SAMLING GLOBAL LIMITED

三林環球有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 3938)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

The Board of Directors (the "Board") of Samling Global Limited (the "Company") is pleased to announce the unaudited interim financial results of the Company and its subsidiaries (the "Group") for the six months ended 31 December 2007, together with comparative figures prepared in accordance with International Accounting Standard 34 "Interim financial reporting". The interim results have been reviewed by the audit committee of the Company. The unaudited interim report for the six months ended 31 December 2007 has been reviewed by KPMG, in accordance with the Hong Kong Standard on Review Engagement 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the Hong Kong Institute of Certified Public Accountants, whose review report is included in the interim report to be sent to shareholders.

Consolidated income statement
For the six months ended 31 December 2007-unaudited
(Expressed in United States dollars)

		Six months ended 31 December	
	Note	**2007**	2006
		$'000	$'000
Turnover	4	**255,785**	298,267
Cost of sales		**(218,986)**	(209,048)
Gross profit		**36,799**	89,219
Other operating income		**7,629**	3,611
Distribution costs		**(3,436)**	(3,737)
Administrative expenses		**(15,396)**	(11,700)
Other operating expenses		**(111)**	(79)
(Loss)/gain from changes in fair value of plantation assets less estimated point-of-sale costs		**(1,886)**	2,809
Profit from operations		**23,599**	80,123
Financial income		**6,256**	7,882
Financial expenses		**(9,977)**	(10,816)
Net financing costs	5	**(3,721)**	(2,934)
Share of profit less losses of associates		**14,877**	2,129
Share of profit less losses of jointly control entities		**1,320**	1,119
Profit before taxation	6	**36,075**	80,437
Income tax credit /(expense)	7	**2,543**	(14,719)
Profit for the period		**38,618**	65,718

Consolidated income statement (Continued)
For the six months ended 31 December 2007-unaudited
(Expressed in United States dollars)

	Note	Six months ended 31 December	
		2007	2006
		$'000	$'000
Attributable to:			
Equity holders of the Company		**26,161**	46,087
Minority interests		**12,457**	19,631
Profit for the period		**38,618**	65,718
Dividend attributable to the period:	8		
Interim dividend declared during the period		**-**	-
Final dividend proposed after the balance sheet date		**-**	-
		-	-
Earnings per share (US cents)	9		
- Basic		0.61	1.49

Consolidated balance sheet
At 31 December 2007- unaudited
(Expressed in United States dollars)

	Note	**At 31 December 2007 $'000**	At 30 June 2007 $'000
Non-current assets			
Property, plant and equipment, net	10		
- Investment properties		**10,287**	9,940
- Other property, plant and equipment		**420,826**	415,246
Construction in progress		**8,495**	5,480
Lease prepayments		**27,867**	27,172
Timber concessions		**27,665**	28,945
Intangible assets		**6,489**	-
Goodwill		**804**	671
Plantation assets	11	**235,790**	226,050
Interest in associates		**69,843**	54,675
Interest in jointly controlled entities		**15,451**	14,592
Other investment		**33**	32
Deferred tax assets		**4,066**	3,578
Total non-current assets		**827,616**	786,381
Current assets			
Inventories	12	**142,314**	110,512
Trade and other receivables	13	**84,914**	78,603
Current tax recoverable		**16,013**	12,013
Cash and cash equivalents	14	**283,973**	326,542
Total current assets		**527,214**	527,670
Total assets		**1,354,830**	1,314,051
Current liabilities			
Bank overdrafts, loans and borrowings	15	**106,993**	103,782
Finance lease liabilities		**31,861**	29,222
Bonds		**45,365**	43,422
Trade and other payables	16	**120,694**	114,802
Current tax payable		**2,845**	2,632
Total current liabilities		**307,758**	293,860
Net current assets		**219,456**	233,810
Total assets less current liabilities		**1,047,072**	1,020,191
Non-current liabilities			
Bank loans and borrowings	15	**144,531**	132,797
Finance lease liabilities		**62,422**	63,590
Deferred tax liabilities		**51,261**	59,015
Total non-current liabilities		**258,214**	255,402
Total liabilities		**565,972**	549,262

Consolidated balance sheet (continued)
At 31 December 2007- unaudited
(Expressed in United States dollars)

	At 31 December 2007	At 30 June 2007
	\$'000	\$'000
Equity		
Share capital	**430,174**	430,174
Reserves	**176,569**	168,601
Equity attributable to equity holders of the Company	**606,743**	598,775
Minority interests	**182,115**	166,014
Total equity	**788,858**	764,789
Total liabilities and equity	**1,354,830**	1,314,051

Notes to the unaudited interim financial report
(Expressed in United States dollars unless otherwise indicated)

1 Basis of preparation

The interim financial report has been prepared in accordance with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"), including compliance with International Accounting Standard ("IAS") 34 "Interim financial reporting" promulgated by the International Accounting Standards Board ("IASB"). It was authorised for issuance on 19 February 2008.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the preparation of the Group's financial information for the years ended 30 June 2006 and 2007, as included in the 2007 Annual Report of the Company dated 30 August 2007 except for the accounting policy changes that are expected to be reflected in the 2008 Annual Report. Details of these changes in acounting policies are set out in note 2.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2007 Annual Report. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs") promulgated by the IASB. IFRSs include all applicable IFRS, IAS and related interpretations.

IASB has issued a number of new and revised IFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 July 2007. The Board of Directors has determined the accounting policies to be adopted in the preparation of the Group's financial statements for the year ending 30 June 2008, on the basis of IFRSs currently in issue, which directors believe, do not have a significant impact on the Group's prior year financial position and results of operations.

