

Appendix 4E

Preliminary final report

Rule 4.3A
Introduced 1/1/2003

Name of entity: MERCHANT HOUSE INTERNATIONAL LIMITED

ABN: 065 681 138

1. Reporting period (“current period”): Year ended 31 March 2009
Previous corresponding period Year ended 31 March 2008

2. Results for announcement to the market

					\$A'000
Revenue	up	23.72%	to		73,295
Profit from ordinary activities after tax attributable to members	down	21.04%	to		2,843
Net profit for the period attributable to members	down	21.04%	to		2,843

	Amount per share cents	Franked amount per share cents
Dividends		
Final	0.5 ¢	Nil
Interim	0.5 ¢	Nil

Record date for determining entitlements to dividends: To be advised

Brief explanation of figures (if necessary):N/A

3. Consolidated Income Statement

	Current period	Previous corresponding period
	\$'000	\$'000
Revenues	73,295	59,244
Cost of sales	(61,237)	(48,860)
Gross profit	12,058	10,384
Other income	368	698
Share of profit of associated entities accounted for using the equity method	286	443
Reversal of prior year impairment write-down	-	555
Administration expenses	(7,472)	(6,346)
Finance costs	(327)	(278)
Other expenses	(1,436)	(1,100)
Profit before income tax expense	3,477	4,356
Income tax expense	(634)	(755)
Profit attributable to equity holders of the parent	2,843	3,601

Notes to the consolidated income statement

Income

Sales	73,295	59,244
Interest income	33	16
Equity share of associates' profit	286	443
Net exchange gains on foreign currency translation	201	563
Other	134	119
Total income	73,949	60,385

Expenses

Depreciation and amortisation	1,119	937
Interest expenses	327	278
Salaries and wages	6,108	5,230

4. Consolidated Balance Sheet

	Current period	Previous corresponding period
	\$'000	\$'000
CURRENT ASSETS		
Cash or cash equivalents	3,324	1,661
Trade or other receivables	6,584	3,468
Inventories	2,939	2,467
Other	551	571
TOTAL CURRENT ASSETS	13,398	8,167
NON CURRENT ASSETS		
Investments accounted for using the equity method	7,592	4,549
Property, plant and equipment	14,681	11,089
Leasehold land	4,508	3,403
Deferred tax assets	-	21
Goodwill	451	451
TOTAL NON CURRENT ASSETS	27,232	19,513
TOTAL ASSETS	40,630	27,680
CURRENT LIABILITIES		
Trade and other payables	6,285	3,282
Borrowings	4,274	4,142
Current tax liabilities	852	373
Provisions	277	227
TOTAL CURRENT LIABILITIES	11,688	8,024
TOTAL LIABILITIES	11,688	8,024
NET ASSETS	28,942	19,656
EQUITY		
Issued capital	2,838	2,830
Reserves	4,895	(2,944)
Retained earnings	21,209	19,770
TOTAL EQUITY	28,942	19,656

5. Consolidated Cash Flow Statement

	Current period	Previous corresponding period
	\$'000	\$'000
Net cash flows from operating activities		
Receipts from customers	71,552	59,297
Payments to suppliers and employees	(66,453)	(55,124)
Interest received	33	16
Interest and other costs of finance paid	(330)	(277)
Income tax paid	(447)	(772)
Net cash provided by operating activities	<u>4,355</u>	<u>3,140</u>
Cash flows from investing activities		
Payment for investments in associates	(314)	(915)
Payment for property, plant and equipment	(558)	(538)
Proceeds from disposal of property, plant and equipment	3	9
Amounts (paid to) / received from subsidiaries	-	-
Net cash used in investing activities	<u>(869)</u>	<u>(1,444)</u>
Cash flows from financing activities		
Dividends paid	(1,404)	(1,872)
Repayment of borrowings	(24,552)	(22,997)
Proceeds from borrowings	23,368	23,983
Loans repaid by / (paid to) associated entities	247	(127)
Net cash used in financing activities	<u>(2,341)</u>	<u>(1,013)</u>
Net increase / (decrease) in cash and cash equivalents	1,145	683
Cash and cash equivalents at the beginning of the financial year	1,661	970
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	<u>518</u>	<u>8</u>
Cash and cash equivalents at the end of the financial year	<u><u>3,324</u></u>	<u><u>1,661</u></u>
<i>Notes to the condensed consolidated cash flow statement</i>		
Reconciliation of cash and cash equivalents		
Cash on hand and at bank	<u>3,324</u>	<u>1,661</u>
	<u><u>3,324</u></u>	<u><u>1,661</u></u>

