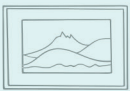




Samson Holding Ltd.
順誠控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 531.hk)



2021
Interim Report

* for identification purpose only



UNIVERSAL
 Good, Affordable, Smart Design.

Legacy
 CLASSIC FURNITURE

CRAFTMASTER
 FURNITURE
 Life Home Comfort

Baker

MILLING ROAD

MIRANDA KERR
 HOME

PAULA DEEN
 Home

kids
 legacy classic

CONTOUR
 HOME COLLECTION

M c G U I R E

LACQUERCRAFT
 HOSPITALITY

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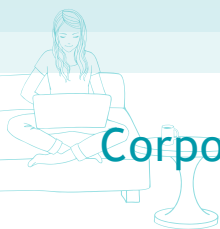
Corporate Profile

Since its establishment in 1995, Samson Group, including Samson Holding Ltd. (the “Company”) and its subsidiaries (the “Group”), has now become a fully vertically-integrated furniture company and ranks as one of top 10 furniture wholesalers in the United States of America (the “U.S.”). We currently market a wide range of our furniture products through a portfolio of brand names including Universal Furniture, Legacy Classic Furniture, Legacy Classic Kids, Craftmaster Furniture, Baker, Milling Road, McGuire, LacquerCraft Hospitality, Universal Furniture China and Athome, and licensed with Paula Deen, Rachael Ray, Miranda Kerr, Nina Magon and Coastal Living in the U.S..

In May 2016, we have successfully acquired Grand Manor Furniture Inc., a Lenoir North Carolina U.S.A. based manufacturer established in 1960s which specialises in hospitality seating design and manufacturing. Its major customers include but not limited to Marriott, Hilton, Grand Hyatt and Western hotel chains. In February 2017, we have successfully acquired Baker Interiors Group,

LTD. (formerly known as Kohler Interiors Group, LTD.) and its subsidiaries (collectively referred to as “BIG”), which owns three global luxury furniture brands, namely, “Baker”, “Milling Road” and “McGuire”, each with a history of leading design, quality and craftsmanship. BIG sells its products through showrooms in North America, England, and France, and furniture dealer locations across the United States, Europe, Asia and the Middle East. BIG maintains relationships with interior designers who recommend the products to consumers worldwide.

Our team of experienced executives, employees and sales force, comprising the U.S. market expertise, combining with the Vietnam and the People’s Republic of China (the “PRC”) manufacturing know-how, creates a globally-integrated products and services logistics platform that brings forth effective means of business operations by which we strive to maximise ultimate benefits to our customers and shareholders.



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

Mr. Ming-Jian KUO
Mr. Siu Ki LAU
Mr. Sui-Yu WU

Audit Committee

Mr. Siu Ki LAU (*Chairman*)
Mr. Sheng Hsiung PAN
Mr. Sui-Yu WU

Remuneration Committee

Mr. Ming-Jian KUO (*Chairman*)
Mr. Sheng Hsiung PAN
Mr. Sui-Yu WU

Nomination Committee

Mr. Shan Huei KUO (*Chairman*)
Mr. Ming-Jian KUO
Mr. Sui-Yu WU

Company Secretary

Mr. Kwong Cho SHEUNG

Authorized Representatives

Ms. Yi-Mei LIU
Mr. Kwong Cho SHEUNG

Registered Office

Grand Pavilion
Hibiscus Way
802 West Bay Road
P.O. Box 31119, KY1-1205
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/>
<http://www.lacquercrafthospitality.com/>
<https://www.bakerfurniture.com/>

Principal Places of Business

Vietnam:

6th Road Tam Phuoc Industrial Zone,
Bien Hoa City, Dong Nai Province Vietnam

China:

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

Unit 1007, 10th Floor, Haleson Building
1 Jubilee Street, Central,
Hong Kong

United States of America:

2575 Penny Road
High Point, NC 27265
U.S.A.

221 Craftmaster Road
Hiddenite, NC 28636
U.S.A.

1 Baker Way
Connelly Springs, NC 28612
U.S.A.

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor

Legal Advisers

HW Lawyers

Principal Bankers

CTBC Bank
UBP Bank
DBS Bank
MEGA Bank
SINOPAC Bank
Wells Fargo Bank

Share Registrars and Transfer Offices

Principal:

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
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 2021 US\$'000	Six months ended 30 June 2020 US\$'000	Six months ended 30 June 2021 HK\$'000*	Six months ended 30 June 2020 HK\$'000*
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Operating results

Revenue	237,342	172,143	1,851,268	1,342,715
Earnings/(loss) before interest and tax	17,702	(16,253)	138,076	(126,773)
Profit/(loss) for the period	14,353	(16,592)	111,953	(129,418)
Earnings/(loss) per share attributable to ordinary equity holders of the parent (US/HK cent)	0.46	(0.48)	3.59	(3.74)