1 Basis of preparation (continued)

The IFRSs that will be effective or are available for voluntary early adoption in the Group's financial statements for the year ending 30 June 2008 may be affected by the issue of additional interpretation(s) or other changes announced by the IASB subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the Group's financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report. The Group has not applied any new standards or interpretations that are not yet effective for the current accounting period.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standards on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included in the interim report to be sent to shareholders.

The financial information relating to the financial year ended 30 June 2007 that is included in the interim financial report as being previously reported information does not constitute the Company's annual financial statements prepared under IFRSs for that financial year but is derived from those financial statements. The annual financial statements for the year ended 30 June 2007 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 30 August 2007.

2 Changes in accounting policies

The IASB has issued a number of new and revised IFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group.

There have been no significant changes to the accounting policies applied in these financial statements for the periods presented as a result of these developments. However, as a result of the adoption of IFRS 7, *Financial instruments: Disclosures* and the amendment to IAS 1, *Presentation of financial statements: Capital disclosures*, there have been some additional disclosures provided as follows:

As a result of the adoption of IFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments, compared with the information previously required to be disclosed by IAS 32, *Financial instruments: Disclosure and presentation*. These disclosures are to be provided in the 2008 Annual Report.

2 Changes in accounting policies (continued)

The amendment to IAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's objectives, policies and processes for managing capital. These new disclosures are to be provided in the 2008 Annual Report.

Both IFRS 7 and the amendment to IAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Acquisitions

On 3 December 2007, the Company issued a circular in respect of the offer to acquire the entire equity interest in Brewster Ltd, a public unlisted company incorporated in Australia and based in Hobart, Tasmania, Australia for a consideration of approximately $7.7 million. As at 20 December 2007, the Company had acquired a 99.69% equity interest in Brewster Ltd and has commenced compulsory acquisition for the remaining interest. Brewster Ltd's principal activities are the sales and distribution of building materials including panel and wood engineered products, timber and hardware.

The acquisition had the following effect on the Group's assets and liabilities:

	$'000
Fixed assets	3,914
Goodwill	104
Deferred tax assets	268
Inventories	6,622
Trade and other receivables	5,931
Cash and cash equivalents	3
Trade and other payables	(3,566)
Borrowings	(3,466)
Provision for taxation	9
Deferred tax liabilities	(281)
	9,538
Excess of fair value over consideration credited to profit or loss	(1,878)
Total consideration	7,660

As at 31 December 2007, the fair values assigned to Brewster Ltd's identifiable assets, liabilities and contingent liabilities were determined only provisionally as the acquisition took place on 20 December 2007. Management is in the midst of reassessing the fair values of the identifiable assets, liabilities and contingent liabilities and would recognise any adjustments thereto on completion of the initial valuations before 30 June 2008.

4 Turnover

Turnover mainly represents the sales value of goods supplied to customers less returns and discounts and income from provision of timber extraction, river transportation and repairs and re-conditioning of equipment and machineries services. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	Six months ended 31 December,	
	2007	2006
	$'000	$'000
Sale of goods	**248,908**	288,169
Revenue from provision of services	**6,877**	10,098
	255,785	298,267

5 Net financing costs

	Six months ended 31 December,	
	2007	2006
	$'000	$'000
Interest on loans from banks and other borrowings	**(12,824)**	(13,864)
Less: Borrowing costs capitalised into plantation assets (note 11)	**4,434**	4,271
Interest expense	**(8,390)**	(9,593)
Net loss on change in fair value of financial instruments	**(1,587)**	(1,223)
Financial expenses	**(9,977)**	(10,816)
Interest income	**5,446**	373
Foreign exchange gains	**810**	7,509
Financial income	**6,256**	7,882
	(3,721)	(2,934)

6 Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Six months ended 31 December,	
	2007	2006
	$'000	$'000
Depreciation	**31,832**	29,368
Less: Depreciation capitalised as plantation assets (note 11)	**(154)**	(134)
	31,678	29,234
Amortisation of lease prepayments	**354**	390
Amortisation of timber concessions	**2,511**	2,411
Amortisation of intangible assets	**42**	-

7 Income tax

	Six months ended 31 December,	
	2007	2006
	$'000	$'000
Current tax		
Current period	**5,071**	9,805
Under provision in respect of prior period	**1,720**	1,315
	6,791	11,120
Deferred tax		
Origination and reversal of temporary differences	**(1,469)**	3,851
Reduction in tax rate (notes (c) and (e))	**(7,865)**	(252)
	(9,334)	3,599
Total income tax (credit)/expense in consolidated income statement	**(2,543)**	14,719

(a) Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in Bermuda and the British Virgin Islands.

(b) No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax during the six months ended 31 December 2006 and 2007.

(c) Pursuant to the income tax rules and regulations of Malaysia, the subsidiaries of the Group in Malaysia are liable to Malaysian income tax at a rate of 27% during the year ended 30 June 2007. In September 2007, the Malaysian government announced a reduction in the income tax rate from 27% to 26% for the year of assessment 2008 and from 26% to 25% for the year of assessment 2009. Accordingly, the provision for Malaysian income tax for the six months ended 31 December 2007 is calculated at 26% of the estimated assessable profits for the period.

(d) The subsidiaries in Guyana are liable to Guyana income tax at a rate of 45%. One of the subsidiaries of the Group in Guyana was granted a tax holiday period for 5 years by the Ministry of Finance of Guyana from March 2005. No provision for Guyana income tax has been made as the subsidiaries either did not have assessable profits subject to Guyana income tax during the six months ended 31 December 2006 and 2007 or was exempted from income tax.

