 2006 because of weak housing market, sub-prime mortgage problem, increase in oil price and operating costs. The overall U.S. furniture industry environment is tough and is not expecting any significant improvement in 2007. On manufacturing side, every Chinese manufacturer is facing pressure from increases in labor and other operating costs and Renminbi appreciation.

We recorded declines in sales and net profit for the first half of 2007 because of the relatively strong performance in the first half of last year. In addition, to preserve our brand names, we sustained our price at the expense of decrease in sales volumes. Still, we successfully maintained the margin of our case goods during this challenging business environment and believe it is a right strategy. During the period under review, we further expanded our business in upholstery products through the acquisition of Craftmaster in May 2006. Although the margin of upholstery products is lower than that of case goods, we believe offering a wide range of product categories and comprehensive services can create value for our customers.

Even the market conditions are weak, we pursue our long term growth and aim at our principal goal – to maintain and strengthen our position as one of the leading wholesalers in the U.S. residential furniture market and to become one of the leading players in the furniture industry globally by increasing our market share in both our branded and original equipment manufacturer businesses.

Financial Review

Turnover for the six months period under review was approximately US\$238.8 million, a decrease of US\$27.7 million or 10.4% compared with the same period in 2006.

Gross profit margin decreased to 28.3% from 33.0% for the same period in 2006. The decrease in margin was mainly due to the increase in sales of relatively low margin upholstery products following the company's acquisition of Craftmaster in May 2006.

Total operating expenses increased to US\$42.3 million from US\$37.3 million for the same period in 2006. The increases were mainly due to the operating expenses incurred by Craftmaster and increase in marketing expense for Las Vegas trade show.

Profit for the period decreased by 44.5% to US\$28.9 million. Net profit margin decreased to 12.1% from 19.5% for the same period in 2006.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2007, the Group's cash and cash equivalents was US\$166.8 million (31 December 2006: US\$135.6 million), the bank borrowing was US\$49.6 million (31 December 2006: US\$46.9 million) and the gearing ratio (total bank borrowings/shareholders' equity) was 10.9% (31 December 2006: 10.7%).

Cash and cash equivalents held by the Group are mainly denominated in U.S. dollars, Renminbi and Hong Kong dollars. The bank borrowings are denominated in U.S. dollars, carry interest at floating rates and are repayable within five years.

Management Discussion and Analysis

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

As substantially all of our revenue and most of our cost of sales are denominated in U.S. dollars, we have not had any material foreign exchange gains or losses in connection with our operations. In order to minimize our foreign exchange exposure on appreciation of Renminbi, the Group may enter into foreign exchange forward contracts. As at 30 June 2007, there was no outstanding forward exchange contract (31 December 2006: US\$24.0 million).

The Group's current assets increased by 5.0% to US\$366.4 million (31 December 2006: US\$348.8 million) and the Group's current liabilities increased by 7.9% to US\$120.4 million (31 December 2006: US\$111.6 million).

The current ratio (current assets/current liabilities) was 3.0 times (31 December 2006: 3.1 times).

Outlook

We expected that the U.S. economy will not see any turnaround in a short period of time and we will focus on cost saving programs to go through the winter. To boost our branded business, we have debuted the Better Homes and Gardens collection in July 2007. The collection is a result of the collaborative effort between the designers and craftsmen at Universal Furniture and the editors of Better Homes and Gardens, billed as "America's largest home enthusiast magazine, with a circulation of 7.6 million and a readership of nearly 40 million." The rollout will be one of the largest in the industry's history with hundreds of stores to feature the collection in the coming months. We believe the launch of this collection will help to boost our branded business as we have successfully achieved in the youth collection program. With a strong financial position, efficient and low cost production facilities in the PRC, good logistic system and excellent working team, the Company is in the best position to expand its business through organic growth and acquisitions.

Pledge of Assets

As at 30 June 2007, the Group's inventories of US\$10.9 million (31 December 2006: US\$10.8 million) and trade and other receivables of US\$44.7 million (31 December 2006: US\$52.8 million) had been pledged to banks to secure the general banking facilities granted to the Group.

Capital Expenditure

Capital expenditures for the six months ended 30 June 2007 amounted to US\$11.6 million compared to US\$27.7 million for the same period in last year. Capital expenditures were mainly incurred for the expansion of our warehouse capacity in the U.S. and production capacity in the PRC.

Employees and Emolument Policy

As at 30 June 2007, the Group employed approximately 14,109 (31 December 2006: 13,700) full-time employees in the People's Republic of China (the "PRC"), U.S. and Taiwan. The total staff cost for the six months ended 30 June 2007 was US\$30.1 million (six months ended 30 June 2006: US\$24.5 million). There is no significant change in the Group's emolument policies.