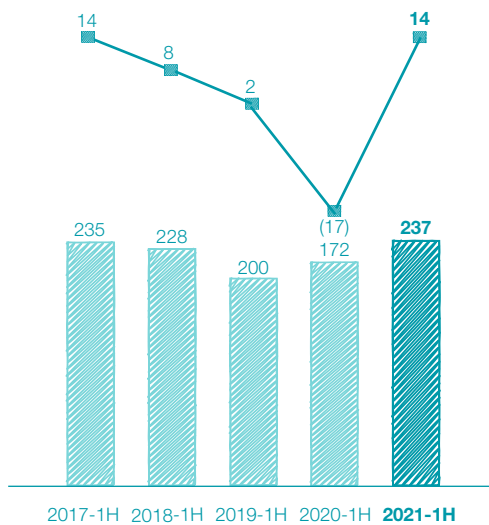
	As at 30 June 2021 US\$'000	As at 31 December 2020 US\$'000	As at 30 June 2021 HK\$'000*	As at 31 December 2020 HK\$'000*
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Financial position

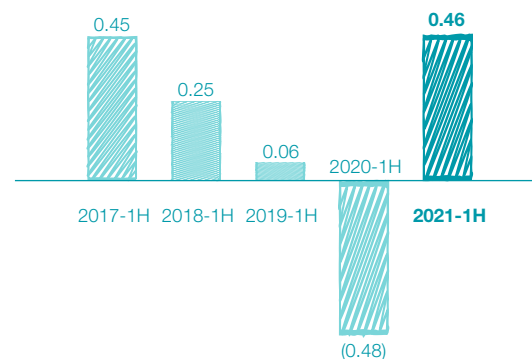
Total assets	621,118	568,487	4,844,720	4,434,199
Net current assets	158,562	151,126	1,236,784	1,178,783
Shareholders' equity	309,918	295,005	2,417,360	2,301,039

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

Revenue & profit/(loss) for the period
(US\$ MN)



Earnings/(loss) per share attributable to ordinary equity holders of the parent
(US cent)



■ Revenue
■ Profit/(loss) for the period



Management Discussion and Analysis

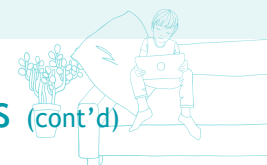
Business Review

Over the past decade, Samson has been devoted to transit from an OEM manufacturer to a brand-led business. Through its strategic acquisition of Baker in 2017, the Company has attained a diverse brand portfolio ranging from mid to high end, as well as mass merchant. In addition, the Group has extended its supply chain from China to other countries including Vietnam, Bangladesh, Indonesia and the U.S. Through diversified brand portfolio and globalized supply chain, Samson was able to get through the pandemic and delivered a turnaround in profits for the six months ended 30 June 2021 (“the Period”).

During the Period, as the effect of the COVID-19 was mitigated, the U.S. economy had been gradually recovering with employment rate continues to grow and consumer confidence index in June 2021 hit the highest point for the past 16 months. Under such positive market environment, Samson recorded an outstanding set of results. On demand front, the Federal Reserve Board (“FED”) continued to hold the interest rate to nearly zero, whilst mortgage rate started declining since mid-March 2021. These benefit the housing market, leading to an upward trend of strong orders for the furniture and home furnishing (“F&HF”) industry. Benefited from aforesaid, demand in both upholstery and casegoods business remain strong, the Group captured the opportunity for further market penetration and rode on the positive momentum via its diverse offerings and strategic distribution channels. On logistics front, given the global supply chain had been picking up slowly, shipment quantity is gradually increasing, but as demand still greatly exceed supply, Samson is partnering with several shipping service providers to ensure container availability.

The COVID-19 pandemic has accelerated the growth of non-traditional channels including e-commerce, and the Company has been striving to expand partnership with online retailers. For the traditional channel, participants in High Point Market, which was postponed to June 2021, had increased comparing to last year, and most of the large retailers had participated in the event. Moreover, our mass merchant channels had been performing well throughout the Period, and it is expected to continue in the second half of 2021.

Samson is gradually completing the strategic plan for its supply chain in Asia through owning additional factory in Vietnam to face the geopolitical problem and control costs. To deal with the overwhelming orders, Samson’s capacity in both Vietnam and Bangladesh has gradually resumed from the supply chain disruption due to the COVID-19 since the beginning of 2021 and Samson has maintained a strong relationship with manufacturing partners in Vietnam, ensuring the Group to have a strong grasp of its production progress. Moreover, Samson is going to invest in another factory in Vietnam in second half year which will have additional production capacity for both upholstery and casegoods products. As for the profits, the increase was mainly due to the rising demand, better cost control measures and strong management team. As Samson successfully transformed from a China-centric manufacturing process to a globally diver footprint, it is able to reduce labour cost. Through relocating the original experienced management team from China, factories in Vietnam and Bangladesh keep improving its manufacturing efficiencies with seamless transition, maintaining the outstanding standard of the Group’s production. In addition, the strategic reversal of the usage of Jiashan facility also expect to see the increase in profits.



Financial Review

Net sales for the six-month period under review was US\$237.3 million as compared to US\$172.1 million for the corresponding period in last year, representing an increase of US\$65.2 million or 37.9%. The increase in net sales was driven by the strong demand compared to the prior period, which was impacted by the COVID-19.

Gross profit margin for the Period of 27.8% increased from 22.8% for the corresponding period in 2020. The increased margin was mainly attributable to the growth in sales and manufacturing efficiency.