(e) The subsidiaries in New Zealand are liable to New Zealand income tax at a rate of 33%. No provision for New Zealand income tax has been made as the subsidiaries did not have assessable profits subject to New Zealand income tax during the six months ended 31 December 2006 and 2007. In May 2007, the New Zealand government announced a reduction in the income tax rate from 33% to 30% for the year of assessment 2008/2009.

(f) Pursuant to the approval obtained from the relevant tax authorities in the People's Republic of China ("PRC"), the subsidiaries in the PRC are entitled to a tax concession period whereby the subsidiaries are fully exempted from PRC enterprise income tax for the two years starting from its first profit-making year, followed by a 50% reduction in the PRC enterprise income tax for the next three years. The standard income tax rate in the PRC is 33%.

7 Income tax (continued)

(f) (continued)

The first profit-making year of Foothill LVL & Plywood (Cangshan) Co., Ltd. ("Foothill”), a subsidiary acquired by the Group on 29 June 2006, was 2003. Foothill was fully exempted from PRC enterprise income tax from 1 January 2003 to 31 December 2004 and subject to a preferential tax rate of 15% from 1 January 2005 to 31 December 2007.

Being a production oriented enterprise in the Nantong Economic Development Zone of the PRC, Riverside Plywood Corporation (“Riverside”), a subsidiary acquired by the Group on 29 June 2006, was entitled to a preferential PRC enterprise income tax rate of 15%. The first profit-making year of Riverside was 2004. Riverside was fully exempted from PRC enterprise income tax from 1 January 2004 to 31 December 2005 and subject to a preferential tax rate of 7.5% from 1 January 2006 to 31 December 2008.

On 16 March 2007, the Fifth Plenary Session of the Tenth National People’s Congress passed the Enterprise Income Tax Law of the PRC (“new tax law”) which will take effect on 1 January 2008. The PRC income tax rate is expected to gradually increase to the standard rate of 25% over a five-year transition period. Production foreign investment enterprises which have not fully utilised their five-year tax holiday will be allowed to continue to receive the benefits of tax exemption or reduction in income tax rate up to the end of the derating period, after which, the 25% standard rate applies. The enactment of the new tax law is not expected to have any financial effect on the amounts accrued in the balance sheets in respect of current tax payable.

Further under the new tax law, from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevent income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 20% on various types of passive income such as dividends derived from sources in the PRC. The Group has already commenced an assessment on the impact of the new tax law regarding the above mentioned withholding tax but is not yet in a position to state whether the new tax law would have a significant impact on the Group's results of operations and financial position.

8 Dividends

The directors do not recommend the payment of any interim dividend for the six months ended 31 December 2007 (six months ended 31 December 2006: $ Nil).

Dividends attributable to the previous financial year, approved and paid during the interim period

	Six months ended 31 December,	
	2007	2006
	$'000	$'000
Final dividend in respect of the financial year ended 30 June 2007, approved and paid during the interim period of 0.641 US cents (year ended 30 June 2006: $ Nil)	**27,574**	-

The final dividend of 0.641 US cents amounted to $27,574,000 was paid on 18 December 2007.

9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company for the six months ended 31 December 2007 of $26,161,000 (six months ended 31 December 2006: $46,087,000) and weighted average number of ordinary shares in issue of 4,301,737,000 (six months ended 31 December 2006: 3,094,236,830).

There were no dilutive potential ordinary shares during the six months ended 31 December 2006 and 2007 and, therefore, diluted earnings per share are not presented.

10 Property, plant and equipment, net

(a) Acquisition and disposal

During the six months ended 31 December 2007, the Group acquired property, plant and equipment with an aggregate cost of $20,301,000 (six months ended 31 December 2006: $38,810,000). Items of property, plant and equipment with a net book value of $2,176,000 were disposed of during the six months ended 31 December 2007 (six months ended 31 December 2006: $7,043,000), resulting in a gain on disposal of $101,000 (six months ended 31 December 2006: $2,844,000).

(b) Certain leasehold land and buildings, and plant and machinery and equipment are pledged to banks for certain banking facilities granted to the Group as disclosed in note 15.

11 Plantation assets

Included in additions to the Group's plantation assets are interest capitalised and depreciation of property, plant and equipment of $4,434,000 (six months ended 31 December 2006: $4,271,000) and $154,000 (six months ended 31 December 2006: $134,000) for the six months ended 31 December 2007 respectively.

A significant portion of trees in New Zealand are planted on freehold forest and a small portion on leasehold forest with 79 years term, expiring in 2060. The Group has been granted 7 forest plantation licences for a gross area of approximately 458,000 hectares in Malaysia. The licences are for 60 years, the earliest of which expires in December 2058. On 4 December 2007, the Group acquired a sub licence of the tree plantation compartment in Malaysia measuring approximately 40,684 hectares from Timor Enterprises Sdn. Bhd. for a cash consideration of $6.5 million.

The Group's plantation assets in Malaysia and New Zealand were independently valued by Pöyry Forest Industry Pte Ltd ("Pöyry") and Chandler Fraser Keating Limited ("CFK"), respectively. In view of the non-availability of market value for trees in New Zealand and Malaysia, both Pöyry and CFK have applied the net present value approach whereby projected future net cash flows, based on their assessments of current timber log prices, were discounted at the rate of 8.5% (2006: 8.5%) for plantation assets in New Zealand and 10.2% (2006: 10.2%) for plantation assets in Malaysia for the year applied to pre-tax cash flows to provide a current market value of the plantation assets.

The discount rate used in the valuation of the plantation assets in New Zealand as at each balance sheet date was determined by reference to published discount rates, weighted average cost of capital analysis, internal rate of return analysis, surveyed opinion of forest valuers practice and the implied discount rate of forest sales transactions mainly in New Zealand over a period of time, with more weight given to the implied discount rate. In the absence of forest sales transactions in Malaysia, the discount rate used in Malaysia was based on the weighted average cost of capital which recognises the weighted average cost of debt funded capital and equity capital.