Biographical Details of Directors and Senior Management

Executive Directors

Shan Huei KUO, also known as Samuel Kuo, aged 51, is an Executive Director, Chairman of our board of directors and Chief Executive Officer of Lacquer Craft Mfg. Co., Ltd (Dongguan) (“Lacquer Craft (Dongguan)”) and Lacquer Craft Mfg. Co., Ltd (Zhejiang) (“Lacquer Craft (Zhejiang)”) (hereinafter collectively referred to as “Lacquer Craft”). Mr. Kuo is one of the founders of our business and has been one of the principal managers responsible for our business and corporate strategy, marketing and production operations and expansion strategies. Mr. Kuo has more than 21 years of experience in the furniture business in Taiwan, the PRC and the USA. Mr. Kuo is also the Chairman of the Taiwan Businessmen’s Association Dongguan, which has over 3,400 members. Mr. Kuo served two years in the military in Taiwan after obtaining a Bachelor of Arts degree in Economics Development from Tamkang University in 1978.

Yi-Mei LIU, also known as Grace Liu, aged 50, is an Executive Director and our Deputy Chairman. Ms. Liu is, together with her husband, Mr. Shan Huei Kuo, one of the founders of our business. Ms. Liu has over 21 years of experience in the furniture business and she has been closely involved in executing the corporate strategy and daily operations of our Group. In addition to her general management role, she oversees the financial control, cash management and human resources operations of our business. Ms. Liu obtained a Bachelor of Arts degree in English Literature from Suzhou University in 1979.

Mohamad AMINOZZAKERI, also known as Mohamad Amini, aged 46, is President of Lacquer Craft and has been with our Group since May 1995. Prior to becoming President, he held senior management positions in Lacquer Craft both in manufacturing and sales and marketing, and was formerly the executive Vice-President of Lacquer Craft. Mr. Amini owned and operated furniture retail stores in California and Arizona for 6 years before that. Mr. Amini has over 21 years of experience in the furniture industry. Mr. Amini obtained a Bachelor of Science degree in Mechanical Engineering from California State University in Long Beach in 1983.

Non-executive Director

Sheng Hsiung PAN, also known as William Pan, aged 52, is the Chief Executive Officer of Tai-Chuan Wooden MFG Co., Ltd, a cue manufacturer. Mr. Pan has over 19 years of experience in sales, marketing, manufacturing, and product development in the cue industry and sales and marketing in billiard cue and related accessories. Mr. Pan obtained a Bachelor of Arts degree in Economics Development from Tamkang University in 1979.

Independent Non-executive Directors

Huei-Chu HUANG, also known as Laura Huang, aged 51. Ms. Huang has over 18 years of experience in corporate finance, financial advisory and management and capital markets, with an extensive track record of executing international offerings for Taiwanese companies. Ms. Huang is Executive Vice President and Head of Investment Banking at China Development Financial Holding Corporation, Taiwan since January 2006. Prior to this, Ms. Huang was Managing Director and the Head of Taiwan Investment Banking at Merrill Lynch from 2002 to 2005. Prior to joining Merrill Lynch, Ms. Huang spent six years as Global Head of Corporate Finance at Barits Securities, Taiwan where Ms. Huang was in charge of all capital markets transactions, with a focus on Taiwan, China and Hong Kong. Previously, Ms. Huang spent 8 years as Senior Vice President in the Capital Markets/International Department of Grand Cathay Securities, responsible for capital markets business. Ms. Huang received a Master of Business Administration degree from the University of Missouri and a Bachelor of Business Administration degree from Fu Jen Catholic University, Taipei, Taiwan.

Biographical Details of Directors and Senior Management

Ming-Jian KUO, also known as Andrew Kuo, aged 45, was appointed Managing Director of H&Q Asia Pacific (H&Q) in September 2005. Before joining H&Q, Mr. Kuo was the Senior Country Officer and Head of Investment Bank of JPMorgan Chase in Hong Kong and has more than 16 years of experience in the corporate finance industry. Since the merger of JPMorgan and Jardine Fleming in 2000, Mr. Kuo has been responsible for the firm's banking business and all investment banking activities in Taiwan. Mr. Kuo is also Vice Chairman of the Greater China Operating Committee of JPMorgan Chase, and since April 2005 he has been responsible for JPMorgan's Financial Sponsor Industry of Asia, ex-Japan. Mr. Kuo has also been Managing Director of the heritage Chase Manhattan Bank since October 1998. Prior to joining JPMorgan Chase, Mr. Kuo worked at Citibank Taipei for more than nine years, last as Head of the Corporate Banking Group responsible for client management. Prior to this, Mr. Kuo was head of the Merchant Banking Group in charge of investment banking and capital market products. He previously worked at Citibank New York, focusing on strategic products, and had experience in Treasury Marketing and Foreign Exchange Trading for six years at Citibank Taipei. He was also the Chief Trader and Head of FX for Citibank from 1993 to 1995. Mr. Kuo is a member of the Youth Presidents' Organization and the Advisory Committee of the Hong Kong Monetary Authority. Mr. Kuo obtained a Bachelor degree with a major in Business Administration from Fu-Jen Catholic University in 1983 and a Master of Business Administration degree from City University of New York in 1989.

