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SAMSON HOLDING LTD.

順誠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00531)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The board of directors (the “Board”) of Samson Holding Ltd. (the “Company”) is pleased to announce the annual results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016 with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2016

	Notes	2016 US\$'000	2015 US\$'000
Revenue	4	434,050	435,146
Cost of sales		(314,290)	(316,179)
Gross profit		119,760	118,967
Other income, gains, losses and expenses		(5,281)	(8,272)
Distribution costs		(19,230)	(21,916)
Sales and marketing expenses		(43,679)	(42,116)
Administrative expenses		(38,637)	(36,082)
Finance costs		(1,605)	(3,526)
Profit before tax	5	11,328	7,055
Income tax expense	6	(4,783)	(4,214)
Profit for the year		6,545	2,841
Earnings per share attributable to ordinary equity holders of the parent	8		
– Basic (in US cents)		0.22	0.09
– Diluted (in US cents)		0.22	0.09

* For identification purposes only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Profit for the year	<u>6,545</u>	<u>2,841</u>
Other comprehensive loss:		
<i>Other comprehensive loss to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of foreign operations	<u>(27,855)</u>	<u>(14,220)</u>
Total comprehensive loss for the year	<u><u>(21,310)</u></u>	<u><u>(11,379)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	<i>Notes</i>	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		114,229	119,852
Investment properties		8,146	8,374
Prepaid land lease payments – non-current portion		8,942	9,808
Goodwill		13,705	11,475
Other intangible assets		1,669	1,669
Cash surrender value of life insurance		–	541
Deferred tax assets		6,720	4,353
		<hr/>	<hr/>
Total non-current assets		153,411	156,072
CURRENT ASSETS			
Inventories		101,130	121,924
Trade and other receivables	9	100,945	98,877
Prepaid land lease payments – current portion		282	299
Held-for-trading investments	10	96,453	113,161
Derivative financial instruments		–	152
Pledged bank deposits		1,008	7,737
Short term bank deposits		1,500	30,946
Cash and cash equivalents		106,598	95,898
		<hr/>	<hr/>
Total current assets		407,916	468,994
CURRENT LIABILITIES			
Trade and other payables	11	60,296	52,641
Tax payable		8,880	6,231
Derivative financial instruments		7,447	22,221
Interest-bearing bank borrowings		105,883	106,344
		<hr/>	<hr/>
Total current liabilities		182,506	187,437
NET CURRENT ASSETS			
		225,410	281,557
TOTAL ASSETS LESS CURRENT LIABILITIES			
		378,821	437,629
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		4,474	4,597
Deferred compensation		–	837
Deferred tax liabilities		3,179	3,049
		<hr/>	<hr/>
Total non-current liabilities		7,653	8,483
Net assets			
		371,168	429,146
EQUITY			
Issued capital		152,180	152,180
Reserves		218,988	276,966
		<hr/>	<hr/>
Total equity		371,168	429,146
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Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for held-for-trading investments and derivative financial instruments which have been measured at fair value. These financial statements are presented in United States dollars (“US\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11 HKFRS 14	<i>Accounting for Acquisitions of Interests in Joint Operations</i> <i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
<i>Annual Improvements 2012-2014 Cycle</i>	Amendments to a number of HKFRS

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group’s financial statements, the adoption of the revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT INFORMATION

The Group’s revenue arises principally from the manufacturing and sale of residential 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 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\$56,851,000 (2015: US\$54,935,000) represents the profit before tax earned by the single reportable segment excluding administrative expenses, other income, gains, losses and expenses and finance costs.

Other segment information

Amounts regularly provided to the executive directors but not included in the measure of segment profits are as follows:

	Reportable segment total <i>US\$'000</i>	Unallocated <i>US\$'000</i>	Total <i>US\$'000</i>
2016			
Depreciation of property, plant and equipment	10,453	1,017	11,470
Provision of inventories, net	3,727	–	3,727
	<u>10,453</u>	<u>1,017</u>	<u>11,470</u>
2015			
Depreciation of property, plant and equipment	11,175	1,123	12,298
Reversal of inventories provision, net	(2,678)	–	(2,678)
	<u>11,175</u>	<u>1,123</u>	<u>12,298</u>

The unallocated depreciation of property, plant and equipment is in connection with corporate headquarters' property, plant and equipment, which are not included in segment information.

Geographical information

The Group's operations are mainly located in the People's Republic of China (the "PRC"), the United Kingdom (the "U.K."), the United States of America (the "U.S.") and Bangladesh.