Total operating expenses for the Period decreased to US\$57.4 million from US\$63.3 million for the corresponding period in 2020. The decrease in operating expenses was mainly attributable to effective cost control measures.

Compared with a loss of US\$16.6 million for the corresponding period in 2020, the Group recorded a profit of US\$14.4 million for the Period, which was attributable to the growth sales, improving margin and lower operating expenses.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2021, the Group's cash and cash equivalents increased by US\$29.8 million to US\$55.8 million from US\$26.0 million as at 31 December 2020. Interest-bearing bank borrowings increased by US\$24.7 million to US\$179.7 million from US\$155.0 million as at 31 December 2020. The gearing ratio (total bank borrowings/shareholders' equity) increased to 58.0% from 52.5% as at 31 December 2020. The Group possesses sufficient cash and available banking facilities to meet working capital requirements and to enable further potential acquisitions with confidence.

Cash and cash equivalents held by the Group are mainly denominated in U.S. dollars, Renminbi, U.K. Pound Sterling, Vietnamese Dong, New Taiwan dollars, Indonesian Rupiah and Hong Kong dollars. As at 30 June 2021, interest-bearing bank borrowings of US\$134.3 million (31 December 2020: US\$109.6 million) bore interest at floating rates or fixed rate ranging from 0.7% to 1.2% respectively and long term bank borrowings of US\$45.4 million bore interest at a floating rate (31 December 2020: US\$45.4 million).

Sources of liquidity include cash and cash equivalents, short term bank deposit, cash from operations and general banking facilities granted to the Samson, allowing the Group 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 Renminbi and Vietnamese Dong. Although the majority of the total revenue is denominated in U.S. dollars, a substantial portion of cost of sales is paid in Vietnamese Dong and Renminbi. The exchange rates of Vietnamese Dong and Renminbi to U.S. dollars have fluctuated substantially in recent years and may continue to fluctuate in the foreseeable future.

The Group's current assets increased by 13.6% to US\$405.9 million from US\$357.2 million as at 31 December 2020 and the Group's current liabilities increased by 20.0% to US\$247.3 million from US\$206.0 million as at 31 December 2020. The current ratio (current assets/current liabilities) is 1.6 times (31 December 2020: 1.7 times).



Management Discussion and Analysis (cont'd)

Pledge of Assets

As at 30 June 2021, no assets (31 December 2020: US\$185.0 million) have been pledged to the banks to secure the general banking facilities granted to the Group.

Capital Expenditure

Capital expenditure for the Period amounted to US\$2.8 million as compared to US\$3.7 million for the corresponding period in 2020. Capital expenditure was mainly incurred for the purpose of upgrading and renovation of building, plant and machinery in the U.S. and the expansion of new production lines in Vietnam.

Outlook

The market demand has been strong throughout the first half of 2021, and as interest rate in the U.S. will remain at the current low level for the rest of the year according to the FED, housing market demand in the U.S. is expected to remain healthy in the second half of this year. While the COVID-19 has changed the consumption model, e-commerce and outdoor furniture have become a new trend. Samson will continue to expand its e-commerce and outdoor furniture business in the future and will strive to raise brand awareness in the market as well.

The supply chain disruptions as a result of the pandemic have been gradually mitigated throughout the first half of 2021, with capacity in Vietnam and Bangladesh recovering. In view of the strong demand as well as the high-level backlogs as of 30 June 2021, Samson is also going to invest in another new factory in Vietnam and will continue to enhance its production capacity and manufacturing efficiency to meet consumer demand. In terms of logistic, Samson continues to strengthen its partnership with shipping service providers to mitigate the container shortage problem.

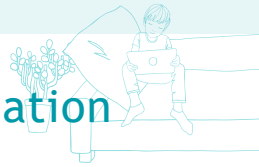
With global manufacturing base, experienced management team and improving efficiencies and core competitiveness, Samson is expected to keep increasing the capacity and profitability. Combining its supply chain improvement and diversified brands, Samson is poised to maintain its competitive edges and continue to expand market share in the U.S., bringing fruitful results for 2021.

Employees and Emolument Policy

As at 30 June 2021, the Group employed approximately 7,100 (30 June 2020: 5,700) full-time employees in Vietnam, the U.S., the PRC, Bangladesh, Indonesia and Taiwan.

For the Period, the total remuneration of employees (including the remuneration of the Company's directors) was approximately US\$54.2 million (six months ended 30 June 2020: US\$48.2 million).

The Company believes that the ability to grow as a successful business depends on the quality of our management and employees. The Company is committed to recruiting, training and retaining skilled and experienced employees throughout our operations globally to better serve our customers. The Company intends to do this through our remuneration packages, including discretionary bonuses and share option scheme, as well as an emphasis on employee training. The emolument of the employees of the Group is determined on the basis of their merit, qualifications and competence. The emoluments of the directors and senior management of the Company are decided by the Company's board of directors (the "Board") with the recommendation of the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.



Dividend

The Board resolved not to declare any interim dividend for the Period (six months ended 30 June 2020: Nil).

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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the Period, save as mentioned below.

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.

