

**MULTISTACK INTERNATIONAL LIMITED  
AND CONTROLLED ENTITIES**

**ABN: 54 007 254 346**

**CONSOLIDATED FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS

A. Yu (Chairman and Non-executive Director)  
S. Leung (Chief Executive Officer)  
S. Yan (Executive Director)  
N. Chan (Executive Director)  
T. Chu (Non-executive Director)

## COMPANY SECRETARY

Y. Wong

## REGISTERED OFFICE

17 Friars Road  
Moorabbin, Victoria 3189  
Australia  
Tel: 61-3-8586-8200  
Fax: 61-3-8586-8201

## SOLICITORS

Minter Ellison

## PRINCIPAL BANKERS

National Australia Bank Limited

## SHARE REGISTER

Computershare Investor Services Pty Limited  
GPO Box 2975, Melbourne, Vic 3001  
Phone: 1300 850 505

## AUDITORS

Nexia Melbourne Audit Pty Ltd

## STOCK EXCHANGE

The company is listed on the Australian Securities Exchange. The home exchange is Melbourne.

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# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT

The Directors present their report with the financial report of Multistack International Limited ("Company") and the consolidated financial report of the Group, being the Company and its controlled entities ("Group"), for the year ended 31 December 2024 and auditor's report thereon.

### DIRECTORS

The names and details of the Directors of the company in office during the financial year and until the date of this report, including the qualifications, experience and special responsibilities of each person are provided below, together with details of the company secretary.

<b>Mr. A. Yu</b>	<b>Chairman and Non-executive and Independent Director</b> Member of Audit Committee and Remuneration Committee A graduate in Accountancy from Hong Kong Polytechnic University, Mr. Yu is a senior consultant of a CPA firm based in Hong Kong with a multi-national client base. His expertise is in mergers and acquisitions particularly in multi-national courier and air-cargo businesses. Mr Yu was appointed as a member of the Board on 16 February 2004 and was elected as Chairman of the Board on 23 May 2013.
<b>Mr. S. Leung</b>	<b>Chief Executive Officer and Executive Director</b> Member of Nomination Committee A graduate in Electrical Engineering (Hong Kong Polytechnic), Mr. Leung was a co-founder of the Super Link Group. He has built up substantial manufacturing and distribution resources in the People's Republic of China since 1981. Mr Leung was appointed as a member of the Board on 10 October 1991 and has been Chief Executive Officer since 1997.
<b>Mr. S. Yan</b>	<b>Executive Director</b> Member of Nomination Committee A graduate in Production Engineering, Master of Industrial Engineering (Hong Kong Polytechnic University) and a member of the American Institute of Industrial Engineers, Mr. Yan was a co-founder of the Super Link Group. He has over 30 years' experience in manufacturing and marketing industrial air conditioning products in the People's Republic of China. Mr Yan was appointed as a member of the Board on 10 October 1991 and was Chairman between August 1999 and May 2004.
<b>Ms. N. Chan</b>	<b>Executive Director</b> Bachelor of Business (Swinburne University of Technology), Graduate Diploma in Business Systems (RMIT). Ms Chan has substantial experience in the banking industry. She currently oversees all administration for the Multistack Chiller Division in Australia. Ms Chan was appointed as a member of the Board on 26 November 2002.
<b>Mr. T. Chu</b>	<b>Non-executive and Independent Director</b> Member of Audit Committee and Remuneration Committee Bachelor of Laws (University of London), Master of Laws (City University of Hong Kong), Mr. Chu is a solicitor admitted in England and Wales, Hong Kong, Australian Capital Territory and Singapore. Mr. Chu was appointed as a member of the Board on 19 March 1999 and was Chairman of the Board from 17 May 2004 to 23 May 2013.

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

### COMPANY SECRETARY

<b>Ms Y. Wong</b>	<b>Chief Financial Officer and Company Secretary</b> Bachelor of Business (Victoria University of Technology) and Masters in Finance (RMIT). Ms Wong is a CPA and has prior experience in the banking industry. Ms Wong was appointed Company Secretary on 13 September 2002.
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### INTERESTS IN THE SHARES OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the Directors in the shares of the Company and related bodies corporate were:

Multistack International Ltd.

Ordinary shares

A. Yu	-
S. Leung	28,405,454
S. Yan	34,567,498
N. Chan	20,000
T. Chu	-

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the Group were:

- marketing of industrial air conditioning equipment, primarily in Australia;
- distribution of Multistack water-cooled and air-cooled water chillers;
- marketing and distribution of Organic Rankine Cycle (ORC) technologies and products, and
- distribution of heat exchangers.

### RESULTS, EARNINGS PER SHARE AND DIVIDENDS

Total revenue in 2024 decreased by 78.79% to \$374,032 (2023: \$1,763,061). Revenue from Other Income was \$6,666 (2023: \$161,425). The net loss for the period attributable to members was \$1,679,290 (2023: loss \$892,087).

Basic earnings per share for continuing operations was loss \$0.0123 (2023: loss \$0.0065).

### DIVIDENDS

No dividend has been declared or recommended for the financial year ended 31 December 2024 (2023: nil).

### REVIEW OF OPERATIONS

	Jan - Dec 2024	Jan - Dec 2023
	A\$	A\$
Total revenue	374,032	1,763,061
Total comprehensive (loss) after tax attributable to members	(1,679,290)	(892,087)

Total revenue in 2024 decreased by 78.79% to \$374,032 (2023: \$1,763,061). Revenue from Other Income was \$6,666 (2023: \$161,425). The net loss for the period attributable to members was \$1,679,290 (2023: loss \$892,087).

The trading entity, Multistack Australia Pty Ltd, has incurred losses before income tax for the year ending 31 December 2024 of \$502,248 (2023: \$286,325). Noted the sale revenue has decreased substantially, there has been few chiller sales during the year, while overheads were about the same.

There are still many uncertainties in the economy, consumers continued to be prudent and cautious about capital spending, which was a major impact in the air conditioning industry on chiller plants retrofit or equipment replacement. Our oil free maglev chiller is regarded as a high-end product, but customers have become concerned more about costs than higher efficiencies of the chiller. In order to improve this market situation, we have developed a new model which is a modular type of air-cooled chiller with variable speed drive scroll compressor to suit the market requirements. It is a cost-effective solution to meet the basic performance standards of the industry at a relatively competitive price. The Company expects that the market will be inclined to retrofit projects more than new chiller plant, therefore we will expect to get more sales in this area with the new VSD scroll model. Further to this, the Company will remain focused on the data centre industry as it is one of the few sectors that has the potentials to grow around the world.

