



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

25 January 2024

SALE OF FIT ASSETS

On 4 October 2023 Merchant House International Limited (“the **Company**”) advised that the Board of the Company had resolved to permanently cease operations at the wholly owned Footwar Industries of Tennessee Inc (**FIT**) factory in the USA. The cessation of business followed continued sustained losses generated by the business.

The closure took place on 27 October 2023 with a view to disposing the business operations, subject to any regulatory or ASX approvals that may be required.

The Company wishes to advise that it has entered into the following agreements in relation to the FIT assets:

1. An agreement has been entered into with Steel Warehouse of Tennessee LLC (“Steel Warehouse”) for the disposal of the land and building at FIT for total consideration of US\$2.4 million. A US\$45,000 deposit has been paid by Steel Warehouse, who have a 45 day “inspection period”, during which time they may withdraw from the sale and have their deposit returned. Settlement is expected by 3 March 2024.

The agreement is subject to any regulatory approvals that may be required, including any ASX approvals. Funds received from the disposal of the abovementioned assets will be utilised for ongoing working capital requirements of the entity.

None of the directors or their associates are associated with Steel Warehouse.

2. An agreement has been entered into with Braden Family Properties LLC (“Braden”) for the sale of a residential property owned by FIT for US\$354,000. The agreement is due to settle on 31 January 2024.

None of the directors or their associates are associated with Braden.

3. FIT’s major plant and equipment has been dismantled and packed awaiting sale. The Company continues to look for a buyer for this plant and equipment, which has a book carrying value of US\$301,763. Some minor ancillary items with a book value of US\$51,710 have been sold for US\$71,148.

The land, buildings and residential property had a book value of US\$788,557. The sale of these assets as referred to above for a total of US\$2.754 million results in a profit on disposal (before costs) of US\$1.965 million.

4. The Board confirms that the operations of the Company's American Merchant Inc. subsidiary, the manufacture and distribution of home textile productions, are the main undertaking of the Company.

This announcement was authorised for issue by the Board of the Company.

David McArthur
Company Secretary