



**MERCHANT HOUSE**  
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**Announcement to ASX**

**30 May 2024**

### **Sale of the Group's 33.79% interest in Tianxing**

Merchant House International Limited (**ASX: MHI**) ("**MHI**") or "**the Company**") is pleased to announce that it has entered into a binding agreement for the sale of its 33.79% interest in Tianjin Tianxing Kesheng Leather Products Company Limited ("**Tianxing**") to Tianjin Wuxi International Trading Company Limited ("**Tianjin Wuxi**"), a Company associated with the controlling shareholder of Tianxing for approximately A\$8,300,000 (RMB 40,000,000) before taxes and other fees.

There are no conditions precedent or other material terms and conditions to the sale. The Company is not aware of any information that would suggest the Company will not be able to remit the proceeds of the sale from China.

None of the Directors of the Company or their associates are associated with the acquiring entity.

Forsan Limited ("**Forsan**"), a subsidiary of MHI, holds a 33.79% interest in Tianxing and was party to a co-operation agreement in relation to production from Tianxing which expired in August 2023. The decision by the Board of MHI not to continue its investment in Tianxing followed a progressive decline in profits in recent years (as announced to the market on 13 July 2023).

As the investment in Tianxing has been previously fully impaired in the accounts of MHI, the financial impact will result in a profit on the disposal of an investment in an associate.

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

**David McArthur**  
**Company Secretary**