

**SAMSON HOLDINGS LTD:
AS LONG AS THE U.S. MARKET IS STRONG,
THIS COMPANY SHOULD DO WELL**

There is no reason, of course, that European-styled furniture, produced in the People's Republic of China (PRC), should not be as good as or even better than similar furniture, produced in the United States of America, Europe, or anywhere else in the world.

But the trouble with a great deal of furniture, produced in the PRC, proper, as opposed to the Hongkong Special Administrative Region (HKSAR) of the PRC, is that the wood, used to produce furniture in the PRC, proper, more often than not is not cured, at all, or, if it is cured, it is not cured properly so that, within a year or so of the furniture, being manufactured and delivered to customers, doors start to warp and/or the wood cracks if it does not break.

Also, very often, there is little attention paid to detail so that a table could well be delivered to a customer, it, having 4 legs – all of the legs, being of slightly different lengths.

Cushions and mattresses, produced in the PRC, proper, are filled with such poor materials that they tend to break down within the first year of their use.

And, of course, the finishing of polished wood, such as countertops, tabletops, drawers, etc, is such that, in a great many cases, they are eyesores to any prospective buyer, who is unlucky enough to purchase such furniture, sight unseen.

The problem in many PRC, furniture factories, large and small, is that management does not pay sufficient attention to detail and the workers, for the most part, are untrained and do not fully appreciate the importance of using cured wood, paying strict attention to detail, and the requirements which distinguish good furniture from bad furniture.

For many centuries, the PRC has been producing traditional, Chinese furniture of rosewood and blackwood with distinctive styling, going back many centuries, but many of the artisans of this type of furniture are dying out ... and the younger generation is not following in their fathers' footsteps as was the case in the past.

Samson Holdings Ltd (順誠控股有限公司) (Code: 531, Main Board, The Stock Exchange of Hongkong Ltd) maintains that it is one of the *'leading wholesalers in the U.S. residential furniture industry, based on industry surveys'* (the furniture, being produced in the PRC, proper) and, on the strength of this assertion, it went public in the HKSAR on November 7, 2005, hoping to raise about \$HK1.30 billion.

The Company came up a little shy of its target for extra cash because HKSAR investors shied away from this Initial Public Offering (IPO).

The IPO

Samson Holdings pitched a Global Offering of 690 million, 5-cent (US) Shares, at a price of not more than \$HK3.25 per Share.

Of the total number of Shares on Offer, HKSAR investors were Offered 69 million Shares, and the International Placing tranche was, originally, 621 million Shares.

However, 230 million Shares of the International Placing tranche were those Shares, formerly belonging to Mr Kuo Shan Huei (郭山輝), the Chairman and Co-Founder of Samson Holdings Ltd.

The HKSAR Offer tranche saw only 344 valid applications, being received, for a total of 15,089,000 Shares, representing about 21.87 percent of the total number of Shares on Offer in the territory.

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