Siu Ki LAU, also known as Kevin Lau, aged 49. With over 25 years of experience in corporate finance, financial advisory and management, accounting and auditing, Mr. Lau is currently a financial advisory consultant running his own management consultancy firm, Hin Yan Consultants Limited. Mr. Lau is also a consultant to the corporate finance division of PCP CPA Limited, a medium-sized certified public accountants firm in Hong Kong. Previously, Mr. Lau worked at Ernst & Young for over 15 years. Mr. Lau is a fellow member of both the Association of Chartered Certified Accountants (ACCA) and The Hong Kong Institute of Certified Public Accountants. Mr. Lau has been elected as a member of the world council of ACCA since 2002. Mr. Lau has also served on the executive committee of the Hong Kong branch of ACCA (ACCA Hong Kong) since 1995, and was the chairman of ACCA Hong Kong in 2000/2001. Mr. Lau also serves as an independent non-executive director of eight other listed companies in Hong Kong. Mr. Lau graduated from The Hong Kong Polytechnic in 1981.

Senior Management

Samson Marketing

Kevin M. O'CONNOR, aged 62, is President and Chief Executive Officer of Samson Marketing. Mr. O'Connor has been with our Group since March 1999, and prior to his current position, he was previously President/CEO of Legacy Classic Furniture, Inc. ("Legacy Classic"). Before joining our Group, Mr. O'Connor held the top executive position of Master Design Furniture, Inc. and Hyundai Furniture, and also held senior management positions at Lea Industries, Burlington Furniture and Ethan Allen Furniture. Mr. O'Connor has over 35 years of experience in the furniture industry. Mr. O'Connor obtained a Bachelor of Arts degree in Psychology from Seton Hall University in 1968 and a Master of Science Degree in Business Administration from Columbia University in 1978.

Chou-Li HSU, also known as Victor Hsu, aged 40, is Vice-President and Chief Financial Officer of Samson Marketing, and also serves as Corporate Secretary of our member companies in the US. Prior to his current position, Mr. Hsu was previously Vice-President and Chief Financial Officer of Universal Furniture International Inc. ("Universal Furniture"), and held senior positions at Legacy Classic and Lacquer Craft since June 1998. Mr. Hsu has more than 13 years of related working experiences in Taiwan, Hong Kong, China and US. Mr. Hsu obtained a Bachelor of Science degree in Industrial Engineering from the National Tsing-Hwa University in 1989 and was awarded a Master degree in Business Administration in Finance from the University of Illinois at Urbana-Champaign in May 1994.

Biographical Details of Directors and Senior Management

Richard M. MIHALIK, aged 64, is Vice-President and Chief Operating Officer of Samson Marketing. Prior to his current position, he was previously Vice President of Operations of Legacy Classic and has been with our Group since March 1999. Mr. Mihalik previously held senior management positions at companies such as Master Design Furniture, Inc., Cardinal Tables of California, Inc., B.P. John Furniture Co. and Hyundai Furniture Co. Inc. Mr. Mihalik has over 30 years of experience in the furniture industry. He obtained a Bachelor of Arts degree in Education from Seton Hall University in 1969.

Universal Furniture

Randolph V. CHRISLEY, aged 59, is President and Chief Executive Officer of Universal Furniture and has been with our Group since November 2001. Prior to becoming Chief Executive Officer, he was Universal Furniture's Senior Vice-President of Sales and Marketing. Mr. Chrisley was previously Senior Vice-President of Sales at Pulaski Furniture Corporation, where he held management positions from 1970. Mr. Chrisley has over 30 years of experience in the furniture industry. Mr. Chrisley received a Bachelor of Science degree in Business Administration from Virginia Tech in 1970.

Yao-Yu CHIEN, also known as Eric Chien, aged 41, is Vice President and Chief Financial Officer of Universal Furniture, and prior to his current position, he was previously Chief Financial Officer of Legacy Classic and has been with our Group since July 2001. Prior to joining our Group, he was Vice-President of Corporate/Personal Banking at ABN AMRO Bank, Taichung, Taiwan. He has also worked for Credit Agricole Indosuez and the Taiwan International Securities Corporation. Mr. Chien has more than 13 years of experience in finance. Mr. Chien received a Bachelor of Arts degree in Cooperative Economics from the National Chung Hsing University, Taipei in 1989 and a Master degree in Business Administration from the University of Southern California in 1994.

Stephen B. GILES, aged 45, is Senior Vice-President of Merchandising of Universal Furniture and has been with our Group since October 2001. Before joining our Group, Mr. Giles was Vice-President of Merchandise at Lane Furniture Company. Mr. Giles has previously held management positions at Henredon Furniture Industries, Century Furniture Industries and Lane Furniture Company. Mr. Giles has over 15 years of experience in the furniture industry. Mr. Giles received a Bachelor of Science degree in Physics from Davidson College in 1984 and obtained a Master degree in Business Administration from the Executive Program from Wake Forest University in 1999.

Roy R. CALCAGNE, aged 48, is Senior Vice-President and General Manager of the Upholstery Division of Universal Furniture and has been with our Group since August 2003. Prior to joining our Group, Mr. Calcagne was Vice-President of Merchandise at Broyhill Furniture Industry. He has previously worked for Joan Fabrics Corporation, Macy's Department Store, Route 46 Furniture Store, Contemporary Furniture Bambergers Division and Route 22 Furniture Store, holding positions ranging from sales representative and assistant buyer to management positions. Mr. Calcagne has over 20 years of experience in the furniture industry. Mr. Calcagne was awarded a Bachelor of Science degree in Marketing from Fairleigh Dickinson University in 1981.