Like the air conditioning industry, the potential customers of the ORC unit are currently very concerned about their capital spending. We have received inquiries from time to time but most of the time the customers indicated that the inquiry was only in their primary budget stage, hence the projects would probably take more time to be materialised. Having said that the Board remains its good faith in our ORC technology and still believes that it has great future growth potential.

As previously reported, the Company has referred its claims against the Danfoss to arbitration in the US. On 21 February 2025, the Company is pleased to announce that the parties have now finalised and executed a Settlement Agreement, thereby ending the arbitration. With access to engineering and other technical with components from Danfoss for the ORC products, the Company will continue its re-engineering of the ORC technology. As the worldwide economy starts to recover and grow, we shall expect to see results in the coming years for commercial sales of the ORC products.

The settlement with Danfoss will facilitate further discussion, and potentially resolution, of the Company's outstanding loan currently due and payable to Super Link Company Ltd (a related party of SW Yan and S Leung) (Super Link Loan). The Company is currently in discussion with Super Link on settlement of the abovementioned loan. The independent Directors of the Company expect to reach agreement with Super Link in the near future and will advise the market further at that time.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### BUSINESS RISKS

There are various internal and external risks that may have a material impact on our future financial performance and economic sustainability. We make every effort to identify material risks and to manage these effectively. Material financial risks are listed below.

#### Inability to commercialise the ORC technology

There is a possible risk that the Company is unable to commercialise the ORC technology and hence unable to sell its ORC products, or the Company is taking far too long for this process. This would mean the Company would rely on its existing core business being the sales and distribution of Multistack chillers.

#### Customer demand for our products

The global economy, as well as Australia's economy, is expected to grow at its slowest pace, we also expect slow and little growth in demand for our chiller products. The Company noted the consumers are generally more concerned about capital expenditure given the current uncertain economic conditions.

Generally, customers are fundamental to the success of the business. The ability to attract new customers, the loss of key material customers, a reduction in their demand for our products or a claim for non-performance can have a negative effect on the future financial performance of the Company.

#### Competitor risks

The Company operates in a competitive environment due to factors including actions by existing or new competitors, price, product selection and quality, manufacturing capability, innovation and the ability to provide the customer with an appropriate range of products and services in a timely manner. Any deterioration in the Company competitive position as a result of actions from competitors may result in adverse effect on our future financial performance.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes during the financial year. As mentioned above, the Company is continuing to commercialise the ORC technology and its products, also in negotiations with various interested parties for local and overseas distribution rights in their regions.

### SHARE OPTIONS

No options over un-issued shares or interests in the Company were issued during or since the end of the financial period and there were no options outstanding at the end of the financial year.

### DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

#### REMUNERATION REPORT (AUDITED)

The directors present the Group's 2024 remuneration report which details the remuneration information for Multistack International Limited's executive directors, non-executive directors and other key management personnel.

#### Details of Key management personnel:

Directors	Period of Responsibility	Position
A. Yu	Appointed 16 February 2004	Chairman - Non-Executive
S. Leung	Appointed 10 October 1991	Director & Chief Executive Officer
S. Yan	Appointed 10 October 1991	Director - Executive
N. Chan	Appointed 26 November 2002	Director - Executive
T. Chu	Appointed 19 March 1999	Director - Non-Executive
Executives	Period of Responsibility	Position
Y. Wong	Appointed 13 September 2002	Company Secretary

The Remuneration Committee of the Board of Directors is responsible for determining and reviewing compensation arrangements for Directors and the Chief Executive Officer. There is no formal Board policy in place and the key management personnel are contracted to ongoing employment contracts with Notice Periods of 4 weeks and no termination payments provided for under the contracts. The Remuneration Committee determines and reviews compensation of the executive team by assessing the appropriateness of the nature and amount of emoluments of such officers by reference to relevant market conditions and the capacity to pay. There has been no bonus payments made to directors or other key management personnel. Further salaries for the key management personnel have remained the same or been adjusted in the current period due to CPI% increase only.

The Remuneration Committee did not meet during the year as no issue had arisen in the respective field during the relevant period.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### REMUNERATION REPORT- CONTINUED

#### Compensation Policy

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for Directors, the Chief Executive Officer and all other key management personnel. The Board determines and reviews compensation of the executive team by assessing the appropriateness of the nature and amount of compensation of key management personnel by reference to relevant employment and market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. The Group has not utilised the services of a Remuneration Consultant during the year or up to the date of this report.

Details of the nature and amount of each element of the emolument of each key management personnel of the company and the controlled entities for the financial year are as follows.

2024 Remuneration				
	Short term benefits		Post employment benefits	
	Salary fees	Non-cash benefits	Superannuation	Total
A. Yu	-	-	-	-
S. Leung *	\$85,088	-	-	\$85,088
S. Yan *	\$85,088	-	-	\$85,088
N. Chan	\$102,000	\$18,220	\$16,580	\$136,800
T. Chu	-	-	-	-
Y. Wong	\$102,000	\$18,220	\$16,580	\$136,800
<b>Total</b>	<b>\$374,176</b>	<b>\$36,440</b>	<b>\$33,160</b>	<b>\$443,776</b>

2023 Remuneration				
	Short term benefits		Post employment benefits	
	Salary fees	Non-cash benefits	Superannuation	Total
A. Yu	-	-	-	-
S. Leung *	\$84,695	-	-	\$84,695
S. Yan *	\$84,695	-	-	\$84,695
N. Chan	\$97,500	\$18,200	\$14,888	\$130,588
T. Chu	-	-	-	-
Y. Wong	\$97,500	\$18,200	\$14,888	\$130,588
<b>Total</b>	<b>\$364,390</b>	<b>\$36,400</b>	<b>\$29,776</b>	<b>\$430,566</b>

\*Converted to AUD at HKD 5.1711 (2023: HKD 5.3448)

#### Consequences of Group's performance on shareholder wealth

The following table summarises company performance and key performance indicators:

	2024	2023	2022	2021	2020
Revenue	\$374,032	\$1,763,061	\$632,796	\$643,851	\$600,819
% increase/(decrease) in revenue	(78.79%)	178.61%	(1.72%)	7.16%	7.28%
Profit/(loss) before tax	(\$1,679,290)	(\$892,087)	(\$1,832,370)	(\$1,132,977)	(\$368,316)
% increase/(decrease) in profit/loss before tax	88.24%	(51.32%)	61.73%	207.61%	(59.18%)
Change in share price %	-%	-%	-%	-%	-%
Total remuneration of KMP	\$443,776	\$430,566	\$411,134	\$392,568	\$404,800
Total performance based remuneration	\$-	\$-	\$-	\$-	\$-

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### REMUNERATION REPORT- CONTINUED

Employee benefits are not performance based.