11 Plantation assets (continued)

The principal valuation methodology and assumptions adopted are as follows:

- A stand-based approach was employed whereby stands are scheduled to be harvested at or near their optimum economic rotation age.
- The cash flows are those arising from the current rotation of trees only. No account was taken of revenues or costs from re-establishment following harvest, or of land not yet planted.
- The cash flows do not take into account income taxation and finance costs.
- The cash flows have been prepared in real terms and have not therefore included inflationary effects.
- The impact of any planned future activity of the business that may impact the pricing of the logs harvested from the forest is not taken into account.
- Costs are current average costs. No allowance has been made for costs improvements in future operations.

Certain plantation assets are pledged to banks for certain banking facilities granted to the Group as disclosed in note 15.

12 Inventories

(a) Inventories in the balance sheet comprise:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Timber logs	**38,071**	31,546
Raw materials	**9,888**	9,394
Work-in-progress	**17,377**	13,506
Manufactured inventories	**41,776**	27,881
Stores and consumables	**35,202**	28,185
	142,314	110,512

(b) The analysis of the amount of inventories recognised as an expense is as follows:

	Six months ended 31 December 2007	2006
Carrying amount of inventories sold	**218,986**	209,048

13 Trade and other receivables

	At 31 December 2007 $'000	At 30 June 2007 $'000
Trade receivables	**51,639**	47,372
Prepayments, deposits and other receivables	**33,275**	31,231
	84,914	78,603

Included in trade receivables are amounts due from related parties of $12,351,000 as at 31 December 2007 (30 June 2007: $18,356,000).

The Group normally allows a credit period ranging from 30 days to 90 days to its customers.

An ageing analysis of trade receivables is as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Within 30 days	**34,315**	22,454
31-60 days	**6,507**	3,486
61-90 days	**3,027**	4,800
91-180 days	**3,249**	5,817
181-365 days	**2,660**	5,796
1-2 years	**1,881**	2,735
Over 2 years	**-**	2,284
	51,639	47,372

Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Within 30 days	**34,315**	22,454
31-60 days	**6,507**	3,486
61-90 days	**3,027**	4,800
91-180 days	**3,249**	5,817
181-365 days	**2,660**	5,796
1-2 years	**856**	1,701
Over 2 years	**-**	1,315
	50,614	45,369

13 Trade and other receivables(continued)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The group does not hold any collateral over these balances.

Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At 31 December 2007, the group's trade receivables of $8,862,000 (June 2007: $9,498,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of $7,837,000 (June 2007: $7,495,000) were recognised . The group does not hold any collateral over these balances.

14 Cash and cash equivalents

	At 31 December 2007 $'000	At 30 June 2007 $'000
Deposits with banks and other financial institutions	**266,785**	310,789
Cash at bank and in hand	**17,188**	15,753
Cash and cash equivalents in the consolidated balance sheet	**283,973**	326,542

15 Bank overdrafts, loans and borrowings

The bank overdrafts, loans and borrowings were repayable as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Within 1 year or on demand	**106,993**	103,782
After 1 year but within 2 years	**16,423**	14,136
After 2 years but within 5 years	**53,199**	42,542
After 5 years	**74,909**	76,119
	144,531	132,797
	251,524	236,579

15 Bank overdrafts, loans and borrowings(continued)

The bank overdrafts, loans and borrowings were secured as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Overdrafts		
- unsecured	**25,897**	20,195
- secured	**5,363**	1,786
	31,260	21,981
Bank loans and borrowings		
- unsecured	**132,761**	123,221
- secured	**87,503**	91,377
	220,264	214,598
	251,524	236,579

The carrying values of assets secured for bank loans and borrowings were as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Property, plant and equipment	**50,858**	55,309
Lease prepayments	**1,976**	2,967
Plantation assets	**217,602**	214,327
Cash and cash equivalents	**9,422**	9,153
	279,858	281,756

The banking facilities of the Group amounted to $287,815,000 (30 June 2007: $271,243,000), and were utilised to the extent of $251,524,000 (30 June 2007: $236,579,000).

All of the Group's banking facilities are subject to the fulfilment of covenants, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 31 December 2007 and 30 June 2007, none of the covenants relating to the facilities had been breached.

16 Trade and other payables

	At 31 December 2007 $'000	At 30 June 2007 $'000
Trade payables	**59,242**	47,652
Other payables	**22,879**	35,886
Accrued expenses	**38,573**	31,264
	120,694	114,802

Included in trade payables are amounts due to related parties of $7,779,000 as at 31 December 2007 (30 June 2007: $6,935,000).

An ageing analysis of trade payables is as follows:

	At 31 December 2007 $'000	At 30 June 2007 $'000
Within 30 days	**20,275**	20,613
31-60 days	**11,366**	7,737
61-90 days	**5,519**	4,929
91-180 days	**10,088**	3,790
181-365 days	**5,914**	6,044
1-2 years	**2,518**	1,059
Over 2 years	**3,562**	3,480
	59,242	47,652

17 Contingent liabilities

Detail of the Group's outstanding litigations and claims have been disclosed in note 35(c)of the 30 June 2007 Annual Report.