D. Michael DRAUGHAN, aged 51, is Vice-President and General Manager of the Mass Merchandise Division of Universal Furniture and has been with our Group since April 2004. Prior to becoming Vice-President and General Manager of the Mass Merchandise Division of Universal Furniture, Mr. Draughan was a lead sales representative of Universal Furniture in northern and central Florida. Mr. Draughan previously held senior management positions at Rockford Furniture, Lea Industries, and Mid-Atlantic Freight. Mr. Draughan has over 12 years of experience in the furniture industry, and over 10 years of experience in freight industry.

Biographical Details of Directors and Senior Management

David E. YELVERTON, aged 51, is Vice President of Operations of Universal Furniture and has been with our Group since January 2003. Prior to becoming Vice President of Operations earlier this year, Mr. Yelverton was Vice President of Sales Administration of Universal Furniture. Mr. Yelverton has more than 20 years of management experience in the home furnishings industry, including previous operations management, sales management and direct selling responsibilities for furniture companies. Mr. Yelverton obtained a Bachelor of Science degree from the University of North Carolina at Chapel Hill and a Master in Business Administration degree from Duke University.

Legacy Classic

Donald Lee BOONE, aged 45, is President of Legacy Classic and has been with our Group since June 2003. Prior to this, Mr. Boone held positions including General Manager of the Youth Division of Legacy Classic (Legacy Classic Kids), Vice President of Sales at Lea Industries and Vice-President of National Accounts at Universal Furniture. Mr. Boone has more than 16 years of experience in the furniture industry. Mr. Boone was awarded a Bachelor of Science degree in Engineering with Minor in Economics from West Point University in May 1984.

Shing-Huei LI, also known as Elliott Li, aged 36, is Vice-President and Chief Financial Officer of Legacy Classic and has been with our Group since December 2006. Prior to joining our Group, Mr. Li held financial management positions at Guardian Life Insurance and AT&T in the United States, as well as a sales position at Evergreen Marine in Taiwan. Mr. Li received a Bachelor of Arts degree in International Trade from Fu-Jen Catholic University, Taipei in 1993 and a Master degree in Business Administration from Georgetown University in 1999.

Gerald E. SAGERDAHL, aged 57, is Executive Vice-President of Sales of Legacy Classic and has been with our Group since March 1999. Mr. Sagerdahl has previously held the positions of Vice President at Master Design, Rachlin Furniture and GranTree Furniture Inc. and Sales Manager at Ronald A. Rosberg Corporation. Mr. Sagerdahl has more than 31 years of experience in the furniture industry. Mr. Sagerdahl obtained a Bachelor of Arts degree in Computer Science from College of San Mateo, California in 1973.

Michael H. HARRIS, aged 42, is Vice-President of Sales of Legacy Classic and has been with our Group since October 2006. Mr. Harris has previously held the positions of President and Partner at Kevin Charles Fine Furniture, Sales Manager for Palliser Furniture, and worked as an Independent Manufacturer's Representative. Mr. Harris has more than 19 years of experience in the furniture industry. Mr. Harris obtained a Bachelor of Arts degree in Economics from University of North Carolina at Chapel Hill in 1987.

Christopher Scott SMITH, aged 39, is Vice-President of Merchandising of Legacy Classic and has been with our Group since September 2003. Prior to this, Mr. Smith had held the position of Vice-President of Sales at Drexel Heritage Furniture. Mr. Smith previously held sales and marketing management positions at Davis Furniture, Lexington Furniture and Singer Furniture. Mr. Smith has more than 11 years of experience in the furniture industry. Mr. Smith was awarded a Bachelor of Arts degree in Accounting from North Carolina State University in May 1990.

Biographical Details of Directors and Senior Management

Craftmaster Furniture, Inc. (“Craftmaster”)

Roy R. CALCAGNE, is Chief Executive Office and President of Craftmaster and is also Senior Vice-President and General Manager of the Upholstery Division of Universal Furniture.

Chen-Kun Shih, also known as Anderson Shih, aged 37, is Vice President and Chief Financial Officer of Craftmaster since July 2006. Prior to his current position, Mr. Shih has more than 10 years of related working experience in Taiwan, China and the United States. Mr. Shih began his career at Ernst & Young. He obtained a Bachelor degree in Accounting from the National Chung-Hsing University in 1993, and was awarded a Master degree in Business Administration in Finance from the State University of New York at Buffalo in May 1999. Mr. Shih became a Certified Internal Auditor in 2000 and also passed the Certified Public Accountants examination of the United States in 2006.