Payment of emoluments to Messrs. Leung and Yan are made in Hong Kong dollars. Messrs. Leung and Yan have continued to agree to receiving only 50% of their entitled emoluments (in Hong Kong dollars) for the 2024 year, waiving the final 50% of their emoluments. Amount owing has been accrued but not paid for in the last 9 years from 2016 to 2024.

No options or bonus payments have been granted to any Directors.

At the company's most recent AGM, the adoption of Remuneration Report was voted as 'Carried'. No further comments were made on the remuneration report at the AGM.

### Key management personnel's equity holdings

Ordinary shares	Balance 1 January 2024	Acquired / transferred	Sold	Balance 31 December 2024
<b>Directors</b>				
A. Yu	-	-	-	-
S. Leung	28,405,454	-	-	28,405,454
S. Yan	34,567,498	-	-	34,567,498
N. Chan	20,000	-	-	20,000
T. Chu	-	-	-	-
Y. Wong	1,086,000	48,477	-	1,134,477

Ordinary shares	Balance 1 January 2023	Acquired / transferred	Sold	Balance 31 December 2023
<b>Directors</b>				
A. Yu	-	-	-	-
S. Leung	28,405,454	-	-	28,405,454
S. Yan	34,567,498	-	-	34,567,498
N. Chan	20,000	-	-	20,000
T. Chu	-	-	-	-
Y. Wong	271,000	815,000	-	1,086,000

### Other transactions and balances with key management personnel

Management services provided by Welletin Investments Ltd. (a related party of S. Yan and S. Leung) to Multistack International Limited and its controlled entities were on normal commercial terms and conditions. The aggregate service fees for the year were \$170,177 (2023: \$169,390). At the year-end total management fees payable was \$1,641,077 (2023: \$1,317,168).

Multistack International Limited and its controlled entities purchased inventory from Super Link Company Ltd (a related party of S. Yan and S. Leung) on normal commercial terms and conditions. The aggregate purchases for the year were \$109,403 (2023: \$273,737). At year-end total payable was \$109,403 (2023: Nil).

Freight expenses and some other expenses were paid for by A.C.R. Equipment (HK) Ltd (a related party of S. Yan and S. Leung) on behalf of Multistack International Limited and its controlled entities, these were on normal commercial terms and conditions. The aggregate expenses for the year was \$35,376 (2023: \$41,334). At year-end total payable was \$1,823,944 (2023: \$737,334), of which \$696,000 (2023: \$696,000) was a non-interest bearing loan and \$1,092,568 (loan USD650,000 at 6% interest pa) provided to the Group and the balance relates to freight and other expenses.

In June 2020, the Group purchased the assets of Verdicorp, Inc., and in order to fund the Verdicorp acquisition, the Group has entered into a loan agreement for US\$1,800,000 (A\$2,895,287) with Super Link Company Limited (a related party of S. Yan and S. Leung) and interest payable of US\$405,000 (A\$651,440). At the year-end total payable (loan + interest) was A\$3,546,727 (2023: A\$3,092,105) (Super Link Loan).

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### REMUNERATION REPORT- CONTINUED

#### *Transactions with director related entities*

Messrs. Leung and Yan through their related entities provide management support and inventory purchases to Multistack International Limited and Multistack Australia Limited as follows:

Directors and related entities	Transaction	Sales / (Expenditure)		Balance Receivable / (Payable)	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Welletin Investments Ltd	Management fee	(\$170,177)	(\$169,390)	(\$1,641,077)	(\$1,317,168)
Super Link Company Ltd	Purchases	(\$109,403)	(\$273,737)	(\$109,403)	Nil
Super Link Company Ltd	Loan & Interest	(\$140,317)	(\$133,663)	(\$3,546,727)	(\$3,092,105)
Super Link Company Ltd	Sales	-	\$228,000	-	\$43,923
A.C.R. Equipment (HK) Ltd	Purchases	(\$35,376)	(\$41,334)	(\$35,376)	(\$41,334)
A.C.R. Equipment (HK) Ltd	Loan	-	-	(\$696,000)	(\$696,000)
A.C.R. Equipment (HK) Ltd	Loan & Interest	(\$47,048)	-	(\$1,092,568)	-

There were no transactions with other related parties during the year. There were no loans to key management personnel. This marks the end of the audited Remuneration Report.

### INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any directors, officers or auditors of the Group.

### CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Multistack International Limited and controlled entities support and strive to adhere to the best principles of corporate governance. The company's corporate governance statement is contained in the additional ASX information section of this annual report.

### PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

### DIRECTORS' MEETINGS

The numbers of meetings of the board of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Board of Directors		Audit Committee		Remuneration Committee		Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr A. Yu	3	3	2	2	-	-	-	-
Mr. S. Leung	3	3	-	-	-	-	-	-
Mr. S. Yan	3	3	-	-	-	-	-	-
Ms N. Chan	3	3	-	-	-	-	-	-
Mr. T. Chu	3	3	2	2	-	-	-	-

As at the date of this report, the Board of Directors had an Audit Committee, a Remuneration Committee and a Nomination Committee. The members of the Audit Committee are Mr T. Chu and Mr A. Yu. The members of the Remuneration committee are Mr T. Chu and Mr A. Yu. The members of the Nomination Committee are Mr S. W. Yan and Mr S. Leung.

The Audit Committee met on 7 February 2024 and 14 August 2024. The Remuneration Committee and the Nomination Committee did not meet during the year as no issue had arisen in the respective field during the relevant period.

### EMPLOYEES

The consolidated entity employed 3 employees and 5 Directors as at 31 December 2024 (2023: 3 employees and 5 Directors). Ms N. Chan has been included as both an employee and a director in her capacity as an executive director for the current year and comparative.



# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' REPORT - CONTINUED

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

As previously reported, the Company has referred its claims against Danfoss to arbitration in the US. On 21 February 2025, the Company is pleased to announce that the parties have now finalised and executed a Settlement Agreement, thereby ending the arbitration.

There has been no other significant event after balance date.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The business of Multistack Group comprises Multistack Australia Pty Ltd, (Multistack) which includes the Chiller Sales Division in Melbourne and a wholly owned subsidiary Option King Ltd.

Multistack has a loyal clientele base for modular chillers that have been supplied to the Australian market for over 20 years. Multistack also supports the overseas agent network in New Zealand with a reputation of flexibility, durability and reliability in modular chilled water systems.

Option King was a pure investment entity that provides income to the Group. The entity became dormant in the last quarter of 2022.

The Settlement Agreement with Danfoss includes access to engineering and other technical with components from Danfoss for the ORC products, the Company will continue its re-engineering of the ORC technology.

