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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)

**SUPPLEMENTAL ANNOUNCEMENT
REGARDING DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF JOLLY STATE COMPANY LIMITED
AND ITS SUBSIDIARY IN VIETNAM**

Reference is made to the Company's announcement dated 16 July 2019 (“**Announcement**”) relating to the Acquisition. Terms used herein shall have the same meanings as defined in the Announcement unless otherwise stated.

As disclosed in the Announcement, the Consideration was determined based on the operating and assets conditions of the Target Group at the date of the Share Transfer Agreement and with reference to normal commercial terms through arm's length negotiations between the Parties. The following is additional information relating to basis of the Consideration of the Acquisition.

Assets of the Vietnam Company

The Vietnam Company is the legal owner of a furniture manufacturing factory and buildings with the total size of 172,674.26 square meters and has land use rights over two parcels of land with the total size of 190,482.1 square meters in Vietnam. The Vietnam Company is located at the Tam Phuoc Industrial Park, Tam Phuoc Commune, BienHoa City, Dong Nai Province, Vietnam (the “Industrial Park”), which situates on the important transport junction in the Southern key economic zone with well-developed transport system to attract investment. Prior to the Acquisition, the management of the Company paid a site visit to the Industrial Park and solicited quotation for land from local contacts and business owners in the Industrial Park. Based on the findings, the prevailing market price for the land and buildings in the Industrial Park is approximately in the range of US\$80 to US\$100 per square meter.

As disclosed in the Announcement, the net assets value of the Vietnam Company which is approximately US\$17,248,000 as of 31 December 2018, only reflected the book value of the land and buildings of the Vietnam Company in the amount of approximately US\$8,260,699 and has not taken into account the prevailing market value of such assets which is approximately in the range of US\$29,052,508 to US\$36,315,636.

Operation of the Vietnam Company

Established in 2004, the Vietnam Company has three production lines with two fully in operation to fulfil the existing sales orders of the Vietnam Company and one to be utilized for manufacturing of the Group's products in the future. These manufacturing facilities have a production capacity of 700 containers of furniture per month, and together with the customer base of the Vietnam Company, this could bring additional revenue to the Group. In addition, with these production lines, the Group will be able to transfer its manufacturing base in China to Vietnam upon completion of the Acquisition to reduce its costs in tariffs and taxes as elaborated in the paragraph headed "Tax saving" of this announcement.

The Vietnam Company also has veteran senior management team and highly experienced work force of 3,700 employees, which is of great value to the continued operation of the Vietnam Company under the Group in the future, in view of the shortage of labor supply in Vietnam.

Tax saving

Currently, the manufacturing facilities of the Group for products exported to the United States are based in China. Due to the increased tariff scale imposed by the United States on products originated from China, the Group is under the threat of being subject to 25% trade tariff based on its estimate export volume. However, upon completion of the Acquisition, the Group would be able to transfer its manufacturing operation swiftly to Vietnam which is not subject to additional tariffs in the United States, resulting in significant tariff and tax savings and potentially more business opportunities for the Group.

Based on the above, the Board considers that the Consideration including the premium paid over the net assets value of the Vietnam Company is fair and reasonable and in the interest of the Company and the shareholders as a whole.

For and on behalf of the Board
Samson Holding Ltd.
Shan Huei KUO
Chairman

1 August 2019

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.

* *For identification purposes only*