Tom Little, aged 45, is Vice President of Sales for Craftmaster and has been with our Group since May 2006. Mr. Little has over 20 years of experience in the furniture industry. Mr. Little worked with Craftmaster Furniture Corporation in Sales Management and Marketing prior to our acquisition. Prior to joining Craftmaster Furniture Corporation in 1994, Mr. Little worked previously with Acacia Furniture and Bassett Upholstery in both Sales Management and as a Sales Representative in the state of Florida. Mr. Little received a Bachelor of Science degree in Marketing from Radford University in 1982.

Kevin P. TOLBERT, aged 47, is Senior Vice-President and Chief Operating Officer of Craftmaster and has been with our Group since May 2006. Mr. Tolbert was Vice-President of Finance and Chief Financial Officer of Craftmaster Furniture Corporation prior to our acquisition. Mr. Tolbert has held previous management positions with John S. Barnes Corporation, Vickers, Inc., Kewaunee Scientific Equipment Corporation, and served as audit staff at Touche Ross & Co. Mr. Tolbert has more than 15 years of experience in the furniture industry. Mr. Tolbert was awarded a Bachelor of Science degree in Accounting from the University of North Carolina at Charlotte in May 1982 and obtained a Master of Business Administration degree from the University of North Carolina at Charlotte in May 1990. Mr. Tolbert became a Certified Public Accountant in 1984.

Lacquer Craft

En-Kwang YANG, also known as Bob Yang, aged 60, is Executive Vice-President of Lacquer Craft and has been with our Group since September 1999. Prior to becoming Executive Vice-President, Mr. Yang was Vice President of Manufacturing of Lacquer Craft. Mr. Yang previously held management positions at Mississippi Plant of Master Design Furniture Company Limited, Johnson Wood Working Manufacturing Company, Shin Shin Wood Working Manufacturing Company Limited and Wood Working Plant of East-West High Way Forest Development. Mr. Yang obtained a Bachelor of Science degree in Forestry from the National Taiwan University in June 1969.

Chi Yin LIN, also known as Anderson Lin, aged 42, is Vice President of Manufacturing for Lacquer Craft (Dongguan) and has been with our Group since October 1995. Prior to joining our Group, Mr. Lin held positions in production control, furniture drawing and manufacturing at various furniture companies. Mr. Lin has over 20 years of experience in furniture manufacturing. Mr. Lin obtained a Diploma in Mechanical Engineering from the Industrial College of Nan Yang in 1984.

Biographical Details of Directors and Senior Management

Yuang-Whang LIAO, also known as Daniel Liao, aged 38, is Vice-President and Chief Financial Officer of Lacquer Craft and has been with our Group since September 2003. Mr. Liao is also the Group's Director of Investor Relations. Prior to joining our Group, Mr. Liao held the position of Director in the Private Equity of Citibank Hong Kong. Mr. Liao previously held positions ranging from financial officer and risk analyst to Vice President of Private Equity at Citibank, Taipei. Mr. Liao has more than 11 years of experience in banking and finance. Mr. Liao obtained a Bachelor of Arts degree in Management Science from National Chiao Tung University in May 1991 and an M. Phil in Management from Cambridge University in 1999.

Yue-Jane HSIEH, also known as Irene Hsieh, aged 37, is Special Assistant to the Chairman and has been with our Group since June 2002. Ms. Hsieh's areas of responsibility include accounts, company secretarial duties and acting as the special assistant to our Chairman, Mr. Shan Huei Kuo. Prior to becoming Special Assistant to the Chairman, Ms. Hsieh was Accounting Manager at Lacquer Craft (Dongguan) from June 2003 to July 2004. Ms. Hsieh previously worked in investment banking at Sinopac Securities and Yuanta Core Pacific Securities and as an auditor at PricewaterhouseCoopers and Ernst & Young Taiwan. Ms. Hsieh has more than three years of experience in auditing, more than five years of experience in finance and more than three years of experience in accounting. Ms. Hsieh obtained a Bachelor of Science degree in Accounting from Tunghai University in June 1993.

Company Secretary

Pik Yuk CHENG, also known as Patsy Cheng, aged 49, was appointed the company secretary of our Company on 24 October 2005. Ms. Cheng is a Corporate Services Director of Tricor Services Limited. Prior to joining the Tricor Group in 2000, she was the departmental manager of the corporate secretarial and share registration department of Deloitte Touche Tohmatsu, and provided corporate secretarial and statutory compliance services to their clients. Ms. Cheng has worked in the corporate secretarial departments of a number of international accounting firms and has over 20 years of experience in the company secretarial field. She has been providing corporate secretarial support services to many listed clients. Ms. Cheng is a Fellow Member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries. Ms. Cheng graduated from The Hong Kong Polytechnic in 1980.

Qualified Accountant

Wai Man CHEUNG, also known as Anthony Cheung, aged 31, is our qualified accountant and has been with our Group since November 2005. Prior to joining our Company, Mr. Cheung was a manager at Deloitte Touche Tohmatsu. Mr. Cheung has over 8 years of experience in auditing and accounting. Mr. Cheung graduated with a Bachelor of Arts (Honours) in Accountancy from The Hong Kong Polytechnic University in 1998 and is a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Other Information

Interim Dividend

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2007.

