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 2023

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of Samson Holding Ltd. (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "**Group**" or "**Samson**") for the six months ended 30 June 2023 (the "**Period**") with the comparative figures for the corresponding period in 2022 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

		For the six months ended 30 June	
	Notes	**2023**	2022
		US$'000	*US$'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**215,630**	278,995
Cost of sales		**(163,010)**	(198,997)
Gross profit		**52,620**	79,998
Other income, gains, losses and expenses		**12,503**	3,222
Distribution costs		**(7,081)**	(6,753)
Sales and marketing expenses		**(29,725)**	(35,167)
Administrative expenses		**(23,814)**	(28,658)
Share of profit of an associate		**17**	203
Finance costs		**(5,873)**	(2,267)
(Loss)/profit before tax	*5*	**(1,353)**	10,578
Income tax credit/(expense)	*6*	**230**	(2,105)
(Loss)/profit for the period attributable to owners of the parent		**(1,123)**	8,473
(Loss)/earnings per share attributable to ordinary equity holders of the parent	*8*		
– Basic (in US cent)		**(0.037)**	0.276
– Diluted (in US cent)		**(0.037)**	0.276

* *For identification purposes only*

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to owners of the parent	**(1,123)**	8,473
Other comprehensive income/(loss):		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**419**	(2,961)
Total comprehensive (loss)/income for the period attributable to ordinary equity owners of the parent	**(704)**	5,512

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

	Notes	**30 June 2023** *US$'000* **(Unaudited)**	31 December 2022 *US$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**80,411**	79,513
Investment properties		**13,181**	14,445
Right-of-use assets		**66,713**	69,538
Goodwill		**25,793**	25,793
Other intangible assets		**4,400**	4,400
Investment in an associate		**1,304**	1,287
Deferred tax assets		**12,357**	5,912
Long-term bank deposits		**–**	5,567
Total non-current assets		**204,159**	206,455
CURRENT ASSETS			
Inventories		**123,695**	161,793
Trade and other receivables	*9*	**90,842**	104,829
Held-for-trading investments	*10*	**81,719**	81,633
Tax recoverable		**875**	2,992
Cash and cash equivalents		**67,957**	58,674
Total current assets		**365,088**	409,921
CURRENT LIABILITIES			
Trade and other payables	*11*	**45,982**	64,465
Interest-bearing bank borrowings		**151,910**	161,813
Lease liabilities		**4,497**	5,612
Tax payable		**17,099**	15,263
Total current liabilities		**219,488**	247,153
NET CURRENT ASSETS		**145,600**	162,768
TOTAL ASSETS LESS CURRENT LIABILITIES		**349,759**	369,223

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
At 30 June 2023

	30 June 2023	31 December 2022
	US$'000	*US$'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**20,129**	37,899
Lease liabilities	**10,921**	12,352
Deferred tax liabilities	**7,919**	3,605
Total non-current liabilities	**38,969**	53,856
Net assets	**310,790**	315,367
EQUITY		
Issued capital	**151,291**	151,291
Reserves	**159,499**	164,076
Total equity	**310,790**	315,367

NOTES:

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	*Insurance Contracts*
Amendments to HKFRS 17	*Insurance Contracts*
Amendment to HKFRS 17	*Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 January 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The amendments did not have any impact on the financial position or performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

The Group's revenue arises principally from the manufacturing and sale of furniture.

For the purpose of resource 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 the brands share similar economic characteristics, have similar products, are produced under similar production processes and have 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$15,431,000 (six months ended 30 June 2022: US$37,549,000) represents the loss/profit before tax earned by the single reportable segment excluding administrative expenses, other income, gains, losses and expenses, non-lease-related finance costs and share of profit of an associate.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of furniture	**215,474**	278,841
Revenue from other sources		
Service fee income	**156**	154
	215,630	278,995

4. REVENUE (continued)

Revenue from contracts with customers

Disaggregated revenue information

Segment – Furniture

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Types of goods		
Sale of furniture and total revenue from contracts with customers	**215,474**	278,841
Geographical markets		
The People's Republic of China, including Hong Kong	**2,767**	4,105
The United States of America (the "U.S.")	**203,703**	269,413
Others	**9,004**	5,323
Total revenue from contracts with customers	**215,474**	278,841
Timing of revenue recognition		
Goods transferred at a point in time and total revenue from contracts with customers	**215,474**	278,841

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

Segment – Furniture

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
External customers and total revenue from contracts with customers	**215,474**	278,841

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**164,078**	197,417
(Reversal of write-down)/write-down of inventories to net realisable value	**(1,068)**	1,580
Depreciation of investment properties	**1,420**	1,503
Depreciation of property, plant and equipment	**4,660**	4,547
Depreciation of right-of-use assets	**3,163**	3,936
(Reversal of impairment)/impairment of trade receivables, net	**(1,286)**	1,202
Net (gain)/loss on held-for-trading investments	**(2,085)**	4,484
(Gain)/loss on disposal of items of property, plant and equipment	**(2,856)**	20
Bank interest income	**(780)**	(875)
Foreign exchange differences, net	**577**	1,197

6. INCOME TAX

For the Group's subsidiaries established in the U.S., income tax is calculated at the rate of 21% (six months ended 30 June 2022: 21%).