Save as disclosed above, the Company made an announcement on the matters in respect of the sanctions imposed on Barama Company Limited ("Barama") by the Guyana Forestry Commission on 26 October 2007. Although Barama has paid the penalty of approximately $482,000 and there were no further claims from the suspension of the sub-contractual operations in the third party areas, the Group is unable to ascertain if there will be future contingent liabilities in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

Key Financial Highlights

Segment Revenue	Logs US$'000	Plywood and Veneer US$'000	Upstream Support US$'000	Other Timber Operations US$'000	Other Operations US$'000	Elimination US$'000	Consolidated US$'000
31 December 2007							
External customers	**81,237**	**147,067**	**6,877**	**15,604**	**5,000**		**255,785**
Inter-segment revenue	**43,275**	**11,551**	**94,167**	**1,809**	**1,857**	**(152,659)**	**-**
Total revenue	**124,512**	**158,618**	**101,044**	**17,413**	**6,857**	**(152,659)**	**255,785**
31 December 2006							
External customers	93,771	174,868	10,098	14,229	5,301	-	298,267
Inter-segment revenue	45,601	14,707	96,557	1,447	1,169	(159,481)	-
Total revenue	139,372	189,575	106,655	15,676	6,470	(159,481)	298,267

Segment Gross Profit	Logs	Plywood and Veneer	Upstream Support	Other Timber Operations	Other Operations	Elimination	Consolidated
31 December 2007							
Gross Profit	**16,637**	**12,160**	**4,255**	**2,253**	**1,494**		**36,799**
Gross Profit margin (%)	***13.4%***	***7.7%***	***4.2%***	***12.9%***	***21.8%***		***14.4%***
Percentage of segment contribution (%)	***45.2***	***33.0***	***11.6***	***6.1***	***4.1***		***100.0***
31 December 2006							
Gross Profit	31,930	46,506	7,868	1,301	1,614		89,219
Gross Profit margin (%)	*22.9%*	*24.5%*	*7.4%*	*8.3%*	*25.0%*		*29.9%*
Percentage of segment contribution (%)	*35.8*	*52.1*	*8.8*	*1.5*	*1.8*		*100.0*

Profit Attributable to Equity Holders of the Company

	31 December 2007 US$'000	31 December 2006 US$'000
Gross profit	**36,799**	89,219
Other expenses net of other income before gain/(loss) from changes in fair value of plantation assets less estimated point of sale costs	**(11,314)**	(11,905)
Gain/(loss) from changes in fair value of plantation assets less estimated point-of-sale costs	**(1,886)**	2,809
Profit from operations	**23,599**	80,123
Net financing costs	**(3,721)**	(2,934)
Share of profits less losses of associates and jointly controlled entities	**16,197**	3,248
Income tax	**2,543**	(14,719)
Profit for the period	**38,618**	65,718
Minority interest	**(12,457)**	(19,631)
Profit attributable to equity holders of the Company	**26,161**	46,087

Review of Group Results

For the financial period under review, the Group achieved a turnover of US$255.8 million representing a 14.2% decrease from the turnover of US$298.3 million achieved in the corresponding preceding financial period. This decrease was primarily attributable to a decrease in revenue from log and plywood sales as a result of lower selling prices and volumes sold.

Gross profit has correspondingly decreased to US$36.8 million from US$89.2 million achieved in the corresponding preceding financial period. Gross profit margin has decreased to 14.4% compared to 29.9% for the corresponding preceding financial period as margins were squeezed by the generally lower selling prices of logs, plywood and veneer. Other expenses net of other income has decreased to US$11.3 million, which was 5.0% lower than the corresponding preceding financial period. After recognising a loss of US$1.9 million from changes in fair value of plantation assets less estimated point-of-sale costs, profit from operations was US$23.6 million, a decrease of US$56.5 million from the US$80.1 million recorded in the corresponding preceding financial period. Share of profits less losses of associates and jointly controlled entities was higher at US$16.2 million principally as a result of the higher crude palm oil prices achieved by the associate involved in oil palm plantations. Income tax was in credit due to the reversal of deferred taxation for the Malaysian and New Zealand subsidiaries to account for the change in taxation rate as announced by the respective governments. After accounting for minority interest of US$12.5 million, profit attributable to equity holders of the Company was US$26.2 million which was 43.2% lower than the corresponding preceding financial period. On an earnings before income tax, depreciation and amortisation and gain/(loss) from changes in fair value of plantation assets less estimated point-of-sale costs ("EBITDA") basis, the Group achieved US$76.2 million which was 32.3% lower than that of the corresponding preceding financial period.

Review of Business Segment Results

Logs Trading

Log trading is a major contributor to turnover. It accounted for approximately 31.8% and 31.4% of total turnover for the financial period under review and the corresponding preceding financial period respectively. The following table shows selected operating and financial data with respect to our sales volume, weighted average price and revenue of logs sold, including inter-company log sales.

	Six months ended 31 December 2007			Six months ended 31 December 2006		
	Sales Volume m3	**Weighted Average US$/m3**	**Revenue US$'000**	Sales Volume m3	Weighted Average US$/m3	Revenue US$'000
Hardwood logs - export sales	**349,175**	***163.13***	**56,962**	437,774	*168.76*	73,880
Hardwood logs - local sales	**214,139**	***88.00***	**18,845**	179,704	*94.75*	17,027
Softwood logs - export sales	**50,958**	***55.79***	**2,843**	32,599	*65.09*	2,122
Softwood logs – local sales	**32,508**	***79.57***	**2,587**	10,353	*71.67*	742
Total external log sales	**646,780**	***125.60***	**81,237**	660,430	*141.98*	93,771
Internal log sales (i)	**477,946**	***90.54***	**43,275**	536,527	*84.99*	45,601
Total log sales	**1,124,726**	***110.70***	**124,512**	1,196,957	*116.44*	139,372

(i) Internal log sales do not include logs consumed by the downstream mills where the mill and forest concession from which the logs were extracted are held by the same company.

The Group sold 563,314 cubic meters ("m3") of hardwood logs and 83,466 m3 of softwood logs which was 8.8% lower and 94.3% higher respectively than the corresponding preceding financial period.