The Group's revenue from external customers by their geographical location, and information about its non-current assets by geographical location, are detailed below:

	Revenue from external customers		Non-current assets (Note)	
	Year ended 31 December		As at 31 December	
	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
PRC, including Hong Kong	12,654	12,989	68,905	78,327
U.K.	16,756	21,714	1,626	194
U.S.	402,742	397,333	59,568	56,080
Bangladesh	–	–	5,651	6,177
Others	1,898	3,110	10,941	10,400
	<u>434,050</u>	<u>435,146</u>	<u>146,691</u>	<u>151,178</u>

Note: Non-current assets excluded the cash surrender value of life insurance and deferred tax assets.

Information about a major customer

Revenue of approximately US\$56,027,000 (2015: US\$44,878,000) was derived from sales to one single customer.

4. REVENUE

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

5. PROFIT BEFORE TAX

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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Employee benefits expense (excluding directors' remuneration)		
Wages, salaries and allowances	94,357	98,283
Equity-settled share options expense	402	–
Retirement benefit scheme contributions	3,350	2,408
	<hr/>	<hr/>
Total staff costs	98,109	100,691
Provision for inventories	3,835	144
Reversal of inventories provision	(108)	(2,822)
Auditors' remuneration	770	801
Cost of inventories sold	310,563	318,857
Depreciation of investment properties	228	228
Depreciation of items of property, plant and equipment	11,470	12,298
Amortisation of prepaid land lease payments	294	308
Impairment of trade receivables	132	1,226
Loss on disposal of items of property, plant and equipment*	336	607
Minimum lease payments under operating leases	1,922	2,777
Net loss on derivative financial instruments*	6,176	13,122
Foreign exchange differences, net*	8,478	12,473
Net gain on held-for-trading investments*	(4,234)	(6,378)
Bank interest income*	(1,315)	(8,017)
Rental income from leases*	(1,256)	(1,256)
Service income from provision of logistics arrangement services	(268)	(192)
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* These items are included in "Other income, gains, losses and expenses" in the consolidated statement of profit or loss.

6. INCOME TAX EXPENSE

For the Group's subsidiaries established in the U.S., income tax is calculated at the rate of 34% (2015: 34%).

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2015: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates.

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Current tax:		
U.S.	6,157	2,940
Elsewhere	854	670
	<hr/>	<hr/>
Deferred tax	7,011	3,610
	(2,228)	604
	<hr/>	<hr/>
	4,783	4,214
	<hr/> <hr/>	<hr/> <hr/>

7. DIVIDENDS

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Interim – RMB0.03 (2015: RMB0.05) per share	13,756	24,485
Final – RMB0.05 per share for 2015 (2015: HK\$0.06 per share for 2014)	23,314	23,558
	37,070	48,043

Final dividend of RMB0.03 per share amounting to approximately RMB91.3 million in respect of the year ended 31 December 2016 (2015: RMB0.05 per share amounting to approximately RMB152.2 million) has been proposed by the directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

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

The calculations of the basic and diluted earnings per share for the year are based on:

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Profit for the year and earnings for the purpose of basic and diluted earnings per share	6,545	2,841
	2016 <i>Number of shares</i>	2015 <i>Number of shares</i>
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	3,043,609,773	3,043,609,773
Effect of dilutive potential ordinary shares:		
Share options	–	1,060,160
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	3,043,609,773*	3,044,669,933

* No adjustment has been made to the basic earnings per share amount presented for the year ended 31 December 2016 in respect of a potential dilution as the exercise price of the outstanding share options granted by the Company was higher than the average market price of the ordinary shares of the Company during that year and, accordingly, the share options had no dilutive effect on the basic earnings per share amounts presented.

9. TRADE AND OTHER RECEIVABLES

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

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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Trade receivables:		
Within 1 month	32,671	39,530
1 to 2 months	29,850	21,010
Over 2 months	18,690	15,880
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	81,211	76,420
Other receivables and prepayments	19,734	22,457
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	100,945	98,877
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10. HELD-FOR-TRADING INVESTMENTS

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Debt securities, at fair value:		
Listed in the U.S. with average yield rate of 4.31% to 4.58% and maturity from January 2016 to November 2041	16,394	15,969
Listed in Hong Kong with average yield rate of 3.76% to 3.80% and maturity from June 2016 to November 2024	17,277	31,862
Listed in Singapore with average yield rate of 4.19% to 4.23% and maturity from January 2016 to July 2026	14,076	25,390
Listed in the U.K. with average yield rate of 3.78% to 4.24% and maturity from January 2017 to January 2022	2,055	4,628
Listed in other jurisdictions with average yield rate of 3.76% to 3.82% and maturity from February 2016 to June 2026	7,757	10,742
Structured deposits with interest rate of 5.75% to 7.70% and maturity from February 2017 to March 2017	6,638	–
Others	32,256	24,570
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	96,453	113,161
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The above investments at 31 December 2015 and 2016 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