No provision for Hong Kong profits tax has been made for the Period as the Company did not generate any assessable profits arising in Hong Kong during the period. Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 June 2022, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 of assessable profits of this subsidiary were taxed at 8.25% and the remaining assessable profits were taxed at 16.5%.

Taiwan income tax is calculated at 20% (six months ended 30 June 2022: 20%) of certain subsidiaries' assessable profits.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
Current tax:		
The U.S.	**54**	351
Taiwan	**1,813**	365
Hong Kong	**–**	106
Elsewhere	**34**	48
Deferred tax	**(2,131)**	1,235
Total tax (credit)/charge for the period	**(230)**	2,105

7. DIVIDENDS

During the Period, a final dividend of HK$0.01 per share (six months ended 30 June 2022: HK$0.02 per share), amounting to approximately HK$30.3 million (approximately US$3.9 million) in aggregate, for the year ended 31 December 2022 (six months ended 30 June 2022: HK$60.9 million (approximately US$7.8 million) in aggregate, for the year ended 31 December 2021) was paid to the shareholders of the Company.

The Board does not recommend the payment of any interim dividend for the Period. The Board declared an interim dividend of HK$0.01 per share amounting to approximately HK$30.4 million in aggregate, equivalent to approximately US$3.9 million in aggregate for the six months ended 30 June 2022.

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic and diluted (loss)/earnings per share for the period are based on:

	For the six months ended 30 June	
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to ordinary equity holders of the parent for the purpose of basic and diluted (loss)/earnings per share calculations	**(1,123)**	8,473

	For the six months ended 30 June	
	2023	2022
	Number of shares	*Number of shares*
Weighted average number of ordinary shares in issue during the period used in basic and diluted (loss)/earnings per share calculations	**3,025,814,773**	3,066,086,889

The weighted average number of ordinary shares of 3,066,086,889 in issue during the six months ended 30 June 2022 was adjusted to exclude the shares repurchased during the prior period.

The Group had no potentially dilutive ordinary shares in issue during the Period (six months ended 30 June 2022: Nil).

9. TRADE AND OTHER RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June	31 December
	2023	2022
	US$'000	*US$'000*
	(Unaudited)	(Audited)
Trade receivables:		
Within 1 month	**36,603**	24,035
1 to 2 months	**13,893**	15,612
Over 2 months	**8,363**	29,573
	58,859	69,220
Other receivables and prepayments	**31,983**	35,609
	90,842	104,829

10. HELD-FOR-TRADING INVESTMENTS

	30 June 2023 *US$'000* **(Unaudited)**	31 December 2022 *US$'000* (Audited)
Debt securities, at fair value:		
Listed in Hong Kong with average yield rate of 3.41% to 3.42% and maturity from March 2025 to January 2028	**1,084**	1,234
Listed in Singapore with average yield rate of 3.53% to 3.71% and maturity from July 2023 to August 2030	**3,026**	3,251
Listed in other jurisdictions with average yield rate of 3.04% to 3.74% and maturity from January 2024 to September 2080	**2,807**	2,244
Investment fund portfolio A, at fair value *(Note)*	**74,182**	74,287
Investment fund portfolio B, at fair value *(Note)*	**215**	212
Investment fund portfolio C, at fair value *(Note)*	**171**	171
Investment fund portfolio D, at fair value *(Note)*	**234**	234
	81,719	81,633

The above investments as at 30 June 2023 and 31 December 2022 were classified as financial assets at fair value through profit or loss as they are held for trading.

Note: The investment fund portfolios A, B, C and D were mandatorily classified as financial assets at fair value through profit or loss, as their contractual cash flows were not solely payments of principal and interest. Investment fund portfolio A was a wealth management product issued by Union Bancaire Privée in Luxembourg. The Group acquired investment fund portfolio A at an investment cost of US$80,500,000. During the Period, the Group received dividends of US$1,959,000 (six months ended 30 June 2022: US$385,000) from investment fund portfolio A and the Group did not acquire or dispose of investment fund portfolio A during the Period. As at 30 June 2023, the Group holds 80,500 units (31 December 2022: 80,500 units) of investment fund portfolio A which accounted for approximately 13.0% (31 December 2022: 12.1%) of the total assets of the Group, and the unrealised loss of investment fund portfolio A amounted to US$105,000 was charged to statement of profit or loss during the Period (six months ended 30 June 2022: unrealised loss of US$4,164,000). The Group holds the investment fund portfolio A for capital appreciation and has been closely monitoring the performance from time to time.