Changes in Directors’ Biographical Details

There is no change of the Directors’ information pursuant to Rule 13.51.B of the Listing Rules since the disclosure made in the Company’s annual report 2020 or the announcement in relation to the appointment and/or resignation of the Directors.

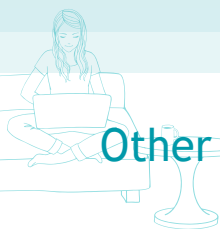
Code for Directors’ Securities Transactions

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.



Other Information (cont'd)

Share Option Scheme

The Company has adopted a new share option scheme on 18 May 2016 (the “2016 Share Option Scheme”) to attract and incentivise skilled and experienced personnel. The 2016 Share Option Scheme shall be valid and effective for a period of 10 years until 18 May 2026.

Details of the share options granted and outstanding under the 2016 Share Option Scheme during the Period were as follows:

	Date of grant	Exercise price <i>HK\$/share</i>	Vesting date	Exercise period	Number of share options		
					Outstanding as at 1.1.2021	Exercised during the Period	Outstanding as at 30.06.2021
Other employees:							
In aggregate	11.11.2016	0.67	11.11.2016	11.11.2016-10.11.2021	26,700,000	–	26,700,000
Total					26,700,000	–	26,700,000
Exercisable at the end of the Period					26,700,000		26,700,000
Weighted average exercise price (HK\$ per share)*					0.67		0.67

* The exercise price of the share options is subject to adjustment in the case of changes in the Company’s share capital.

During the Period, no share options were cancelled, lapsed or exercised (six months ended 30 June 2020: Nil).

During the Period, no share options were granted (six months ended 30 June 2020: Nil), and no share option expense was incurred (six months ended 30 June 2020: Nil).

Directors' Interests in Shares and Underlying Shares

As at 30 June 2021, the interests of the directors or chief executive 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 (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of directors	Capacity	Number of issued ordinary shares held (Long positions)	Percentage of the issued share capital of the Company
Mr. Shan Huei KUO	Held by controlled corporations <i>(Note)</i>	2,146,346,773	69.07%
Ms. Yi-Mei LIU	Held by controlled corporations <i>(Note)</i>	2,146,346,773	69.07%
Mr. Mohamad AMINOZZAKERI	Beneficial owner	10,000,000	0.32%

Note: The 2,146,346,773 shares were held by Advent Group Limited ("Advent").

Mr. Shan Huei KUO and Ms. Yi-Mei LIU each holds 50% of the equity interest in Magnificent Capital Holding Limited which owns 70% of the issued share capital of Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are husband and wife. Therefore, Mr. Shan Huei KUO and Ms. Yi-Mei LIU are deemed to be interested in the shares of the Company which are owned by Advent.

Other than as disclosed above, none of the directors or chief executive 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 2021.

Substantial Shareholders' Interests in Shares

As at 30 June 2021, the interests of the substantial shareholders and other persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Name of substantial shareholders	Capacity	Number of issued ordinary shares held (Long positions)	Percentage of the issued share capital of the Company
Magnificent Capital Holding Limited	Held by a controlled corporation	2,146,346,773	69.07%
Advent Group Limited ("Advent")	Beneficial owner	2,146,346,773	69.07%

Note: Mr. Shan Huei KUO and Ms. Yi-Mei LIU each holds 50% of the equity interest in Magnificent Capital Holding Limited which owns 70% of the issued share capital of Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are husband and wife. Therefore, Mr. Shan Huei KUO and Ms. Yi-Mei LIU are deemed to be interested in the shares of the Company which are owned by Advent. Mr. Shan Huei KUO and Ms. Yi-Mei LIU are also the directors of Advent and Magnificent Capital Holding Limited.

Independent Auditors and Audit Committee Review

The unaudited interim results and interim report for the Period have been reviewed by Ernst & Young, of which the review report is included in this interim report, and the Company's Audit Committee.



Report on Review of Interim Financial Information



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話：+852 2846 9888
Fax 傳真：+852 2868 4432
ey.com

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 11 to 30, which comprises the condensed consolidated statement of financial position of Samson Holding Ltd. (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2021 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The 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 34 *Interim Financial Reporting* (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The directors of the Company 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. Our report is made 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 HKICPA. A review of interim financial information consists of making inquiries, 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.

Ernst & Young

Certified Public Accountants

Hong Kong

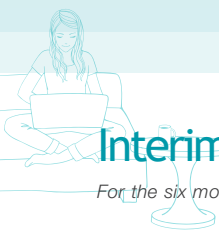
25 August 2021

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2021



		For the six months ended 30 June	
		2021	2020
		US\$'000	US\$'000
		(Unaudited)	(Unaudited)
	<i>Notes</i>		
REVENUE	4	237,342	172,143
Cost of sales		(171,326)	(132,896)
Gross profit		66,016	39,247
Other income, gains, losses and expenses		8,904	7,835
Distribution costs		(5,670)	(5,812)
Sales and marketing expenses		(31,078)	(28,475)
Administrative expenses		(20,603)	(28,969)
Share of profit/(loss) of an associate		133	(79)
Finance costs		(1,720)	(2,811)
PROFIT/(LOSS) BEFORE TAX	5	15,982	(19,064)
Income tax (expense)/credit	6	(1,629)	2,472
PROFIT/(LOSS) FOR THE PERIOD		14,353	(16,592)
Attributable to:			
Owners of the parent		14,353	(15,048)
Non-controlling interests		–	(1,544)
		14,353	(16,592)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
– Basic (in US cent)		0.462	(0.484)
– Diluted (in US cent)		0.462	(0.484)



Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 <i>US\$'000</i> (Unaudited)	2020 <i>US\$'000</i> (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	14,353	(16,592)
OTHER COMPREHENSIVE INCOME/(LOSS)		
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences:		
Exchange differences on translation of foreign operations	560	(2,143)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	14,913	(18,735)
Attributable to:		
Owners of the parent	14,913	(17,199)
Non-controlling interests	-	(1,536)
	14,913	(18,735)

Interim Condensed Consolidated Statement of Financial Position

At 30 June 2021



	Notes	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	85,850	85,062
Investment properties		14,076	7,234
Right-of-use assets		80,587	46,713
Goodwill		25,793	25,793
Other intangible assets		4,400	4,400
Investment in an associate		1,067	934
Deposits for acquisition of prepaid land lease		–	36,880
Deferred tax assets		3,434	4,299
Total non-current assets		215,207	211,315
CURRENT ASSETS			
Inventories		147,100	124,593
Trade and other receivables	10	103,594	97,221
Held-for-trading investments	11	93,727	95,490
Tax recoverable		3,710	3,513
Pledged bank deposits		–	10,308
Short term bank deposits		2,003	–
Cash and cash equivalents	12	55,777	26,047
Total current assets		405,911	357,172
CURRENT LIABILITIES			
Trade and other payables	13	91,832	77,756
Interest-bearing bank borrowings	14	134,302	109,609
Lease liabilities		8,488	7,510
Tax payable		12,727	11,171
Total current liabilities		247,349	206,046
NET CURRENT ASSETS		158,562	151,126
TOTAL ASSETS LESS CURRENT LIABILITIES		373,769	362,441



Interim Condensed Consolidated Statement of Financial Position (cont'd)

At 30 June 2021

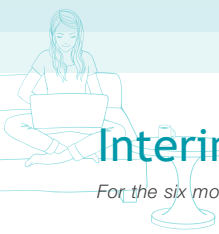
	<i>Notes</i>	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		16,893	19,622
Interest-bearing bank borrowings	14	45,365	45,365
Deferred tax liabilities		1,593	2,449
Total non-current liabilities		63,851	67,436
Net assets		309,918	295,005
EQUITY			
Issued capital	15	155,374	155,374
Reserves		154,544	139,631
Total equity		309,918	295,005

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021



	Issued capital	Share repurchase reserve	Share premium	Capital redemption reserve	Share option reserve	Merger reserve	Other reserve	Exchange reserve	Retained profits	Total	Non-controlling interests	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2021 (audited)	155,374	-	105,972	1,012	256	1,581	(6,787)	(9,398)	46,995	295,005	-	295,005
Profit for the period	-	-	-	-	-	-	-	-	14,353	14,353	-	14,353
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	560	-	560	-	560
Total comprehensive income for the period	-	-	-	-	-	-	-	560	14,353	14,913	-	14,913
At 30 June 2021 (unaudited)	155,374	-	105,972	1,012	256	1,581	(6,787)	(8,838)	61,348	309,918	-	309,918
At 1 January 2020 (audited)	155,946	(492)	105,892	1,012	256	1,581	-	(6,641)	61,002	318,556	8,866	327,422
Loss for the period	-	-	-	-	-	-	-	-	(15,048)	(15,048)	(1,544)	(16,592)
Other comprehensive loss for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(2,151)	-	(2,151)	8	(2,143)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(2,151)	(15,048)	(17,199)	(1,536)	(18,735)
Shares cancelled (note 15)	(572)	492	80	-	-	-	-	-	-	-	-	-
At 30 June 2020 (unaudited)	155,374	-	105,972	1,012	256	1,581	-	(8,792)	45,954	301,357	7,330	308,687



Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Net cash flows from operating activities	3,107	15,389
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	102	233
Purchases of items of property, plant and equipment	(2,823)	(3,706)
Proceeds from disposal of items of property, plant and equipment	552	31
(Increase)/decrease in short-term deposits	(2,003)	4,200
Decrease/(increase) in pledged bank deposits	10,308	(8,257)
Net cash flows from/(used in) investing activities	6,136	(7,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans	91,291	167,081
Repayment of bank loans	(66,609)	(183,675)
Principal portion of lease payments	(3,043)	(3,419)
Interest paid	(1,055)	(2,138)
Net cash flows from/(used in) financing activities	20,584	(22,151)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,827	(14,261)
Cash and cash equivalents at the beginning of period	26,047	62,678
Effect of foreign exchange rate changes	(97)	722
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	55,777	49,139
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	55,777	49,139



1. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2021 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 2020.