Corporate Governance

The Board is committed to maintaining the highest standards of corporate governance. The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") during the six months ended 30 June 2007.

Directors' Securities Transactions

The Company has adopted procedures governing directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules.

All directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2007.

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.

Share Options

The Company adopted a share option scheme on 24 October 2005 (the "Share Option Scheme"). There was no movement in the Share Option Scheme during the review period.

	Date of Grant (dd.mm.yy)	Exercise Price (HK\$)	Vesting Date (dd.mm.yy)	Exercise Period (dd.mm.yy)	Number of Share Options As at 1.1.2007 & 30.6.2007
Director:					
Mr. Mohamad AMINOZZAKERI	6.2.2006	4.2	6.2.2007	6.2.2007 – 16.11.2015	83,333
			6.2.2008	6.2.2008 – 16.11.2015	83,333
			6.2.2009	6.2.2009 – 16.11.2015	83,334
					250,000
Other employees:					
In aggregate	6.2.2006	4.2	6.2.2007	6.2.2007 – 16.11.2015	3,155,000
			6.2.2008	6.2.2008 – 16.11.2015	3,155,000
			6.2.2009	6.2.2009 – 16.11.2015	3,155,000
					9,465,000
Total					9,715,000

Other Information

Directors' Interests in Shares and Underlying Shares

As at 30 June 2007, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Shares of the Company

Long positions:

Name of director	Capacity	Number of issued ordinary shares held	Shareholding percentage
Mr. Shan Huei Kuo	Held by controlled corporation (<i>Note</i>)	1,966,500,000	71.25%
Ms. Yi-Mei Liu	Held by controlled corporation (<i>Note</i>)	1,966,500,000	71.25%

Note: Comprised of 1,842,500,000 shares held by Advent Group Limited ("Advent") and 124,000,000 shares held by Elite Management Global Limited ("Elite Management"). The shares of the Company held by Elite Management are attributable to Advent as a result of a shareholders' agreement between Advent and the individual shareholders of Elite Management, pursuant to which Advent has the right of first refusal to acquire such shareholders' shares in the event they wish to transfer their shareholdings to a third party or their employment with the Group is terminated.

Mr. Shan Huei Kuo and Ms. Yi-Mei Liu each holds 50% of the equity interest in Magnificent Capital Holding Limited ("Magnificent"). Magnificent owns 70% of the issued share capital of Advent. Therefore, Mr. Shan Huei Kuo and Ms. Yi-Mei Liu are deemed or taken to be interested in the shares of the Company which are owned by Advent and Elite Management.

Mr. Shan Huei Kuo and Ms. Yi-Mei Liu are husband and wife.

(2) Share Options of the Company

The interests of the directors of the Company in the share options of the Company are detailed in "Share Options" above.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2007.

Substantial Shareholders

Other than the interests disclosed above in respect of certain directors, who are also substantial shareholders, of the Company, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO discloses no person as having a notifiable interest or short position in the issued share capital of the Company as at 30 June 2007.

Independent and Audit Committee Review

The unaudited interim results for the six months ended 30 June 2007 have been reviewed by Deloitte Touche Tohmatsu and the Company's Audit Committee.

Report on Review of Interim Financial Information

Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF SAMSON HOLDING LTD.

(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 15 to 24 which comprises the condensed consolidated balance sheet of Samson Holding Ltd. as of 30 June 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

3 September 2007

Condensed Consolidated Income Statement

For the six months ended 30 June 2007

Six months ended 30 June

		2007	2006
		US\$'000	US\$'000
	<i>Notes</i>	(Unaudited)	(Unaudited)
Turnover	3	238,793	266,471
Cost of sales		(171,307)	(178,477)
Gross profit		67,486	87,994
Other income		4,526	4,242
Distribution costs		(10,917)	(9,998)
Selling and marketing expenses		(18,433)	(14,949)
Administrative expenses		(12,932)	(12,339)
Finance costs		(979)	(717)
Profit before taxation		28,751	54,233
Taxation	4	120	(2,231)
Profit for the period	5	28,871	52,002
Dividend	6	20,523	19,567
Earnings per share, in US\$ – Basic	7	0.010	0.019

Condensed Consolidated Balance Sheet

At 30 June 2007

		30 June 2007 US\$'000 (Unaudited)	31 December 2006 US\$'000 (Audited)
	<i>Notes</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	8	182,805	174,661
Lease premium for land – non-current portion		9,611	11,379
Goodwill		11,475	11,475
Cash surrender value of life insurance		672	572
Club membership		21	25
Deferred tax assets		4,484	5,154
		209,068	203,266
CURRENT ASSETS			
Inventories		102,095	98,441
Trade and other receivables	9	95,221	112,727
Lease premium for land – current portion		266	266
Tax recoverable		2,009	1,817
Cash and cash equivalents		166,813	135,578
		366,404	348,829
CURRENT LIABILITIES			
Trade and other payables	10	49,707	62,868
Dividend payable		20,523	–
Tax payable		557	1,807
Derivative financial instruments		–	48
Bank borrowings – due within one year	11	49,603	46,873
		120,390	111,596
NET CURRENT ASSETS		246,014	237,233
TOTAL ASSETS LESS CURRENT LIABILITIES		455,082	440,499
NON-CURRENT LIABILITIES			
Deferred compensation		722	672
Deferred tax liabilities		431	516
		1,153	1,188
		453,929	439,311
CAPITAL AND RESERVES			
Share capital	12	138,000	138,000
Share premium and reserves		315,929	301,311
		453,929	439,311