The Company is also continuing to commercialise the ORC technology and its products, also in negotiations with various interested parties for local and overseas distribution rights in their regions.

The settlement with Danfoss will facilitate further discussion, and potentially resolution, of the Company's outstanding loan currently due and payable to Super Link Company Ltd (a related party of SW Yan and S Leung) (Super Link Loan). The Company is currently in discussion with Super Link on settlement of the abovementioned loan. The independent Directors of the Company expect to reach agreement with Super Link in the near future and will advise the market further at that time.

### ENVIRONMENT REGULATION AND PERFORMANCE

The Group's operations are not subject to any significant environmental Commonwealth or state regulations or laws.

### NON-AUDIT SERVICES

Non-audit services are approved by resolution of the audit committee and approval is provided to the board of Directors. Non-audit services provided by an affiliated firm of the auditors of the consolidated entity during the year, Nexia Melbourne Audit Pty Ltd, are detailed below. The directors are satisfied that the provision of the non-audit services during the year by the affiliate of the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*, for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by Multistack and have been reviewed and approved by the Audit Committee to ensure they do not impact on the integrity and objectivity of the auditor; and
- the *non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants* (including Independence Standards), as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Multistack or any of its related entities, acting as an advocate for Multistack or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of Multistack or any of its related entities.

Amounts paid or payable to the auditor for non-audit services provided during the year by the auditor to Multistack International Limited and controlled entities for:

	2024	2023
Taxation Services	\$14,000	\$12,900

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## DIRECTORS' REPORT - CONTINUED

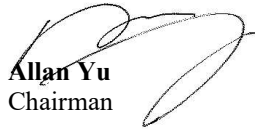
### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is included on page 10 of the financial report and forms part of this report.

### ROUNDING OF AMOUNTS

The parent entity and the consolidated entity have applied the relief available under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

Signed in accordance with a resolution of the Directors.



**Allan Yu**  
Chairman



**Stephen Leung**  
Director, CEO  
Melbourne

28th March 2025

To the Board of Directors of Multistack International Limited

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

As lead audit director for the audit of the financial statements of Multistack International Limited for the financial year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Richard S. Cen**  
Director

Date this 28<sup>th</sup> day of March 2025

**Advisory. Tax. Audit.**

Registered Audit Company 291969

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**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**  
ABN: 54 007 254 346

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

		<b>CONSOLIDATED</b>	
		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
Sale of goods	2	374,032	1,763,061
Cost of sales	3	(253,712)	(1,453,931)
<b>Gross Profit</b>		<b>120,320</b>	<b>309,130</b>
<b>Other Income</b>			
Interest	2	6,661	634
Foreign currency gain	2	-	44,984
Sundry income	2	5	115,807
<b>Total Other Income</b>		<b>6,666</b>	<b>161,425</b>
<b>Expenses</b>			
Employee benefits expense	3	(403,587)	(383,316)
Administration expenses and Occupancy expenses		(436,191)	(496,993)
Finance costs	3	(195,106)	(138,047)
Foreign currency loss	3	(491,104)	-
Professional fees		(252,788)	(267,886)
Other expenses		(27,500)	(76,400)
<b>Total expenses</b>		<b>(1,806,276)</b>	<b>(1,362,642)</b>
<b>Loss before income tax</b>		<b>(1,679,290)</b>	<b>(892,087)</b>
Income tax	4	-	-
<b>Loss for the year from continuing operations</b>		<b>(1,679,290)</b>	<b>(892,087)</b>
<b>Other comprehensive loss for the year</b>			
<i>Items that may be reclassified subsequently to profit and loss</i>		-	-
<b>Total comprehensive loss for the year</b>		<b>(1,679,290)</b>	<b>(892,087)</b>
<b>Earnings per share for loss from continuing operations attributable to members of the parent:</b>			
Basic loss per share	18	\$(0.0123)	\$(0.0065)
Diluted loss per share	18	\$(0.0123)	\$(0.0065)

*The above statement should be read in conjunction with the accompanying notes*

**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**  
ABN: 54 007 254 346

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 DECEMBER 2024**

		<b>CONSOLIDATED</b>	
		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	14(a)	975,608	646,816
Receivables	6	3,080	47,336
Inventories	7	55,229	62,333
Deposit – Bond for property		17,612	17,612
<b>Total Current Assets</b>		<b>1,051,529</b>	<b>774,097</b>
<b>Non-current Assets</b>			
Intangible assets – ORC Technology	8	2,478,134	2,478,134
Leased assets – Right of Use	17	265,965	42,999
<b>Total Non-current Assets</b>		<b>2,744,099</b>	<b>2,521,133</b>
<b>TOTAL ASSETS</b>		<b>3,795,628</b>	<b>3,295,230</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and other payables	10	2,567,283	1,927,295
Lease liability	17	101,372	46,664
Loan from A.C.R. Equipment (HK) Ltd	10	1,741,520	696,000
Loan from Super Link Company Ltd	10	2,895,288	2,631,579
Provisions	11	170,135	164,414
<b>Total Current Liabilities</b>		<b>7,475,598</b>	<b>5,465,952</b>
<b>Non-current Liabilities</b>			
Lease liability	17	170,042	-
Provisions	11	7,660	7,660
<b>Total Non-current Liabilities</b>		<b>177,702</b>	<b>7,660</b>
<b>TOTAL LIABILITIES</b>		<b>7,653,300</b>	<b>5,473,612</b>
<b>NET (LIABILITIES)</b>		<b>(3,857,672)</b>	<b>(2,178,382)</b>
<b>EQUITY</b>			
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>			
Contributed equity	12	156,838,695	156,838,695
Accumulated losses	13	(160,696,367)	(159,017,077)
<b>(CAPITAL DEFICIENCY)</b>		<b>(3,857,672)</b>	<b>(2,178,382)</b>

*The above statement should be read in conjunction with the accompanying notes*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

	Attributable to equity holders of the parent		
<b>CONSOLIDATED</b>	<b>Contributed Equity \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>At 1 January 2023</b>	<b>156,838,695</b>	<b>(158,124,990)</b>	<b>(1,286,295)</b>
Loss for the year	-	(892,087)	(892,087)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(892,087)</b>	<b>(892,087)</b>
Transactions with owners in their capacity as owners	-	-	-
<b>As at 31 December 2023</b>	<b>156,838,695</b>	<b>(159,017,077)</b>	<b>(2,178,382)</b>