11. TRADE AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2023 *US$'000* **(Unaudited)**	31 December 2022 *US$'000* (Audited)
Trade payables:		
Within 1 month	**8,527**	8,559
1 to 2 months	**1,411**	1,950
Over 2 months	**4,719**	5,206
	14,657	15,715
Other payables and accruals	**31,325**	48,750
	45,982	64,465

MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed in this announcement, there have been no material changes in the development or future development of the Group's business and financial position since the publication of the annual report of the Company for the year ended 31 December 2022.

BUSINESS REVIEW

During the first half of 2023, with the effect of the COVID-19 further mitigated, the furniture industry in the U.S. has been transitioning from a phase of high demand to one focusing on market share gains. Discretionary spending returned with market dynamics evolve and demand for durable goods like furniture softened due to tightened monetary policies and inflationary pressures, slowdown in real estate market and employment uncertainty. Following over two years of surging orders and backlogs, the sluggish demand has led to excess stock levels across the market. Samson is committed to building sustainable business and creating long-term values for customers and the shareholders of the Company, the Group has been proactively addressing industry-wide demand challenges brought by economic environment and exhibited resilience and flexibility in navigating the headwinds in the first half of 2023. While the timeline for significant improvement in current sales environment is uncertain, the Group is confident in its ability to drive a positive turnaround, sustain steady growth, enhance shareholder returns and see increased momentum through our diversified strategic initiatives underway and multiple distribution channels.

The Group incurred a net loss for the Period due to decrease of demand and a consequential decline in revenue. At the same time, Samson has demonstrated resilience and achieved stable progress in the first half of 2023 with an aim to reaffirm its position in the market. Notwithstanding the furniture industry in the U.S. grappling with persistent economic headwinds, the Group successfully opened new dealers with promising orders during the Period. With prioritizing effective inventory management as a paramount focus during the Period, we have further expanded our efforts to control inventory and costs. The volume of inventory dropped over 23% from the previous year-end, with working capital, liabilities and liquidity ratios remain at a healthy level, providing foundation for sustained growth and stability. A comprehensive range of cost-reduction initiatives have also been implemented to bolster our resilience amid market challenges and maintain our competitive edge. The above measures facilitated the Group in facing the dynamic market challenging during the Period.

Over the years, Samson's diversified approach has been pivotal in navigating market uncertainties and sustaining growth, firmly establishing the Group's position as a resilient market leader in the furniture wholesaling and manufacturing industry. Following the continuous recovery in tourism sectors and business travels, our hospitality segment recorded stable growth during the Period. Additionally, our casegoods and upholstery businesses also maintained consistent performance attributable to the overall resilience of our operations. Meanwhile, freight rates are gradually returning to pre-pandemic levels and continued to show signs of stabilization. Looking ahead, Samson believes its prudent adjustment to procurement and inventory policies together with its managing production capabilities in an agile manner, the Group will continue to work inventory down to appropriate levels while pursuing profitability. Meanwhile, Samson will unwaveringly stay committed to the efficiency and cost management and stick to the multi-brand, multi-channel strategy to leverage synergies across our diversified product lines and merchant channels. We are committed to fostering continuous product innovation, venturing into new customer segments, broadening our market presence and achieving sustainable, organic growth.

FINANCIAL REVIEW

Net sales for the Period was US$215.6 million as compared to US$279.0 million for the corresponding period in 2022, representing a decrease of US$63.4 million or 22.7%. Decrease in net sales was mainly attributable to the decrease in demand of sizable home furniture in the U.S. due to continuous decline in housing market in 2023.

Gross profit margin for the Period of 24.4% was recorded as compared to 28.7% for the corresponding period in 2022. Decreased in gross profit margin was mainly attributable to the decrease in sales and more promotion discounts offered to customers.

Total operating expenses for the Period decreased to US$60.6 million from US$70.6 million for the corresponding period in 2022. The decrease in operating expenses was mainly attributable to decreased variable expenses in sales and marketing and administrative as well as personnel cost and cost control measures with the decrease in sales.

Compared with a profit of US$8.5 million for the corresponding period in 2022, the Group recorded a loss of US$1.1 million for the Period. The decrease in profit was mainly in line with the decrease of sales.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2023, the Group's cash and cash equivalents increased by US$9.3 million to US$68.0 million from US$58.7 million as at 31 December 2022. Total interest-bearing bank borrowings decreased by US$27.7 million to US$172.0 million from US$199.7 million as at 31 December 2022. The corresponding gearing ratio (total bank borrowings/shareholders' equity) decreased to 55.3% from 63.3% as at 31 December 2022. The Group's financial position remains solid and possesses sufficient available banking facilities to meet working capital requirements and to expand its business.