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

	2016 <i>US\$'000</i>	2015 <i>US\$'000</i>
Trade payables:		
Within 1 month	12,173	10,764
1 to 2 months	4,429	5,136
Over 2 months	4,704	4,000
	<hr/>	<hr/>
	21,306	19,900
Other payables and accruals	38,990	32,741
	<hr/>	<hr/>
	60,296	52,641
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12. EVENTS AFTER THE REPORTING PERIOD

On 15 February 2017, the Group entered into a stock purchase agreement for (i) the acquisition of all of the outstanding shares of the capital stock (i.e. 35,000 shares of common stock) of Kohler Interiors Group, Ltd. for a consideration of approximately US\$29,500,000 (subject to adjustment upon final completion); and (ii) the option to acquire the Hickory Property of US\$5,500,000 on or before 28 February 2017 (collectively the “Acquisition”).

On 28 February 2017, the Group exercised the option to acquire the Hickory Property and the final aggregate consideration for the Acquisition amounted to approximately US\$35,600,000. For details, please refer to the Company’s announcements dated 16 February 2017 and 1 March 2017. The assessment of the financial impact is still in progress.

BUSINESS REVIEW

We are proud to build a fully integrated U.S. wholesale furniture branding, including Universal Furniture, Smartstuff by Universal Furniture, Paula Deen Home, Legacy Classic Furniture, Legacy Classic Kids, Wendy Bellissimo, Craftmaster Furniture, Lacquer Craft Hospitality and Willis & Gambier (United Kingdom), backed up by Lacquer Craft Furniture with its unparalleled China manufacturing operations in Dongguan and Jiashan.

A heated up presidential election in the U.S. and the “Brexit” caused disturbance to the weak U.S. consumer demands in 2016. Amid a world of political and economic volatility and uncertainty, we believe that our business is in the early stage of moving out from business recession since year 2008. We continue to be positive and see signs of bottoming up in the U.S. economy, as evidenced by the starts of interest rate increase cycle. Our business was bottoming up as evidenced clearly by the increased gross profit margins and increased core operating earnings.

Our casegoods business was still operating in a difficult business climate during the year as consumers were cautious of discretionary spending in the uncertain economy outlooks. Our upholstery business, however, was growing fast to ride with the U.S. economy’s early recovery. It’s “Made to Order”, “Made in the U.S.A.”, and unparalleled product value all contributed to mark our upholstery division’s triumph with continued double-digit growth for several years in the industry.

We are pleased to announce the successful completion of the acquisition of Kohler Interiors Group, Ltd. in February 2017. The acquisition will not only bring in luxury furniture business, which is complementary to the Company's existing business, but also complete the Company's strategic goal to offer a wide range of furniture brands from mid-low-end to ultra-high-end. We believe that there would be good opportunities that we can continue to increase shareholder value by consolidating the markets via acquisitions and organic growth of the business.

FINANCIAL REVIEW

Net sales for the year was US\$434.1 million compared to US\$435.1 million in 2015, a decrease of US\$1.0 million or 0.2%. The Company's newly acquired business Grand Manor has expanded our group revenue this year while the sales growth in upholstery and Mass-Merchandise distribution divisions contributed to the increased net sales. Nevertheless, the turnover was hit by the lower sales in the Hospitality and U.K. markets, which resulted in a decrease of US\$1.0 million in group net sales.

Gross profit increased 0.7% to US\$119.8 million from US\$119.0 million in 2015. The gross profit margin was increased to 27.6% from 27.3% in 2015, mainly due to the improvement in margin as driven by better product mix, category expansion and manufacturing efficiency.

Compared with US\$100.1 million in 2015, total operating expenses were recorded at US\$101.5 million in 2016. The increase was mainly due to the increased expenses of the newly acquired company.