	Attributable to equity holders of the parent		
<b>CONSOLIDATED</b>	<b>Contributed Equity \$</b>	<b>Accumulated Losses \$</b>	<b>Total Equity \$</b>
<b>At 1 January 2024</b>	<b>156,838,695</b>	<b>(159,017,077)</b>	<b>(2,178,382)</b>
Loss for the year	-	(1,679,290)	(1,679,290)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,679,290)</b>	<b>(1,679,290)</b>
Transactions with owners in their capacity as owners	-	-	-
<b>As at 31 December 2024</b>	<b>156,838,695</b>	<b>(160,696,367)</b>	<b>(3,857,672)</b>

*This statement should be read in conjunction with the accompanying notes*

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

		<b>CONSOLIDATED</b>	
		<b>2024</b>	<b>2023</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		455,442	1,985,287
Payments to suppliers and employees		(955,412)	(2,715,791)
Interests received		6,661	634
<b>Net cash (used in) operating activities</b>	14(b)	<b>(493,309)</b>	<b>(730,504)</b>
<b>Cash flows from investing activities</b>			
Interest and other items of similar nature received		-	634
<b>Net cash provided by investing activities</b>		<b>-</b>	<b>634</b>
<b>Cash flows from financing activities</b>			
Loan from Directors' related entities		924,251	-
Payment of principal portion of lease payments		(102,150)	(93,376)
<b>Net cash provided by / (used in) financing activities</b>		<b>822,101</b>	<b>(93,376)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>328,792</b>	<b>(823,246)</b>
Cash and cash equivalents at beginning of year		646,816	1,470,062
<b>Cash and cash equivalents at end of year</b>	14(a)	<b>975,608</b>	<b>646,816</b>

*The above statement should be read in conjunction with the accompanying notes*

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION

Material accounting policy information relating to the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### **A) BASIS OF PREPARATION OF THE FINANCIAL REPORT**

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

The financial report covers Multistack International Limited and controlled entities as a consolidated entity. Multistack International Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The address of Multistack International Limited's registered office and principal place of business is 17 Friars Road, Moorabbin, Victoria, 3189. Multistack International Limited is a for-profit entity for the purpose of preparing the financial report.

The financial report was authorised for issue in accordance with a resolution of the Directors as at the date of this report.

The nature of the operations and principal activities of the Group are described on Page 3.

#### *Compliance with IFRS*

The financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

#### *Historical cost convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

#### *Significant accounting estimates*

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 1(O).

#### **B) GOING CONCERN**

The Directors have prepared the financial statements for the Group on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

During the year ended 31 December 2024, the Group incurred a loss after income tax for the year of \$1,679,290 (2023: \$892,087 loss). The Group had a negative net asset position of \$3,857,672 (2023 negative \$2,178,382). The Group had a net cash outflow from operating activities of \$493,309 (2023: \$730,504 outflow).

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

The Group has \$3,546,727 (loan and interests) owing to a director related company, Super Link Co. Ltd, \$1,788,568 (as loan and interests) and \$35,376 (as trade payables) owing to a director related company, A.C.R. Equipment (HK) Ltd, and \$1,641,077 (management fees) owing to a director related company, Welletin Investments Ltd.

The Group has obtained an undertaking from these director related companies that they will not call on the amount owing for at least 12 months from the date of signing the Group's financial report for the year ended 31 December 2024.



# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **B) GOING CONCERN – CONT'D**

The Financial Statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts nor to the amounts or classification of liabilities that might be necessary should the Company not be able to trade as forecast or to secure sufficient funding to continue as a going concern. If the going concern basis of accounting is found to no longer be appropriate, the recoverable amount of the assets shown in the Statement of Financial Position are likely to be significantly less than the amounts disclosed, and the extent of liabilities may differ significantly from those reflected.

#### **C) NEW AND REVISED ACCOUNTING STANDARDS EFFECTIVE AT 1 JANUARY 2024**

##### **New accounting standards and interpretations**

The Group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 January 2024.

##### **Accounting standards issued but not yet effective**

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

#### **D) BASIS OF CONSOLIDATION**

The consolidated financial statements are those of the Group, comprising Multistack International Limited (parent entity) and all entities, which Multistack International Limited controlled from time to time during the year and at balance date.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Information from the financial statements of subsidiaries is included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company had control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist. All intercompany balances and transactions, including any unrealised profits or losses arising from intra-group transactions, have been eliminated in full on consolidation.

#### **E) FOREIGN CURRENCY TRANSLATION**

Both the functional and presentation currency of Multistack International Limited and its wholly owned subsidiaries Multistack Australia Pty Ltd and Option King Ltd are Australian dollars (A\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the balance sheet date. All exchange gains and losses are recognised in profit and loss for the period in which they arise.

#### **F) PLANT AND EQUIPMENT**

##### *Cost and valuation*

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

##### *Depreciation*

Depreciation is provided on a straight-line basis on all plant and equipment, over the estimated useful lives commencing from the time the asset is held ready for use.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **G) IMPAIRMENT**

Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

#### **H) INVENTORIES**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis;
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### **I) CASH AND CASH EQUIVALENTS**

Cash and short-term deposits in the balance sheet comprise cash at bank, cash in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### **J) PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for which a reliable estimate can be made of the amount of the obligation.

#### **K) REVENUE RECOGNITION**

##### *Revenue from contracts with customers*

The Group derives revenue from the sale of heating, ventilation and air-conditioning goods. Revenue from the sale of heating ventilation and air-conditioning goods is recognised at the point in time when control of the goods is transferred to the customer, which generally occurs at the time the goods are delivered to the customers. Customers are required to pay in full for all goods purchased within 30 days of invoice date. Customers have the right to return purchased goods, for a refund, within 7 days of purchase, less any freight and handling charges. The estimated amount of refunds for returned goods is recognised as a refund liability. Revenue is measured net of any discounts and other price concessions, and net of the estimated amount of refunds for returned goods.

##### *Interest*

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

##### *Dividends*

Dividend revenue is recognised when the right to receive a dividend has been established.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **K) REVENUE RECOGNITION - CONT'D**

##### *Warranty obligations*

The Group provides a general warranty for all goods sold. The Group also provides customers with the option to purchase additional or extended warranty. Warranty obligations are recognised as a provision, and are measured at the company's estimate of the expenditure required to fulfil its warranty obligations at reporting date. The Group updates the measurement of the warranty provision at the end of each reporting period for changes in expectations.

All revenue is stated net of the amounts of goods and services tax (GST).

#### **L) INCOME TAX**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rate when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

#### **M) EMPLOYEE BENEFITS**

##### *Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

##### *Other long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **M) EMPLOYEE BENEFITS – CONT'D**

##### *Defined contribution superannuation plan*

The group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the statement of financial position.