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2007

	Share capital US\$'000	Share premium US\$'000	Share option reserve US\$'000	Merger reserve US\$'000	Statutory reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2006 (audited)	138,000	135,570	-	1,581	747	2,942	89,806	368,646
Exchange differences on translation of foreign operations and recognized directly in equity	-	-	-	-	-	1,902	-	1,902
Profit for the period	-	-	-	-	-	-	52,002	52,002
Total recognized income for the period	-	-	-	-	-	1,902	52,002	53,904
Dividend recognized for distribution	-	-	-	-	-	-	(19,567)	(19,567)
Recognition of equity-settled share based payments	-	-	195	-	-	-	-	195
At 30 June 2006 and 1 July 2006 (unaudited)	138,000	135,570	195	1,581	747	4,844	122,241	403,178
Exchange differences on translation of foreign operations and recognized directly in equity	-	-	-	-	-	5,431	-	5,431
Profit for the period	-	-	-	-	-	-	51,050	51,050
Total recognized income for the period	-	-	-	-	-	5,431	51,050	56,481
Dividend recognized for distribution	-	-	-	-	-	-	(20,583)	(20,583)
Recognition of equity-settled share based payments	-	-	235	-	-	-	-	235
Transfer to statutory reserve	-	-	-	-	388	-	(388)	-
At 31 December 2006 and 1 January 2007 (audited)	138,000	135,570	430	1,581	1,135	10,275	152,320	439,311
Exchange differences on translation of foreign operations and recognized directly in equity	-	-	-	-	-	6,124	-	6,124
Profit for the period	-	-	-	-	-	-	28,871	28,871
Total recognized income for the period	-	-	-	-	-	6,124	28,871	34,995
Dividend recognized for distribution	-	-	-	-	-	-	(20,523)	(20,523)
Recognition of equity-settled share based payments	-	-	146	-	-	-	-	146
At 30 June 2007 (unaudited)	138,000	135,570	576	1,581	1,135	16,399	160,668	453,929

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007 US\$'000 (Unaudited)	2006 US\$'000 (Unaudited)
Net cash from (used in) operating activities	37,560	(5,921)
Net cash used in investing activities:		
Purchase of property, plant and equipment	(11,551)	(22,491)
Acquisition of business	–	(19,375)
Other investing cash flows	2,969	2,529
	(8,582)	(39,337)
Net cash from financing activities:		
New bank borrowings raised	2,730	55,480
Repayment of bank borrowings	–	(16,937)
Other financing cash flows	(979)	(725)
	1,751	37,818
Net increase (decrease) in cash and cash equivalents	30,729	(7,440)
Cash and cash equivalents at 1 January	135,578	110,589
Effect of foreign exchange rate changes	506	196
Cash and cash equivalents at 30 June	166,813	103,345
Being:		
Bank balances and cash	105,230	73,739
Deposits placed in a financial institution	61,583	29,606
	166,813	103,345

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

1. Basis of preparation of financial statements

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. Principal accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair values.

The accounting policies used in 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 2006.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2007.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognized.

The Group has not early applied the following new or revised standards or interpretations that have been issued but are not yet effective:

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – Int 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC) – Int 12	Service Concession Arrangements ³

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 March 2007

³ Effective for annual periods beginning on or after 1 January 2008

The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the results and financial position of the Group.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

3. Segmental information

Business and Geographical segments

The Group is principally engaged in the manufacturing and trading of furniture and over 90% of the Group's sales are made to customers in the United States of America (the "U.S."). Accordingly, no business and geographical segment information is presented.

4. Taxation

	Six months ended 30 June	
	2007 US\$'000	2006 US\$'000
Tax (credit) charge comprises:		
The People's Republic of China (the "PRC")		
Foreign Enterprise Income Tax ("FEIT")		
– current period	80	210
– underprovision in previous year	–	65
U.S. income tax (benefit) charge		
– current period	(786)	2,064
Taiwan income tax	1	1
	(705)	2,340
Deferred tax charge (credit)	585	(109)
	(120)	2,231

No provision for Hong Kong Profits Tax has been made as the Group's profit neither arose in, nor was derived from, Hong Kong during both periods.

Pursuant to the relevant laws and regulations in the PRC, Lacquer Craft Mfg. Co., Ltd. (Dongguan) ("LCDG") and Lacquer Craft Mfg. Co., Ltd. (Zhejiang) ("LCZJ"), subsidiaries of the Company, are entitled to the exemptions from the FEIT for two years starting from its first profit-making year and to a 50% relief from the FEIT for the following three years. After offsetting the accumulated tax losses, LCZJ has not yet entered into its first profit-making year in the period ended 30 June 2007. Accordingly, no provision for the FEIT has been made on LCZJ. LCDG's first profit-making year was the year ended 31 December 2000. Accordingly, LCDG was subject to a 50% relief from the FEIT for each of the three years ended 31 December 2004. For the periods ended 30 June 2006 and 2007, LCDG continued to be entitled to 50% relief from the FEIT according to the relevant laws and regulations in the PRC as all of its sales were exported. By applying this 50% relief, the income tax rate applicable to LCDG for the periods ended 30 June 2006 and 2007 was 12%.

