



**MERCHANT HOUSE**  
**INTERNATIONAL LIMITED**  
ARBN 065 681 138

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## **Announcement to ASX**

**24 July 2025**

### **JUNE 2025 QUARTERLY ACTIVITIES REPORT**

Merchant House International Limited (ASX: MHI) ("MHI" or "the Company") is pleased to provide the Quarterly Activities Report for the quarter ending 30 June 2025.

#### **AMI**

American Merchant, Inc. ("AMI") historically was a designer and manufacturer of home textile products, particularly towels, valuing the concept of "Made in America". On 30 September 2024, the Company ceased operations following sustained long-term losses.

On 10 February 2025, the Company announced that the equipment owned by AMI had been sold for US\$4m (approximately A\$6,430,694) to United Textile Machinery Corp and Gibbs International Inc. The terms of the sale were:

- US\$1m on signing; and
- US\$3m promissory note to be issued to AMI, with such notes payable as follows:
  - o US\$1m within 30 days (identified as received on 5 March 2025); and
  - o US\$2m within 60 days.

On 1 April 2025, the Company announced that the second tranche of the promissory note comprising US\$2 million (approximately A\$3,196,241) has been received by the Company in final settlement of the US\$4 million sale agreement. .

On 20 June 2025, the Company announced that, after extensive negotiations with potential purchasers, the land and buildings owned by AMI were sold to Leclerc Foods Virginia LLC for US\$8,021,358 (approximately A\$12,310,546). Full settlement funds were received on 16 June 2025.

The book value of the factory and land on 31 March 2025 was A\$8,848,661. Based on sale proceeds of A\$12,310,546 (approximately) a profit of A\$3,461,884 will be realised from the sale.

A condominium with a book value of A\$74,667 was also sold to Mr Lanxiang Zheng for A\$150,641 realising a profit of A\$75,974.

None of the Directors or their associates are associated with the purchasers.

This now concludes the sale of all AMI assets.

In AMI's financial statements, a government grant amounting to US\$953,605 (approximately A\$1,523,976) was recorded as a liability as at the reporting date on 31 March 2025, as the associated conditions had not been satisfied. These conditions were subsequently met in April 2025, and this amount has since been recognised as income.

## Corporate

While the Group has ceased the business operations noted above during 2024, it remains financially solvent with sufficient cash reserves to meet its liabilities as and when they fall due. As the Group has successfully divested its AMI assets, the Board have commenced operations to wind up the group subsidiaries, with a view to distribution of residual funds to shareholders from the parent entity, subject to relevant regulatory requirements, taxation advice and shareholder approvals. Following this process, the Company will seek a voluntary delisting from ASX and winding up of the parent entity.

On 28 February 2025, ASX imposed a suspension on the Company's securities under Listing Rule 17.3 due to the Group having an inadequate level of operations to warrant the continued quotation of its securities and therefore being in breach of Listing Rule 12.1. The suspension will continue to be in effect until the Company is able to demonstrate compliance with Listing Rule 12.1 and it is otherwise considered appropriate by ASX for the Group's securities to be reinstated to quotation.

Subsequent to quarter-end, the Company appointed Mr David McArthur as a Non-Executive Director.

As MHI has identified its intention to divest the residual assets held and to distribute funds received to shareholders, it is not expected the securities will be reinstated to quotation.

As at 30 June 2025, the group has a cash balance of A\$25,998,000 in the bank.

## Additional Appendix 4C Disclosures

The following information is provided as required under ASX Listing Rule 4.7C that has not been disclosed in the body of the quarterly activities report or other announcements.

### Summary of Expenditure incurred

A summary of expenditure incurred in AUD (cash basis) for the quarter on our key divisions is as follows:

- Forsan A\$1,000
- AMI A\$176,000
- Overheads A\$430,000

### Payments made to Related Parties

Payments totalling A\$255,000 made to related parties and their associates are for director salaries and fees. All payments were on normal commercial terms.

## For and on behalf of the Board of Merchant House International Limited

Loretta Bic Hing Lee  
*Executive Director*

24 July 2025

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Merchant House International Limited

**ABN**

065 681 138

**Quarter ended ("current quarter")**

30 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3	3
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(16)	(16)
(c) advertising and marketing	-	-
(d) leased assets	(21)	(21)
(e) staff costs	(405)	(405)
(f) administration and corporate costs	(165)	(165)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	113	113
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(491)</b>	<b>(491)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	12,461	12,461
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (Other assets under development)	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>12,461</b>	<b>12,461</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Release of pledged deposit)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	15,048	15,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(491)	(491)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	12,461	12,461

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(1,020)	(1,020)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>25,998</b>	<b>25,998</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	25,998	15,048
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,998</b>	<b>15,048</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	255
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(491)
8.2	Cash and cash equivalents at quarter end (item 4.6)	25,998
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	25,998
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	53.0
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 July 2025

Authorised by: Board of Directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.