#### **N) LEASES**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

##### *Lease assets*

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

##### *Lease liabilities*

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

##### *Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **O) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The Group makes certain estimates and assumption concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events which could have a material impact on the assets and liabilities in the next financial year are disclosed below:

##### *Impairment of financial assets other than goodwill*

The Group assesses impairment at each reporting date by evaluating the conditions specific to the Group and to a particular asset that may lead to impairment of assets. These include adverse changes in the economic or political environment, technology changes and future expectations. If an impairment trigger exists, then the recoverable amount of the asset shall be evaluated.

##### *Fair value measurements*

Certain financial assets and liabilities are measured at fair value. Fair values have been determined in accordance with fair value measurement hierarchy.

#### **P) FINANCIAL INSTRUMENTS**

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

##### *Financial assets*

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (i) the group's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial asset.

##### *Trade and other receivables*

Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30-90 days.

Consistent with both the Group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost, except when the effect of discounting is not material, in which case the financial asset is carried at its nominal amount. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

The Group has chosen to apply the simplified approach under AASB 9 to measuring impairment provisions for receivables, including lease receivables. Under the AASB 9 Financial Instruments simplified approach, the Group determines the impairment provision for receivables on the basis of the lifetime expected credit losses of the receivable. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the receivable.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 1. MATERIAL ACCOUNTING POLICY INFORMATION - CONT'D

#### **P) FINANCIAL INSTRUMENTS – CONT'D**

##### *Financial liabilities*

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities. Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation. Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

#### **Q) INTANGIBLE ASSETS**

##### *Separately acquired Intangible assets*

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses.

#### **R) COMPARATIVES**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

#### **S) GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### **T) ROUNDING OF AMOUNTS**

The Company and the Group have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest dollar.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

	<b>CONSOLIDATED</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUES</b>		
<b>Revenue from contracts with customers</b>		
<i>Revenue recognised at a point in time</i>		
Sale of chillers	297,251	1,451,874
Sale of related spare parts	76,781	311,187
	<hr/> 374,032	<hr/> 1,763,061
<b>Other Income</b>		
Foreign currency gain	-	44,984
Interest received	6,661	634
Sundry income	5	115,807
	<hr/> 6,666	<hr/> 161,425
<b>Total Revenues</b>	<hr/> <b>380,698</b>	<hr/> <b>1,924,486</b>

### 3. LOSS FROM CONTINUED OPERATIONS

Loss from continuing operations before income tax has been determined after the following specific expenses:

<i>Cost of goods sold</i>		
Cost of sales	(253,712)	(1,433,931)
Employee benefits expense	(403,587)	(383,316)
Foreign currency loss	(491,104)	-
<i>Other expenses</i>		
Finance costs	(195,106)	(138,047)

**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**

ABN: 54 007 254 346

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

	<b>CONSOLIDATED</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>4. INCOME TAX</b>		
<b>(a) Components of tax expense:</b>		
Income tax	-	-
	-	-
<b>(b) Prima facie tax payable</b>		
The prima facie tax on loss before income tax is reconciled to the income tax benefit as follows:		
Prima facie income tax benefit on loss before income tax at 30% (2023: 30%)	(503,787)	(267,626)
Add tax effect of:		
unused tax losses not brought to account	172,850	210,891
other non-deductible expense	-	392
Recognition of deferred tax balance	330,937	59,846
Recognition of prior year (non-recognised) deferred tax balance	-	(3,503)
	<u>503,787</u>	<u>267,626</u>
Income tax benefit attributable to loss	-	-
<b>(c) Current tax</b>		
Opening balance	-	-
<b>Closing balance</b>	<u>-</u>	<u>-</u>
<b>(d) Unused tax losses not brought to account</b>		
Deferred tax balances of the Group are not brought to account at balance date as realisation of the deferred tax assets are not regarded as being probable.	4,419,685	4,067,632

The Group has accumulated significant capital losses. No deferred tax balances have been brought to account to date. Deferred tax balances will only be recognised when it is probable that future taxable amounts will be available. Utilisation of tax losses are also subject to certain tests as required by the *Income Tax Assessment Act 1997*, including the Same Business Test and the Continuity of Ownership Test.



# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

	Notes	CONSOLIDATED 2024 \$	2023 \$
<b>5. FRANKING ACCOUNT</b>			
Balance at beginning of year		143,137	143,137
Balance at end of year		143,137	143,137
<b>6. RECEIVABLES</b>			
<b>Current</b>			
Receivables from contracts with customers		3,080	47,336
Allowance for credit loss	(a)	-	-
		3,080	47,336
<i>(a) Movement in allowance for credit loss</i>			
Balance at beginning of year		-	-
- reversal of provision / (provision) during the year		-	-
Balance at end of year		-	-

Trade receivables ageing analysis at 31 December is:

	Gross 2024 \$	Credit Loss 2024 \$	Gross 2023 \$	Credit Loss 2023 \$
Not past due	2,926	-	313	-
Past due 1-30 days	154	-	3,100	-
Past due 31-60 days	-	-	-	-
Past due more than 61 days	-	-	43,923	-
	<b>3,080</b>	<b>-</b>	<b>47,336</b>	<b>-</b>

A receivable from a contract with a customer represents the Group's unconditional right to consideration arising from the transfer of goods or services to the customer. Trade receivables are non-interest bearing with 30 days terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Trade receivables not impaired are expected to be received.

The Group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the instrument. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Group determines expected credit losses using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

	Notes	CONSOLIDATED	
		2024	2023
		\$	\$
<b>7. INVENTORIES</b>			
<b>Current</b>			
Finished goods at cost		55,229	62,333
Total inventories		<u>55,229</u>	<u>62,333</u>

### 8. INTANGIBLE ASSETS

Multistack International Limited (ASX:MSI) has purchased the assets of Verdicorp, Inc., this included both access to and control of as well as all rights to distribute the Organic Rankine Cycle (ORC) technology. This also included the licence and supply agreement with Danfoss for the use of their oil-free machinery technology used in the Turbocor compressor, for use in all applications apart from the >20tonR HVACR market, intellectual property, plans and blueprints for the full range of Organic Rankine Cycle Machines.

ORC distribution rights		-	-
Danfoss tech licence and supply agreement	8(a)	2,478,134	2,478,134
Net carrying amount		<u>2,478,134</u>	<u>2,478,134</u>

(a) The Intangible Asset specifically the ORC technology was its purchase price of US\$1,800,000 paid for the assets of Verdicorp including its Danfoss tech licence and supply agreement.

The Company has been seeking performance by Danfoss of its obligations to provide know-how and engineering support under the above two agreements, and the Company has referred the dispute to arbitration in the US (as required by the agreements) in early 2024.

Referring to the announcement on 21 February 2025, the parties have finalised and executed a Settlement Agreement, thereby ending the arbitration. The terms of settlement included a cash payment, a once-off credit, a Turbocor Approved Service Provider Agreement (TASP), a Compressor Service Centre Agreement (CSCA), discounts on purchases of Danfoss products and parts, and access to engineering and other technical with components for ORC products.