The profit for this year increased to US\$6.5 million from US\$2.8 million in 2015. Net profit margin increased to 1.5% from 0.7% in 2015. The increase in profit was mainly due to the decrease of the unfavourable valuation loss on Renminbi and U.K. Pound Sterling denominated held-for-trading investments and deposits.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2016, the Group's cash and cash equivalents increased by US\$10.7 million to US\$106.6 million from US\$95.9 million as at 31 December 2015, short term bank deposits decreased by US\$29.4 million to US\$1.5 million from US\$30.9 million as at 31 December 2015. Interest-bearing bank borrowings decreased from US\$110.9 million as at 31 December 2015 to US\$110.4 million as at 31 December 2016. The gearing ratio (total bank borrowings/shareholders' equity) increased to 29.7% as at 31 December 2016 from 25.9% as at 31 December 2015. 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 31 December 2016, interest-bearing bank borrowings of US\$105.9 million (31 December 2015: US\$106.3 million) bore interest at floating rates and fixed rate ranging from 1.29% to 1.99% respectively and long term bank borrowing of US\$4.5 million bore interest at a floating rate (31 December 2015: US\$4.6 million).

Our sources of liquidity include cash and cash equivalents, short term bank deposits, 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 currency 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 balance sheet at fair values. As at 31 December 2016, outstanding forward exchange contracts with notional value amounted to US\$97.4 million (31 December 2015: US\$419.4 million).

The Group's current assets decreased by 13.0% to US\$407.9 million compared to US\$469.0 million as at 31 December 2015 and the Group's current liabilities decreased by 2.6% to US\$182.5 million compared with US\$187.4 million as at 31 December 2015. The current ratio (current assets/current liabilities) therefore decreased to 2.2 times from 2.5 times as at 31 December 2015.

PLEDGE OF ASSETS

As at 31 December 2016, certain of the Group's property, plant and equipments, inventories, trade and other receivables and bank deposits with carrying value of US\$9.9 million (31 December 2015: US\$155.2 million) have been pledged to banks to secure the general banking facilities granted to the Group.

CAPITAL EXPENDITURE

Capital expenditures for the year ended 31 December 2016 amounted to US\$10.6 million compared to US\$10.9 million in 2015, which was mainly incurred for the acquisition of Grand Manor (now became an indirect wholly owned subsidiary of the Company) in order to open up an opportunity in the seating sector of the lodging industry and the relocation of warehouse in the U.K. Furthermore, the Company's investment in pollution control equipment was enhanced to reduce the impact on the China environment with its increased concern in the environmental protection.

OUTLOOK

We believe that our business is in the early stage of moving out from business recession since year 2008. 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.

The recent industry and economy data in the U.S. suggests of good timing for great opportunities that we can increase shareholder value by consolidating the markets via value-added acquisition. The successful completion of acquisition of Kohler Interiors Group, Ltd. in February 2017 was a good example. The acquisition will not only bring in luxury furniture business, which is complementary to the Company's existing business, but also complete the Company's strategic goal to offer a wide range of furniture brands from mid-low-end to ultra-high-end. In addition, the Kohler Interiors Group, Ltd. will open up new channels via own operated showrooms in almost every major city in the United States, London, United Kingdom and Paris, France to provide direct access to affluent consumers and leading designers.

Competition may be fierce and economy is unpredictable. However, we believe our capital, our management, diversified customer base, growing distribution channels and continuing operational efficiency will be the winning factors for the next recovery cycle.

DIVIDEND

The Board has recommended the payment of a final dividend of RMB0.03 per share for the year ended 31 December 2016 (2015: RMB0.05 per share), amounting to approximately RMB91.3 million (2015: RMB152.2 million), subject to the approval of the shareholders at the forthcoming annual general meeting (the “AGM”). Upon approval of the shareholders, the proposed final dividend will be paid on 28 June 2017 to the shareholders of the Company whose names appear on the Company’s register of members as at 19 June 2017. The aggregate amount shall be paid out of the Company’s share premium account if sanctioned by an ordinary resolution passed at the AGM.

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 22 May 2017 to Thursday, 25 May 2017, both days inclusive, during which period no transfers of shares will be registered. In order to qualify as members to attend and vote at the annual general meeting, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 May 2017.

For determining the entitlement to the proposed final dividend (subject to the approval of the Company’s shareholders at the AGM), the register of members of the Company will be closed from Friday, 16 June 2017 to Monday, 19 June 2017, both days inclusive, during which period no transfers of shares will be registered. In order to be eligible for the entitlement to the proposed final dividend, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 15 June 2017.

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 year ended 31 December 2016, 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. (Dongguan) and 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 year ended 31 December 2016.

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

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

AUDIT COMMITTEE REVIEW

The financial results for the year ended 31 December 2016 have been reviewed by the Audit Committee of the Company.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in this preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this preliminary announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL 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 annual 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 March 2017

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.