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 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	<i>Interest Rate Benchmark Reform – Phase 2</i>
Amendment to HKFRS 16	<i>COVID-19-Related Rent Concessions beyond 30 June 2021 (early adopted)</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 address issues not dealt with in the previous amendments which affect financial reporting when an existing interest rate benchmark is replaced with an alternative risk-free rate ("RFR"). The phase 2 amendments provide a practical expedient to allow the effective interest rate to be updated without adjusting the carrying amount of financial assets and liabilities when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, if the change is a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the change. In addition, the amendments permit changes required by the interest rate benchmark reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Any gains or losses that could arise on transition are dealt with through the normal requirements of HKFRS 9 to measure and recognise hedge ineffectiveness. The amendments also provide a temporary relief to entities from having to meet the separately identifiable requirement when an RFR is designated as a risk component. The relief allows an entity, upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months. Furthermore, the amendments require an entity to disclose additional information to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy.

The Group had certain interest-bearing bank borrowings denominated in United States dollars ("US\$") and Vietnamese Dong based on the London Interbank Offered Rate ("LIBOR") as at 30 June 2021. Since the interest rates of these borrowings were not replaced by RFRs during the period, the amendment did not have any impact on the financial position and performance of the Group. If the interest rates of these borrowings are replaced by RFRs in a future period, the Group will apply this practical expedient upon the modification of these borrowings provided that the "economically equivalent" criterion is met.



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

2. Changes in Accounting Policies and Disclosures (continued)

The nature and impact of the revised HKFRSs are described below: (continued)

- (b) Amendment to HKFRS 16 issued in April 2021 extends the availability of the practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic by 12 months. Accordingly, the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment is effective retrospectively for annual periods beginning on or after 1 April 2021 with any cumulative effect of initially applying the amendment recognised as an adjustment to the opening balance of retained profits at the beginning of the current accounting period. Earlier application is permitted. The Group has early adopted the amendment on 1 January 2021 and the amendment did not have any impact on the Group's financial position and performance.

3. Operating Segment Information

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

Segment profit before tax of US\$28,603,000 (six months ended 30 June 2020: US\$4,287,000) represents the profit/(loss) 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/(loss) of an associate.

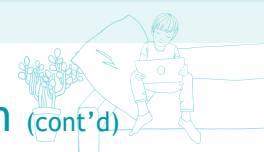
4. Revenue

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
<i>Revenue from contracts with customers</i>		
Sale of furniture	237,187	171,987
<i>Revenue from other sources</i>		
Service fee income	155	156
	237,342	172,143

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021



4. Revenue (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

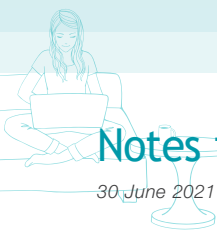
Segment – Furniture

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Types of goods		
Sale of furniture and total revenue from contracts with customers	237,187	171,987
Geographical markets		
The People's Republic of China ("PRC"), including Hong Kong	4,126	2,228
The United States of America (the "U.S.")	227,502	165,047
Others	5,559	4,712
Total revenue from contracts with customers	237,187	171,987
Timing of revenue recognition		
Goods transferred at a point in time and total revenue from contracts with customers	237,187	171,987

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	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Revenue from contracts with customers		
External customers and total revenue from contracts with customers	237,187	171,987



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

5. Profit/(Loss) Before Tax

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

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Cost of inventories sold	173,949	131,749
Write-down of inventories to net realisable value	1,091	1,415
Reversal of write-down of inventories	(3,714)	(268)
Reversal of impairment of property, plant and equipment	(4,556)	–
Depreciation of investment properties	135	114
Depreciation of property, plant and equipment	4,653	4,557
Depreciation of right-of-use assets	3,586	4,181
Impairment of trade receivables	118	1,081
Net loss/(gain) on held-for-trading investments	150	(1,727)
(Gain)/loss on disposal of items of property, plant and equipment	(510)	37
Bank interest income	(102)	(233)
Exchange differences, net	156	1,211

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 2020: 21%).

Taiwan income tax is calculated at 20% (six months ended 30 June 2020: 20%) of certain subsidiaries' assessable profits.

Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2020: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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



6. Income Tax (continued)

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Current tax:		
U.S.	16	–
Taiwan	433	333
Hong Kong	53	271
Elsewhere	1,118	–
Overprovision in prior year in the U.S.	–	(417)
Deferred tax	9	(2,659)
Total tax charge/(credit) for the period	1,629	(2,472)

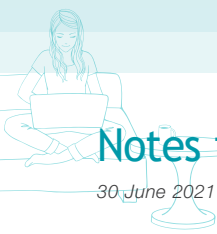
7. Dividends

For the six months ended 30 June 2021, the board of directors resolved not to declare any interim dividend (six months ended 30 June 2020: Nil).

8. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of The Parent

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

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Profit/(loss) for the period and earnings/(loss) for the purpose of basic and diluted earnings/(loss) per share calculations	14,353	(15,048)



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

8. Earnings/(Loss) Per Share Attributable to Ordinary Equity Holders of The Parent (continued)

	For the six months ended 30 June	
	2021 Number of shares	2020 Number of shares
Weighted average number of ordinary shares in issue during the period used in basic and diluted earnings/(loss) per share calculations	3,107,473,773	3,110,064,248

The computation of diluted earnings/(loss) per share does not assume the exercise of the Company's share options for the six months ended 30 June 2021 and 2020 because the exercise price of those share options was higher than the average market price of the Company's shares during the period.

9. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired items of property, plant and equipment of US\$2,823,000 (six months ended 30 June 2020: US\$3,706,000) and a reversal of impairment of property, plant and equipment of US\$4,556,000 (six months ended 30 June 2020: Nil). In addition, the Group disposed of certain items of property, plant and equipment with an aggregate carrying amount of US\$42,000 (six months ended 30 June 2020: US\$68,000) for cash proceeds of US\$552,000 (six months ended 30 June 2020: cash proceeds of US\$31,000), resulting in a gain on disposal of US\$510,000 (six months ended 30 June 2020: loss of US\$37,000). During the six months ended 30 June 2021, the Group has transferred the property, plant and equipment of US\$4,556,000 to investment properties.

10. 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 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Trade receivables:		
Within 1 month	41,230	27,130
1 to 2 months	13,329	19,399
Over 2 months	11,087	13,696
	65,646	60,225
Other receivables and prepayments	37,948	36,996
	103,594	97,221



11. Held-For-Trading Investments

	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Debt securities, at fair value:		
Listed in the U.S. with average yield rate of 2.99% to 4.93% and maturity in September 2021	1,366	1,228
Listed in Hong Kong with average yield rate of 3.16% to 3.18% and maturity from April 2021 to April 2077	4,610	5,032
Listed in Singapore with average yield rate of 2.74% to 2.89% and maturity from March 2021 to August 2030	4,545	5,050
Listed in other jurisdictions with average yield rate of 2.26% to 3.86% and maturity from March 2021 to September 2080	1,264	1,241
Investment fund portfolio A, at fair value (Note)	81,248	82,232
Investment fund portfolio B, at fair value (Note)	211	215
Investment fund portfolio C, at fair value (Note)	200	200
Investment fund portfolio D, at fair value (Note)	283	292
	93,727	95,490

The above investments as at 30 June 2021 and 31 December 2020 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 six months ended 30 June 2021, the Group received dividends of US\$815,000 (six months ended 30 June 2020: US\$782,000) 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 2021, the Group holds 80,500 units (31 December 2020: 80,500 units) of fund portfolio A which accounted for approximately 13.1% (31 December 2020: 14.5%) of the total assets of the Group, and the unrealised loss of investment fund portfolio A amounted to US\$984,000 was charged to profit or loss during the six months ended 30 June 2021 (six months ended 30 June 2020: unrealised profit of US\$673,000). The Group holds the investment portfolio A for capital appreciation and has been closely monitoring the performance from time to time.

12. Cash and Cash Equivalents

At 30 June 2021, cash and cash equivalents were cash and bank balances with an original maturity of 3 months or less of US\$55,777,000 (31 December 2020: US\$26,047,000).



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

13. Trade and Other Payables

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

	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Trade payables:		
Within 1 month	21,252	12,517
1 to 2 months	3,608	3,457
Over 2 months	5,580	5,879
	30,440	21,853
Other payables and accruals	61,392	55,903
	91,832	77,756

14. Interest-Bearing Bank Borrowings

	30 June 2021			31 December 2020		
	Effective interest rate (%)	Maturity	US\$'000 (Unaudited)	Effective interest rate (%)	Maturity	US\$'000 (Audited)
Current						
Bank loans – unsecured	0.69 – 1.23	2021	134,302	0.69 – 1.31	2021	101,252
Bank loans – secured			–	1.85	2021	8,357
			134,302			109,609
Non-current						
Bank loans – unsecured	1.27	2022	45,365	1.13	2022	45,365
			179,667			154,974



15. Share Capital

	Number of shares	Nominal value <i>US\$'000</i>
Ordinary shares of US\$0.05 each		
Authorised:		
At 31 December 2020 and 30 June 2021	6,000,000,000	300,000
Issued and fully paid:		
At 31 December 2020 and 30 June 2021	3,107,473,773	155,374

During the year ended 31 December 2019, 11,436,000 ordinary shares were repurchased for a consideration of US\$492,000 (equivalent to HK\$3,855,000) and were cancelled on 11 February 2020.

16. Share Option Scheme

The Company operates share option scheme (the "Share Option Scheme") to attract skilled and experienced personnel, to incentivise them to remain with the Group to give effect to the Group's customer-focused corporate culture, and to motivate them to strive for the future development and expansion of the Group, by providing them with the opportunity to acquire equity interests in the Company. Eligible participants of the Share Option Scheme include any employee, any management member or director of the Group and third party service providers.

On 18 May 2016, a share option scheme (the "2016 Share Option Scheme") was approved by a resolution of the shareholders and adopted by a resolution of the board of directors of the Company.

The maximum number of shares to be issued in respect of which options may be granted under the 2016 Share Option Scheme, upon their exercise, shall not exceed 10% of the issued share capital of the Company on 18 May 2016, i.e. 304,360,977 shares. As at 30 June 2021, the Company had 26,700,000 (2020: 26,700,000) share options outstanding under the 2016 Share Option Scheme, representing approximately 0.9% of the issued share capital of the Company as at the date this report. The exercise of the share options would, under the present capital structure of the Company, result in the issue of 26,700,000 additional ordinary shares of the Company and additional share capital of US\$1,335,000 and share premium of US\$958,000 (before issue expenses).