It is relevant to note that in order to secure the Loan and its repayment, Super Link Company Ltd (a related party of SW Yan and S Leung) (SuperLink) holds first ranking security over the ORC technology assets (Verdicorp's assets); and Super Link has an option under an Asset Sale Deed to acquire those ORC technology assets in return for a complete discharge of the Company's obligations to repay the Loan (and accrued interest).

The security and the Asset Sale Deed (including exercise by SuperLink of the option under that Deed) were approved by the shareholders at the Company's AGM in May 2023.

The settlement with Danfoss will facilitate further discussion, and potentially resolution, of the Company's outstanding loan currently due and payable to Super Link Company Ltd (a related party of SW Yan and S Leung) (Super Link Loan). The Company is currently in discussion with Super Link on settlement of the abovementioned loan. The independent Directors of the Company expect to reach agreement with Super Link in the near future and will advise the market further at that time.

The Company believes the intangible asset stated at its at USD 1.8m (A\$2,478,134) on 31 December 2024 is appropriate.

### 9. PLANT & EQUIPMENT

Plant and equipment at cost		30,566	30,566
Accumulated depreciation		(30,566)	(30,566)
Net carrying amount		<u>-</u>	<u>-</u>
Motor vehicles at cost		47,310	47,310
Accumulated depreciation		(47,310)	(47,310)
Net carrying amount		<u>-</u>	<u>-</u>

**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**

ABN: 54 007 254 346

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

	Notes	CONSOLIDATED	
		2024	2023
		\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>			
<b>Current</b>			
Trade payables		178,902	99,313
Sundry creditors		2,388,381	1,827,982
		<u>2,567,283</u>	<u>1,927,295</u>
Loan from A.C.R. Equipment (HK) Ltd		<u>1,741,520</u>	<u>696,000</u>

On 18 March 2024, the Company has entered into a loan arrangement from A.C.R. Equipment (HK) Ltd (a related party of S. Yan and S. Leung) to the Company. The loan amount is USD 650,000.00 (AUD 1,092,568 including interest payable) at 6% interest per annum, for one year term (expiring on 31 March 2025) and unsecured. The fund will primarily be used for on-going operations of the Company.

Multistack Australia Pty Ltd has borrowed A\$696,000 from A.C.R. Equipment (HK) Ltd (a related party of S. Yan and S. Leung) in the prior periods, this loan is non-interest bearing and unsecured.

Loan from Super Link Company Ltd	2,895,288	2,631,579
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In order to fund the Verdicorp acquisition, MSI has borrowed US\$1,800,000 from Super Link Company Ltd (SuperLink Loan). The loan is interest bearing at 5.00% per annum, is on commercial and arm's length terms, and secured by MSI granting security to Super Link Company Ltd of its interests in the assets acquired under Verdicorp acquisition.

At our AGM on 12 May 2023, resolutions for approval to grant security over ORC technology and approval to grant and exercise option under Asset Sale Deed to Super link Company Ltd were both carried and granted.

On 16 August 2023 it entered into extensions of the Agreements with Super Link Company Ltd, extending the term of the Loan Agreement and the sunset date for the Asset Sale Deed until 30 November 2024. The Loan Agreement has not yet been renewed.

The settlement with Danfoss will facilitate further discussion, and potentially resolution, of the Company's outstanding loan currently due and payable to Super Link Company Ltd (a related party of SW Yan and S Leung) (Super Link Loan). The Company is currently in discussion with Super Link on settlement of the abovementioned loan. The independent Directors of the Company expect to reach agreement with Super Link in the near future and will advise the market further at that time.

**11. PROVISIONS****Current**

Employee entitlements		158,135	152,414
Warranty claims	11 (a)	12,000	12,000
		<u>170,135</u>	<u>164,414</u>

**Non-current**

Employee entitlements		7,660	7,660
		<u>7,660</u>	<u>7,660</u>
Aggregate employee benefits liability		<u>165,795</u>	<u>160,074</u>

*(a) Provision for Warranty*

All entities in the wholesale and retail operations provide for warranties under which faulty products are repaired or replaced.

**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024**

	<b>CONSOLIDATED</b>	
<b>Notes</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>12. CONTRIBUTED EQUITY</b>		
<b>a) Issued paid up capital</b>		
136,303,924 ordinary shares fully paid (2023: 136,303,924)	156,838,695	156,838,695
<b>b) Terms and Conditions of contributed equity</b>		
<i>Ordinary Shares</i>		
Ordinary shares have the right to receive dividends as declared, and in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.		
<b>c) Capital Management</b>		
When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.		
<b>13. ACCUMULATED LOSSES</b>		
Accumulated losses	(160,696,367)	(159,017,077)
<b>Accumulated losses</b>		
Balance at beginning of year	(159,017,077)	(158,124,990)
Loss for the year	(1,679,290)	(892,087)
Total available for appropriation	(160,696,367)	(159,017,077)
Balance at end of year	(160,696,367)	(159,017,077)
<b>14. CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	975,608	646,816
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.		
<b>(b) Reconciliation of the operating (loss) after tax to the net cash flows used in operations</b>		
Operating loss after tax	(1,679,290)	(892,087)
<b>Non-cash items</b>		
Depreciation and amortisation	96,193	85,998
Foreign currency (gain) / loss	491,104	(44,984)
Provision for doubtful debt	-	-
Provision for stock impairment	1,906	80,071
Impairment on intangible assets	-	-
Accrued interest for loan from Super Link Co. Ltd.	187,365	133,663
Unrealised loss / (gain) on investment	-	-
<b>Changes in assets and liabilities</b>		
Decrease / (Increase) in receivables	44,256	(47,013)
Decrease in inventory	5,198	809,406
Increase in provisions	5,721	6,873
Increase / (Decrease) in trade and other payables	354,238	(862,431)
Net cash (used in) operating activities	(493,309)	(730,504)

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 15. PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Multistack International Limited, financial statements:

	2024 \$	2023 \$
<b>(a) Summarised statement of financial position</b>		
<b>Assets</b>		
Current assets	730,971	407,927
Non-current assets	2,478,139	5,479,367
Total assets	3,209,110	5,887,294
<b>Liabilities</b>		
Current liabilities	(6,871,263)	(5,001,393)
Non-current liabilities	-	-
Total liabilities	(6,871,263)	(5,001,393)
<b>Net (liabilities)/assets</b>	<b>(3,662,153)</b>	<b>885,901</b>
<b>Equity</b>		
Contributed equity	156,838,695	156,838,695
Accumulated losses	(160,500,848)	(155,952,794)
<b>Total equity</b>	<b>(3,662,153)</b>	<b>885,901</b>
<b>(b) Summarised statement of comprehensive income</b>		
Loss for the year	(4,548,054)	(1,008,507)

### 16. INTEREST IN CONTROLLED ENTITIES (NON-CURRENT)

Investment in controlled entities comprises:

	Incorporated in	Beneficial percentage held by Group	
		2024	2023
Multistack Australia Pty Ltd	Australia	100%	100%
Option King Ltd	Hong Kong	100%	100%

Overseas controlled entities carry on business in the country of incorporation.