Cash and cash equivalents held by the Group are mainly denominated in the U.S. Dollars ("**US$**"), Renminbi, British Pound Sterling, Vietnamese Dong, New Taiwan Dollars, Indonesian Rupiah and Hong Kong Dollars. As at 30 June 2023, short term bank borrowings of US$151.9 million (31 December 2022: US$161.8 million) bore interest at either the floating rates or fixed rate ranging from 3.9% to 6.7% respectively and long term bank borrowings of US$20.1 million (31 December 2022: US$37.9 million) bore interest at either the floating rates or fixed rate ranging from 1.0% to 6.4% respectively.

Sources of liquidity include cash and cash equivalents, cash from operations and general banking facilities granted to the Samson, allowing the Group to maintain strong and prudent liquidity for day-to-day operations and business development.

With an international operation, Samson is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Vietnamese Dong. Although the majority of the total revenue is denominated in the U.S. Dollars, a substantial portion of cost of sales is paid in Vietnamese Dong. The exchange rates of Vietnamese Dong to the U.S. Dollars have fluctuated substantially in recent years and may continue to fluctuate in the foreseeable future.

The Group's current assets decreased by 10.9% to US$365.1 million from US$409.9 million as at 31 December 2022 and the Group's current liabilities decreased by 11.2% to US$219.5 million from US$247.2 million as at 31 December 2022. The current ratio (current assets/current liabilities) is 1.7 times (31 December 2022: 1.7 times).

PLEDGE OF ASSETS

As at 30 June 2023, certain of the Group's property, plant and equipment and investment properties with an aggregate carrying amount of US$18.7 million (31 December 2022: certain of the Group's property, plant and equipment, investment properties, inventories and trade and other receivables with aggregate amount of US$84.7 million) have been pledged to a bank to secure the general banking facility granted to the Group.

CAPITAL EXPENDITURE

Capital expenditure for the Period amounted to US$6.3 million as compared to US$3.3 million for the corresponding period in 2022. Capital expenditure was mainly incurred for the purpose of upgrading and renovation of plant and machinery in the Vietnam.

CONTINGENT LIABILITY

As at 30 June 2023, the Group has contingent liability arising from the recall arrangement (the "**Recall Arrangement**") in relation to a product recall in the U.S. in 2022, of which the accumulated quantity sold was approximately 5,100 units. According to the Recall Arrangement, consumers who purchased that product can return for a full refund, and the maximum amount of refunds estimated by the Group's management is approximately US$3.6 million. The Group's management assessed that the estimated total refund amount is not significant based on the number of the products returned as of the date of the unaudited interim condensed financial information.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

There were no material acquisitions or disposals of subsidiaries, associates and joint ventures by the Group during the Period.

OUTLOOK

Looking ahead in the second half of 2023, the market remains challenged by tightened monetary policies, and the risk of recession may continue to impact consumer confidence. Meanwhile, we have also witnessed a stabilization of global supply chain dynamics and have also been seeing promise in the recovery of the U.S. real estate industry. Samson has been constantly striving to react appropriately, focusing on restoring profitability and improving margins through efficient cost control measures, further digestion of existing inventory, and by driving operational efficiencies across the Group. Our dedication to launching new products and exploring more customers through diverse channels will be reflected in our continuous improvement of product quality and customer-centric approach. Despite the uncertainties, Samson remains optimistic about our growth prospects, underpinned by our steadfast commitment to the long-term strategy.

Leveraging our experienced management team and strategic advantages, Samson has been committed to enhancing and expanding innovative channels that flexibly cater to evolving market demands. Our diversified brand portfolio will be instrumental in enhancing core competitiveness and reaching a broader customer base. By continually improving our core strengths and efficiencies, we are confident in maintaining our competitive edge and pursuing growth opportunities throughout the second half of 2023 and years to come.

DIVIDEND

The Board resolved not to declare any interim dividend for the Period (six months ended 30 June 2022: HK$0.01 per share).

CORPORATE GOVERNANCE

The Board is committed to maintaining high standard of corporate governance. The Company confirms that it has complied with all the code provisions of the Corporate Governance Code (the "**CG Code**") contained in the Part 2 of Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the Period, save as mentioned below.

Pursuant to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Shan Huei KUO ("**Mr. 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 Period.

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

During the Period, 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 condensed consolidated financial information of the Group for the Period has been reviewed by Ernst & Young, the independent auditor of the Company, of which the review report is included in the interim report to be despatched to the shareholders of the Company and the audit committee of the Board (the "**Audit Committee**"). There was no disagreement by the Audit Committee with the accounting treatment adopted by the Company for the preparation of unaudited interim results and interim report for the Period.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

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

23 August 2023

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.