The volume of hardwood logs sold in the financial period under review represented approximately 45.7% of total hardwood logs extracted with the balance being processed in the Group's downstream mills. The volume of hardwood logs extracted were lower than the corresponding preceding financial period principally due to adverse weather conditions in the Malaysian forest in the second quarter and partly due to the effects of the suspension of harvesting rights in certain third party areas in Guyana by the Guyana Forestry Commission. As a consequence the volume of hardwood logs sold was also correspondingly lower. The average hardwood log export prices achieved for the financial period under review was US$163.13 per m3 compared to US$168.76 per m3 achieved for the corresponding preceding financial period.

The increase in softwood logs sold by 94.3% as compared to corresponding preceding financial period was the result of the gradual ramp up of production in New Zealand. Plans to ramp up the woodflows in New Zealand to a sustainable level of 800,000 m3 per annum is progressing as scheduled with the necessary preparatory works being done especially on road construction and infrastructural development. The average softwood log prices achieved of US$65.06 per m3 was 2.4% lower than that of the corresponding preceding financial period.

Demand for logs by China remains strong with its strong economic growth driving an increase in construction and infrastructure development activities, and this has helped sustain export log prices. The Group sold 29.4% of its log exports to China. As the India economy expands, log demand has also increased especially for the harder species which is the preference for flooring, furniture and construction industry. The Group sells its harder species from both Malaysia and Guyana to India which accounts for 19.2% of its total log sales. Demand for logs by Japan has decreased as domestic plywood mills lowered their production volumes with the lower housing starts in Japan in the financial period under review. In spite of this, the Group sold 11.0% of its log exports to Japan, generally at premium prices as Japan normally sources the best quality logs for its domestic consumption.

As a result of the decrease in selling prices and lower volumes sold, gross profit from log trading reduced from US$31.9 million in the corresponding preceding financial period to US$16.6 million for the financial period under review. Gross profit margin also decreased to 13.4% from 22.9% in the corresponding preceding financial period.

Plywood and Veneer

Plywood and veneer were the largest contributor to turnover for the financial period under review and the corresponding preceding financial period, accounting for 57.5% and 58.6% of total turnover respectively. The following table shows selected operating and financial data with respect to our sales volume, weighted average price and revenue of plywood and veneer sold, including inter-company sales.

Plywood

	Six months ended 31 December 2007			Six months ended 31 December 2006		
	Sales Volume m3	**Weighted Average US$/m3**	**Revenue US$'000**	Sales volume m3	Weighted Average US$/m3	Revenue US$'000
Plywood- export sales	**261,159**	***437.68***	**114,304**	296,926	*487.74*	144,823
Plywood- local sales	**23,418**	***335.09***	**7,848**	16,222	*348.97*	5,661
Total external plywood sales	**284,577**	***429.24***	**122,152**	313,148	*480.55*	150,484
Internal plywood sales	**9,792**	***454.96***	**4,455**	2,018	*565.41*	1,141
Total plywood sales	**294,369**	***430.1***	**126,607**	315,166	*481.09*	151,625

Veneer

	Six months ended 31 December 2007			Six months ended 31 December 2006		
	Sales volume m3	**Weighted Average US$/m3**	**Revenue US$'000**	Sales volume m3	Weighted average US$/m3	Revenue US$'000
Veneer- export sales	**38,381**	***315.10***	**12,094**	45,113	*336.51*	15,181
Veneer- local sales	**47,825**	***268.08***	**12,821**	31,328	*293.76*	9,203
Total external veneer sales	**86,206**	***289.02***	**24,915**	76,441	*319.00*	24,384
Internal veneer sales	**27,090**	***261.98***	**7,096**	40,315	*336.50*	13,566
Total veneer sales	**113,296**	***282.55***	**32,011**	116,756	*325.0*	37,950

The Group sold 284,577 m3 of plywood and 86,206 m3 of veneer to external parties which when compared to 313,148 m3 of plywood and 76,441 m3 of veneer sold in the corresponding preceding financial period was 9.1% lower and 12.8% higher respectively.

Exported plywood prices recorded a decrease of 10.3% compared to the corresponding preceding financial period. This decrease in plywood prices was principally due to the slowdown in demand from Japan, a key market for the Group, which recorded lower housing starts for the financial period under review. Although demand has softened, the Group total sales to Japan, which purchases higher quality plywood at premium prices, accounted for 38.1% of the Group’s total exported plywood sales. Usage of plywood internally for the production of value added finished products has increased.

The sub-prime lending issues and the slowdown in housing starts has partly affected sales to the United States of America ("USA") which buys various products including thin ply and jumbo plywood. The Group continues to work closely with buyers in the USA on their needs and was able to export 15.9% of its total exported plywood sales to the USA. With its wide customer base, the Group has been able to divert some of its sales from the USA to other markets, which includes South Korea which accounts for 17.9% of the Group's total exported plywood sales in the financial period under review. China remains as a competitor in the plywood market, being the third largest exporter of plywood after Malaysia and Indonesia. However, its continued economic growth which fuelled the expansion of the construction industry provided the necessary domestic demand for plywood keeping plywood prices from further softening. The Group sold 4.4% of its total exported plywood sales to China, principally those of higher quality.

The Group has 4 veneer mills, constructed from 2003 to 2005, which are located near to the forest resource to peel fresh salvage logs from plantation areas that are just harvested to maximise log recovery. As these were fairly new start-ups, the Group has focused on maximising the production of face and back veneer as well as improving the overall quality and has worked closely with buyers on their needs. This has paid off as the Group was able to increase its sales to external customers by 12.8% compared to the corresponding preceding financial period.

