



MERCHANT HOUSE
INTERNATIONAL LIMITED
ARBN 065 681 138

Head Office:
Unit B & C, 16th Floor
E-Trade Plaza
No. 24 Lee Chung Street
Chai Wan
Hong Kong
Tel: (852) 2889 2000
Fax: (852) 2898 9992

Registered Office:
First Floor,
31 Cliff Street
Fremantle WA 6160
Australia
Tel: (61 8) 9435 3200
Postal Address:
PO Box 584
Fremantle WA 6959
Australia

Announcement to ASX

18 February 2022

Disposal of Associate Tianjin Jiahua Footwear Company Limited

Merchant House International Limited (“**the Company**”) (**ASX: MHI**) advises that due to the changing business environment in China, the Board of its associate company Tianjin Jiahua Footwear Company Limited (“**Jiahua**”) has decided to cease production operations with immediate effect.

Forsan Limited, a subsidiary of MHI, holds a 30% interest in Jiahua. The decision by the board of Jiahua to cease operations follows a progressive decline in profits in recent years, as identified in the financial statements of MHI.

The land and buildings (100% interest) have an estimated market value of RMB 35 million (A\$ 7.7 million), based upon recent comparable sales data in the surrounding area and subject to the deduction of any selling costs incurred.

The Company will provide updates on the disposal of the assets by the associate company as they occur.

Jiahua contributed A\$186,969 to the consolidated income of MHI for the half-year ended 30 September 2021.

Yours faithfully,

MERCHANT HOUSE INTERNATIONAL LIMITED

This announcement was authorised for issue by the Board of Merchant House International Limited.