6. Dividends

Amount per security

	Amount per security cents	Franked amount per security at 30% tax cents	Amount per security of foreign source dividend cents
Final dividend - current period	0.5 ¢	Nil	0.5 ¢
- previous corresponding period	1 ¢	Nil	1 ¢
Interim dividend - current period	0.5 ¢	Nil	0.5 ¢
- previous corresponding period	1 ¢	Nil	1 ¢

Total dividends paid on all securities during the financial year

	Current period \$'000	Previous corresponding period \$'000
Ordinary securities	1,404	1,872
Total	1,404	1,872

7. Dividend reinvestment plans

The dividend reinvestment plans shown below are in operation:

None

Last date for receipt of election notices for the dividend reinvestment plan:

N/A

8. Retained earnings

	Current period \$'000	Previous corresponding period \$'000
Retained earnings		
Retained earnings at beginning of financial period	19,770	18,041
Net profit / (loss) attributable to members of the parent	2,843	3,601
Dividends paid or payable	(1,404)	(1,872)
Retained earnings at end of financial period	21,209	19,770

9. Net tangible assets

	Current period	Previous corresponding period
	cents	cents
Net tangible asset backing per ordinary share	<u>30.42</u>	<u>20.52</u>

10. Details of entities over which control has been gained or lost

Control gained over entities

N/A

Control lost over entities

N/A

11. Details of associates and joint venture entities

Name of entity	Percentage of ownership interest held at end of period	
	Current period	Previous corresponding period
Tianjin Jiahua Footwear Co Ltd	30.00%	30.00%
Tianjin Tianxing Kesheng Leather Products Co Ltd	33.79%	33.79%
Nantong Young Jia Textiles Co Ltd	33.33%	33.33%
Zhao An Xin Jia Decorations Co Ltd	40.00%	30.42%

Aggregate share of profits / (losses) of associates and joint ventures

	Current period	Previous corresponding period
	\$'000	\$'000
Profit / (loss) before income tax	354	520
Income tax expense	<u>(68)</u>	<u>(77)</u>
Profit / (loss) after income tax	286	443
Outside equity interests	<u>-</u>	<u>-</u>
Net profit / (loss) attributable to members	<u>286</u>	<u>443</u>

12. Any other significant information

Details of any other significant information needed by an investor to make an informed assessment of the entity's financial performance and position:

N/A

13. Accounting standards

For foreign entities, set of accounting standards used in compiling report:

N/A

14. Results for the period

14.1 Earnings per security

	Current period	Previous
	cents	corresponding
		period
		cents
Basic earnings per share	3.04	3.85
Diluted earnings per share (if materially different)	3.04	3.85
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS	93,596,038	93,579,140

14.2 Returns to shareholders

N/A

14.3 Significant features of operating performance

N/A

14.4 Segment results

	Current period	Previous corresponding period
	\$'000	\$'000
Home textiles	2,047	2,985
Footwear	2,091	1,832
Total of all segments	<u>4,138</u>	<u>4,817</u>
Eliminations	427	389
Unallocated	<u>(1,088)</u>	<u>(850)</u>
Profit before income tax expense	3,477	4,356
Income tax expense	<u>(634)</u>	<u>(755)</u>
Profit after income tax expense	<u><u>2,843</u></u>	<u><u>3,601</u></u>

14.5 Trends in performance

N/A

14.6 Any other factors which have affected the results in the period or which are likely to affect the results in the future, including those where the effect could not be quantified:

N/A

15. This report is based on accounts to which one of the following applies:

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

16. Description of any likely audit dispute or qualification

N/A

Sign here  Date: 29 May 2008
Company Secretary
Print name: David McArthur