Veneer prices which have a correlation with the movement in plywood prices were lower than the corresponding preceding financial period. Veneer export prices, which averaged US$336.51 per m3 for the corresponding preceding financial period, decreased to an average of US$315.10 per m3 for the financial period under review.

Principally due to the lower selling prices, margins were squeezed and as a result gross profit margin achieved for plywood and veneer operations was 7.7% compared to 24.5% in the corresponding preceding financial period. A gross profit of US$12.2 million was achieved which was 73.9% lower than the corresponding preceding financial period.

The Group continues to work towards maximising its return on its timber resource by comparing the incremental contribution of processing logs into plywood or veneer versus its sale in its raw form. With an integrated operations supported by an adequate wood resource, the Group has the flexibility to switch between selling logs externally and processing internally.

Upstream Support

The upstream support operations encompass the extraction of logs from the forest, the logistics of transporting the extracted logs from the forest by road and riverine systems either for sale or to the downstream mills for further processing, central purchasing of parts and the reconditioning and repairs of the Group's equipment fleet.

Revenue from upstream support for external sales decreased by US$3.2 million, or approximately 31.9%, to US$6.9 million for the financial period under review from US$10.1 million for the corresponding preceding financial period. Total revenue from billings to internal companies for the financial period amounted to US$94.2 million compared to US$96.6 million for the corresponding preceding financial period. This decrease in billings was principally due to the lower volumes extracted as a result of lower level of activities and adverse weather conditions in the second quarter of the financial period under review.

As the upstream support services involves a large fleet of machineries and vehicles operating at the forest resource, controlling operating costs and increasing productivity is of paramount importance. The focus of the Group for the financial period under review was on increasing productivity and containing costs. However, these efforts have been offset in part by the increase in diesel costs which increased to an average of US$0.64 per litre compared to an average of US$0.58 per litre in the corresponding preceding financial period. For the financial period under review, gross profit achieved from the upstream support services was US$4.3 million which was US$3.6 million lower than that of the corresponding preceding financial period. In terms of gross profit margin, it has decreased to 4.2% compared to 7.4% in the corresponding preceding financial period.

Other Timber Operations

Other timber operations comprise the operations of housing products, flooring, chipboard, wood chip processing and sawn timber. These operations are efforts by the Group to move further downstream into more value added products, using either the company's primary product of plywood or wood waste from the plywood operations as a production input.

Revenue from other timber operations increased by US$1.4 million or approximately 9.7%, to US$15.6 million in the financial period under review from US$14.2 million in the corresponding preceding financial period. This increase was primarily due to an increase in revenue from the housing and wood chip operations.

In terms of gross profit, other timber operations achieved US$2.3 million which was 73.3% higher than the corresponding preceding financial period. This was due to higher margin sales recorded by housing and wood chip products which were sold mainly to Japan.

Other Operations

The other operations of the Group basically comprise of the quarry, rubber retread compound and property investment operations.

Revenue from other operations decreased by US$0.3 million or approximately 5.7%, to US$5.0 million in the financial period under review from US$5.3 million in the corresponding preceding financial period due to lower sales of granite stone aggregates from the quarry operations.

Other operations achieved a gross profit of US$1.5 million for the financial period under review compared to US$1.6 million achieved in the corresponding preceding financial period. The highest contributor to the gross profit was from the quarry operations at US$0.5 million followed by the rubber retread compound operations at US$0.4 million.

Net Financing Costs

The Group recorded a net financing costs of US$3.7 million compared to net financing costs of US$2.9 million for the corresponding preceding financial period. This was due to lower foreign exchange gains which was partly offset by higher interest income in the financial period under review.

Share of Profits less Losses of Associates

The Group recognised a profit of US$14.9 million as share of profits less losses of associates, an increase of US$12.7 million from the profit of US$2.1 million recognised as our net share of profits less losses of associates for the corresponding preceding financial period. This increase was primarily attributable to an increase in net profits from our associated company, Glenealy Plantations (Malaya) Berhad which benefited from an increase in crude palm oil prices.

Share of Profits less Losses of Jointly Controlled Entities

The Group recognised US$1.3 million as share of profits of a jointly controlled entity, an increase of approximately 18.0%, from the US$1.1 million recognised in the corresponding preceding financial period. This increase was primarily attributable to an increase in the net profits of our door facing manufacturing joint venture, Magna-Foremost Sdn. Bhd. due to an increase in sales volume.

Income Tax

An income tax credit of US$2.5 million was accounted for in the financial period under review as compared to an income tax expense of US$14.7 million for the corresponding preceding financial period. The tax credit arose mainly as a deferred taxation credit adjustment to account for the effect of a change in New Zealand tax rate from 33% to 30% with effect from 1 April 2008 offset the tax charge for the financial period.

Liquidity and Financial Resources

As at 31 December 2007, the Group's cash and bank balances amounted to US$284.0 million compared to US$326.5 million as at 30 June 2007.

The gearing ratio was 28.9% and 28.4% as at 31 December 2007 and 30 June 2007, respectively. The gearing ratio is derived by dividing the total of bank overdrafts, loans and borrowings, finance lease liabilities and bonds by total assets. The gearing ratio remained relatively stable in the financial period under review compared to 30 June 2007.

Available facilities that were not drawndown as at 31 December 2007 amounted to US$36.3 million compared to US$34.7 million as at 30 June 2007. At 31 December 2007, the Group has outstanding indebtedness of US$391.2 million compared to US$372.8 million as at 30 June 2007. Of the US$391.2 million of indebtedness, US$184.2 million is repayable within one year with the balance of US$207.0 million having a maturity of more than one year as presented below:

	US$'million
Within one year	184.2
After one year but within two years	43.8
After two years but within five years	88.3
After five years	74.9
Total	391.2

	US$'million
Secured	232.5
Unsecured	158.7
Total	391.2

The indebtedness carry interest rates ranging from 3.0% to 15.0%.