The maximum number of shares issuable under share options to each eligible participant in the 2016 Share Option Scheme within any 12-month period is limited to 1% of the issued share capital of the Company at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

16. Share Option Scheme (continued)

Share options to be granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective close associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options to be granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective close associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 14 days from the date of offer, upon payment of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors and stated in the offer letter of the grant of options.

Subject to early termination of the 2016 Share Option Scheme in accordance with the scheme rules, the 2016 Share Option Scheme will expire on 18 May 2026.

The exercise price of share options is determinable by the directors and shall be the highest of: (i) the Stock Exchange closing price of the Company's shares on the date of grant; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares.

Details of the share options granted and outstanding under the 2016 Share Option Scheme during the six months ended 30 June 2021 were as follows:

	Date of grant	Exercise price HK\$/share	Vesting date	Exercise period	Outstanding as at 1.1.2020, 31.12.2020 1.1.2021 and 30.6.2021
<i>Other employees:</i>					
In aggregate	11.11.2016	0.67	11.11.2016	11.11.2016 – 10.11.2021	26,700,000
Exercisable at the end of the year/period					26,700,000
Weighted average exercise price (HK\$ per share)*					0.67

* The exercise price of the share options is subject to adjustment in the case of changes in the Company's share capital.

During the six months ended 30 June 2021, no share options were cancelled, lapsed or exercised (six months ended 30 June 2020: Nil).

During the six months ended 30 June 2021, no share options were granted (six months ended 30 June 2020: Nil), and no share option expense was incurred (six months ended 30 June 2020: Nil).

Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021



17. Commitments

	30 June 2021 US\$'000 (Unaudited)	31 December 2020 US\$'000 (Audited)
Contracted, but not provided for: Plant and equipment	3,313	3,306

18. Related Party Transactions

During the period, the Group had the following transaction with a related party:

Name of related company	Nature of transaction	For the six months ended 30 June	
		2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Samson Global Co., Ltd.	Rental paid	21	20

The above company is beneficially owned and jointly controlled by Mr. Shan Huei KUO and Ms. Yi-Mei LIU, both are directors and ultimate controlling shareholders of the Company.

Compensation of key management personnel

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

	For the six months ended 30 June	
	2021 US\$'000 (Unaudited)	2020 US\$'000 (Unaudited)
Short term benefits	453	453

The remuneration of directors and key executives is determined by the Remuneration Committee of the Company having regard to the performance of the individuals and market trends.



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

19. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

As at 30 June 2021

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Held-for- trading US\$'000 (Unaudited)	US\$'000 (Unaudited)	US\$'000 (Unaudited)
Trade receivables	–	65,646	65,646
Financial assets included in prepayments and other receivables	–	28,469	28,469
Held-for-trading investments	93,727	–	93,727
Short-term bank deposits	–	2,003	2,003
Cash and cash equivalents	–	55,777	55,777
	93,727	151,895	245,622

Financial liabilities

	Financial liabilities at amortised cost US\$'000 (Unaudited)
Trade payables	30,440
Financial liabilities included in other payables and accruals	37,907
Interest-bearing bank borrowings	179,667
Lease liabilities	25,381
	273,395



19. Financial Instruments by Category (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

As at 31 December 2020

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Held-for-trading US\$'000 (Audited)	US\$'000 (Audited)	US\$'000 (Audited)
Trade receivables	–	60,225	60,225
Financial assets included in prepayments and other receivables	–	25,344	25,344
Held-for-trading investments	95,490	–	95,490
Pledged bank deposits	–	10,308	10,308
Cash and cash equivalents	–	26,047	26,047
	95,490	121,924	217,414

Financial liabilities

	Financial liabilities at amortised cost US\$'000 (Audited)
Trade payables	21,853
Financial liabilities included in other payables and accruals	34,121
Interest-bearing bank borrowings	154,974
Lease liabilities	27,132
	238,080



Notes to Interim Condensed Consolidated Financial Information (cont'd)

30 June 2021

20. Fair Value and Fair Value Hierarchy Of Financial Instruments

Management has assessed that the fair values of cash and cash equivalents, short-term bank deposits, trade receivables, trade payables, financial assets included in other receivables and prepayments, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 30 June 2021 was assessed to be insignificant.

The Level 1 and Level 2 fair values of the held-for-trading investments are based on quoted market prices and quotes from financial institutions, respectively.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

	Fair value measurement using		
	Quoted prices in active markets (Level 1) US\$'000	Significant observable inputs (Level 2) US\$'000	Total US\$'000
As at 30 June 2021			
Held-for-trading investments (Unaudited)	11,785	81,942	93,727
As at 31 December 2020			
Held-for-trading investments (Audited)	12,551	82,939	95,490

The Group did not have any financial liabilities measured at fair value as at 30 June 2021 and 31 December 2020.

During the six months ended 30 June 2021, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (31 December 2020: Nil).

21. Approval of the Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 25 August 2021.