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Samson keeping plans quiet



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Samson Furniture is playing it close to the vest when it comes to its purchase of two furniture plants in Lenoir.

The China-based company bought Heritage Home Group's Lenoir Casegoods plant, better known as the Thomasville plant, and Lenoir Upholstery plant late last year.

But Mohammad Amini, executive director of Samson Holding, said there no plans for the plants "other than using them for some warehousing for (the) time being while we discuss the possibilities going forward."

The company has twice tried to buy the same plants before, along with others.

The first was when it launched a hostile takeover bid in October 2007 for Furniture Brands International. Samson's co-founder and chairman, Shan Huei "Samuel" Kuo, saw Furniture Brands' business as a good fit with Samson's business, according to a Forbes article at the time.

Samson again tried but missed out on buying Furniture Brands in 2013, when Furniture Brands filed for bankruptcy protection. Samson attempted to put together a bid for the company, but

Furniture Brands had filed under a section of the bankruptcy code that set an aggressively short deadline, so Samson did not have time, Amini said in a 2013 article in the trade publication Furniture Today. In that same article, Amini said Samson was still interested in some of the brands Furniture Brands owned and would "consider opportunities in the future."

In the 2013 bankruptcy, the assets of Furniture Brands were acquired by the private equity firm KPS Capital Partners, which formed them into Heritage Home Group.

Heritage Home filed for bankruptcy protection last July, which provided the next opportunity for Samson.

Samson bought HHG's upholstery plant on Complex Street, which had a tax-assessed value of \$8.2 million, for \$4.75 million in a bankruptcy court auction in October. No one bought the casegoods plant, and both of them closed Nov. 2.

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At the end of November, Samson agreed to buy the casegoods plant -- which had a tax-assessed value of more than \$4.6 million -- for \$175,000, an amount later reduced to \$130,000. Samson also paid \$250,000 to keep the plant's finishing and conveying systems intact, along with some additional machinery and equipment.

Samson has been moving further into U.S. markets for years.

Samson started out in Dongguan, China, in 1995 as a dining and occasional furniture manufacturer, and grew to become one of the largest furniture manufacturers in Asia and renowned globally.

Samson then started its own brands, Legacy Classic and Lacquer Craft, to move into U.S. residential furniture and hospitality markets. Acquisitions such as Universal Furniture in 2001, Craftmaster Furniture in 2006 and Lenoir-based Grand Manor Furniture in 2016 moved the company further into the U.S. furniture industry, mostly in mid-range furniture.

It has since pushed to move into the high-end furniture market, which Kuo has said many times is a goal of the company. The acquisition of Baker, Milling Road and McGuire in 2017 was the

biggest step in this direction, said Ken Smith, an industry expert and accountant with Smith and Leonard, an accounting and consulting firm.

But Smith and other furniture experts don't know whether its latest, the purchase of Heritage Home's two Lenoir plants, is a stepping stone on that path, Smith said.

"It may have been a deal they took a chance on to figure out later," he said.

Jerry Epperson, a furniture expert and managing director of the investment banking firm Mann, Armistead and Epperson Ltd., said he also didn't know why Samson purchased the two plants, and he noted that the delayed purchase of the second was a conundrum.

"It was kind of odd there," Epperson said.

But Kuo is known for making daring moves that have a tendency to turn out well.

Samson facilities in High Point, where Smith is based, are high-end, and the company makes a good neighbor, Smith said.

"I think they'll be good (in Lenoir) in addition," he said.



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