Employees

As at 31 December 2007, the Group employed a total of 13,084 employees. Employees were remunerated on the basis of their performance, experience and prevailing industry practices. The Group's remuneration policies and packages were reviewed on a regular basis. As an incentive for the employees, bonuses and cash awards may also be given to employees based on individual evaluation.

Pursuant to the written resolutions passed by the shareholders of the Company on 2 February 2007 and the directors on 4 February 2007, the Company has conditionally adopted a share option scheme. As at 31 December 2007, there were no options granted to any employees.

Outlook

Due to the weaker demand from Japan with a slowdown in housing starts, plywood prices have remained relatively soft for the financial period under review. As at the date of this announcement, there are still no indicators of any significant improvement in housing starts which will help boost demand and prices. Although the Group is able to sell its plywood production to other markets, margins will generally be lower and as a consequence the outlook for the full financial year for plywood is that the results is likely to be lower than that of the preceding financial year.

Although veneer sales volume is expected to be in line with that of the preceding financial year, the performance of the veneer operations will be affected by lower veneer prices, which has a correlation with plywood prices. To mitigate the lower price effect, the Group will continue its focus on producing quality face and back veneer.

The movement in fuel prices that has reached record levels and the uncertainty over the United States of America ("USA") economy with a slowdown in the USA housing sector has cast an uncertain outlook on the timber market. These may cause further slowdown in economic growth and affect demand for timber products as development activities slow down.

On the positive side, demand for logs is expected to remain strong with the continuing economic growth in China and India, the two major importing countries. The increase in export duties for Russian logs is likely to have a positive effect on timber prices as Russian logs become more expensive.

Recognising that margins will be under pressure with higher fuel prices, the Group will continue to take prudent measures and plans to improve productivity and efficiency of its business operations. In view of the generally lower plywood prices, the Group is also taking steps to preserve part of its timber resources, the harvesting of which will be ramped up again once prices recover.

Use of Proceeds

The net proceeds raised from the placing and initial public offer after deducting relevant expenses was approximately US$309.8 million.

The usage of these proceeds until 31 December 2007 are as follow:

Use	Planned amount (US$ million)	Actual progress (US$ million)
a)Acquisition opportunities and expansion of operations	263.8	12.4
b)Plantation development	16.0	-
c)Research, development and information systems	8.0	1.5
d)Repayment of debts	13.0	13.0
e)Working capital and other general corporate purposes	9.0	3.5
Total	309.8	30.4

The unutilised net proceeds have been placed as short term bank deposits.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2007. Accordingly, no closure of the Register of Members of the Company is proposed.

Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 3 December 2007, the Company issued a circular in respect of the offer to acquire the entire equity interest in Brewster Ltd, a public unlisted company incorporated in Australia and based in Hobart, Tasmania, Australia for a consideration of approximately US$7.7 million. As at 20 December 2007, the Company had acquired a 99.69% equity interest in Brewster Ltd and has commenced compulsory acquisition for the remaining interest.

Other than the above, the Group had no material acquisition or disposal of subsidiaries and associated companies during the six months ended 31 December 2007.

Purchase, Sale or Redemption of the Listed Securities of the Company

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 December 2007.

Code on Corporate Governance Practices

The Board is committed to the highest standards of corporate governance throughout the Group and is accountable to the Company's shareholders for good governance. The Company has complied with the provisions and best practices of the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") throughout the six months period ended 31 December 2007. The Code Provision A.4.1 in respect of the specific term of non-executive directors has been met by the bye-laws requiring at each annual general meeting of the Company, one-third of the directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third), including the non-executive directors retiring from office by rotation so every director shall be subject to retirement of at least once every three years. A retiring director shall be eligible for re-election.

Compliance with the Model Code for Securities Transactions by Directors

The Board has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry to all Directors, they confirmed their compliance with the standards set out in the Model Code.

Call Option Agreement

The Independent Non-Executive Directors have reviewed the relevant information up to or as at 1 February 2008, and have decided not to exercise any of the call options granted to the Company in respect of the Remaining Businesses held by the Controlling Shareholders of the Company under the Call Options agreement.

Non-Competition Agreement

The Independent Non-Executive Directors, having made specific enquiries to all Controlling Shareholders of the Company, the Controlling Shareholders confirmed their compliance with the non-competition agreement entered into between the Company and the Controlling Shareholders.

Audit Committee

The audit committee has reviewed the Group's interim financial statements for the six months ended 31 December 2007. The audit committee comprises four members, namely Mr. Fung Ka Pun (Chairman of the committee), Mr. David William Oskin and Mr. Tan Li Pin, Richard, who are Independent Non-Executive Directors, and Mr. Chan Hua Eng, who is a Non-Executive Director.

Scope of Work of KPMG

The figures in respect of the preliminary announcement of the Group's interim results for the six months ended 31 December 2007 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft interim financial statements for the six months ended 31 December 2007 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this announcement.

Publication of Interim Report

This results announcement is available for viewing at the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and at the website of the Company at www.irasia.com/listco/hk/samling/index.htm. The interim report will be dispatched to shareholders and published on the above websites as soon as practicable.

By Order of the Board of
Samling Global Limited

Chan Hua Eng
Chairman

Hong Kong, 19 February 2008

At the date of this announcement, the board of directors of Samling Global Limited comprises the following directors:

Executive Directors
Yaw Chee Ming
Cheam Dow Toon

Non-Executive Director
Chan Hua Eng

Independent Non-Executive Directors
David William Oskin
Tan Li Pin, Richard
Fung Ka Pun

**for identification purposes only*