U.S. income tax charge comprises federal income tax calculated at 34% and state income tax calculated at various rates on the estimated assessable profits of subsidiaries of the Company which are incorporated in the U.S. Pursuant to the Internal Revenue Code of the U.S., U.S. taxpayers are entitled either to claim a tax refund or enjoy a tax credit to reduce future tax liability, given that tax loss occurred during the period and tax payment had been made in previous years. During the period, a U.S. subsidiary of the Company should be entitled to claim the aforesaid tax benefit and a tax benefit is recognized in the condensed consolidated financial statements.

Taiwan income tax is calculated at 25% of the assessable profits of the branch of Samson International Enterprises Limited, a subsidiary of the Company, established in Taiwan.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

5. Profit for the Period

Profit for the period has been arrived at after charging (crediting):

	Six months ended 30 June	
	2007	2006
	US\$'000	US\$'000
Amortization of club membership	4	4
Bank interest income	(1,123)	(2,613)
Depreciation of property, plant and equipment	6,826	5,345
Gain on fair value changes on derivative financial instruments	(48)	(302)
Gain on fair value changes on investments held-for-trading	(2,520)	(344)
Loss (gain) on disposal of property, plant and equipment	10	(3)
Release of lease premium for land	120	120

6. Dividend

During the period, a dividend of HK\$0.058 (2006: HK\$0.055) per share was declared to shareholders as the final dividend for 2006.

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2007. Interim dividend of HK\$0.058 per share was paid for the six months ended 30 June 2006.

7. Earnings per share

The calculation of the basic earnings per share for the period is based on the profit for the period of US\$28,871,000 (1 January 2006 to 30 June 2006: US\$52,002,000) and on the number of ordinary shares of 2,760,000,000 (1 January 2006 to 30 June 2006: 2,760,000,000) in issue.

No diluted earnings per share has been presented because the adjusted exercise price of the share options granted as determined in accordance with HKFRS 2 "Share-based Payment" is higher than the average market price of shares for both periods.

8. Movements in Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment of US\$11,551,000 (1.1.2006 to 31.12.2006: US\$66,168,000) for the business expansion.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

9. Trade and Other Receivables

The Group generally allows an average credit period of 60 days to its trade customers.

The following is an aged analysis of trade receivables at the balance sheet date:

	30 June 2007 US\$'000	31 December 2006 US\$'000
Trade receivables:		
0 – 30 days	76,995	88,184
31 – 60 days	2,253	4,020
Over 60 days	1,318	1,716
	80,566	93,920
Other receivables	14,655	18,807
	95,221	112,727

10. Trade and Other Payables

The following is an aged analysis of trade payables at the balance sheet date:

	30 June 2007 US\$'000	31 December 2006 US\$'000
Trade payables:		
0 – 30 days	16,498	19,649
31 – 60 days	5,580	5,536
Over 60 days	1,865	6,479
	23,943	31,664
Other payables	25,764	31,204
	49,707	62,868

11. Bank Borrowings

During the period, the Group obtained new borrowings amounting to approximately US\$2,730,000. The borrowings bear interest at 5.6% to 5.7% per annum and are repayable within one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

12. Share Capital

	Number of share	Nominal value US\$'000
Ordinary of US\$0.05 each		
Authorized:		
As at 1 January 2006, 30 June 2006, 31 December 2006 and 30 June 2007	6,000,000,000	300,000
Issued and fully paid:		
As at 1 January 2006, 30 June 2006, 31 December 2006 and 30 June 2007	2,760,000,000	138,000

13. Capital Commitments

	30 June 2007 US\$'000	31 December 2006 US\$'000
Capital expenditure in respect of acquisition of property, plant and equipment:		
– contracted for but not provided in the condensed consolidated financial statements	1,316	10,163
– authorized but not contracted for	–	248

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2007

14. Related Party Transactions

During the period, the Group had the following significant transactions with related parties:

Name of related company	Nature of transactions	Six months ended 30 June	
		2007 US\$'000	2006 US\$'000
Uson Enterprises Limited	Transportation logistics service fee paid	479	1,060
Samson Global Co., Ltd.	Purchase of hardware components	–	24
	Rental paid	9	9

Both companies are beneficially owned by Mr. Shan Huei Kuo and Ms Yi-Mei Liu, both are directors of the Company.

Compensation of key management personnel

The remuneration of key management during the period was as follows:

	Six months ended 30 June	
	2007 US\$'000	2006 US\$'000
Short-term benefits	1,088	1,215
Share-based payments	4	5
	1,092	1,220

The remuneration of directors and key executives were determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.