#### Ultimate parent

Multistack International Limited is the ultimate Australian holding company.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 17. LEASE ASSETS AND LEASE LIABILITIES

The following information relates to the current and prior reporting periods, and is presented in accordance with AASB 16 *Leases* which was applied by the Group with the full retrospective approach to each reporting period.

The Group's lease commitments relate to the commercial premises in Moorabbin, Australia. The term of lease is renewed for further 3 years starting 24 July 2024.

	2024	2023
	\$	\$
<b>Lease assets</b>		
Carrying amount of lease assets, by class of underlying asset:		
<i>Buildings under lease arrangements</i>		
At cost	319,159	257,995
Accumulated depreciation	(53,194)	(214,996)
	<b>265,965</b>	<b>42,999</b>

<b>Total carrying amount of lease assets</b>	<b>265,965</b>	<b>42,999</b>
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	<b>Buildings</b>	
<i>Reconciliation of the carrying amount of lease assets at the beginning and end of the financial year:</i>		
Carrying amount at 1 January 2024	42,999	128,997
Additions	319,159	-
Depreciation	(96,193)	(85,998)
Carrying amount at 31 December 2024	<b>265,965</b>	<b>42,999</b>

<b>Lease liabilities</b>		
Current lease liabilities	101,372	46,664
Non-current lease liabilities	170,042	-
Total carrying amount of lease liabilities	<b>271,414</b>	<b>46,664</b>

<b>Lease expenses and cashflows</b>		
Interest expense on lease liabilities	7,741	4,384
Depreciation expense on lease assets	96,193	85,998
Total cash outflow in relation to leases	102,150	93,376

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 18. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of potential ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	<b>CONSOLIDATED</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Reconciliation of loss used in calculating earnings per share:</i>		
Loss from continuing operations	(1,679,290)	(892,087)
Loss used in calculating basic loss per share	<u>(1,679,290)</u>	<u>(892,087)</u>
Loss used in calculating diluted earnings per share from continuing operations	<u>(1,679,290)</u>	<u>(892,087)</u>
Weighted average number of ordinary shares used in calculating basic earnings per share:	136,303,924	136,303,924
Weighted average number of ordinary shares used in calculating diluted earnings per share:	136,303,924	136,303,924
Basic loss per share for continuing operations	<u>\$(0.0123)</u>	<u>\$(0.0065)</u>
Diluted loss per share for ongoing operations	<u>\$(0.0123)</u>	<u>\$(0.0065)</u>

### 19. KEY MANAGEMENT PERSONNEL COMPENSATION

#### (a) Details of Key Management Personnel

##### (i) Directors

Mr. A. Yu	Chairman and Non-executive Director
Mr. S. Leung	Chief Executive Officer and Executive Director
Mr. S. Yan	Executive Director
Ms. N. Chan	Executive Director
Mr. T. Chu	Non-executive Director

##### (ii) Executives

Ms Y. Wong	Company Secretary and Chief Financial Officer
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**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**

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**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024****19. KEY MANAGEMENT PERSONNEL COMPENSATION– Cont'd****(b) Shareholdings of Key Management Personnel**

Ordinary shares	Balance 1 January 2024	Acquired / transferred	Sold	Balance 31 December 2024
<b>Directors</b>				
A. Yu	-	-	-	-
S. Leung	28,405,454	-	-	28,405,454
S. Yan	34,567,498	-	-	34,567,498
N. Chan	20,000	-	-	20,000
T. Chu	-	-	-	-
Y. Wong	1,086,000	48,477	-	1,134,477

Ordinary shares	Balance 1 January 2023	Acquired / transferred	Sold	Balance 31 December 2023
<b>Directors</b>				
A. Yu	-	-	-	-
S. Leung	28,405,454	-	-	28,405,454
S. Yan	34,567,498	-	-	34,567,498
N. Chan	20,000	-	-	20,000
T. Chu	-	-	-	-
Y. Wong	271,000	815,000	-	1,086,000

There have been no other transactions concerning shares or share options between entities in the reporting entity and directors and executives of the reporting entity or their director-related entities.

**(c) Directors' and Executives' Compensation**

<i>Compensation by category</i>	<b>2024</b>	<b>2023</b>
Short-term employment benefits	\$410,616	\$400,790
Post-employment benefits	\$33,160	\$29,776
	<u>\$443,776</u>	<u>\$430,566</u>

**(d) Other transactions and balances with key management personnel***Transactions with director related entities:*

Management services provided by Welletin Investments Ltd. (a related party of S. Yan and S. Leung) to Multistack International Limited and its controlled entities were on normal commercial terms and conditions. The aggregate service fees for the year was \$170,177 (2023: \$169,390). At the year-end total management fees payable was \$1,641,077 (2023: \$1,317,168).

Multistack International Limited and its controlled entities purchased inventory from Super Link Company Ltd (a related party of S. Yan and S. Leung) on normal commercial terms and conditions. The aggregate purchases for the year were \$109,403 (2023: \$273,737). At year-end total payable was \$109,403 (2023: Nil).

Freight expenses and some other expenses were paid for by A.C.R. Equipment (HK) Ltd (a related party of S. Yan and S. Leung) on behalf of Multistack International Limited and its controlled entities, these were on normal commercial terms and conditions. The aggregate expenses for the year was \$35,376 (2023: \$41,334). At year-end total payable was \$1,823,944 (2023: \$737,334), of which \$696,000 (2023: \$696,000) was a non-interest bearing loan and \$1,092,568 (loan USD650,000 at 6% interest pa) provided to the Group and the balance relates to freight and other expenses.

In June 2020, the Group purchased the assets of Verdicorp, Inc., and in order to fund the Verdicorp acquisition, the Group has entered into a loan agreement for US\$1,800,000 (A\$2,895,287) with Super Link Company Limited (a related party of S. Yan and S. Leung) and interest payable of US\$405,000 (A\$651,440). At the year-end total payable (loan + interest) was A\$3,546,727 (2023: A\$3,092,105) (Super Link Loan).



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**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024****19. KEY MANAGEMENT PERSONNEL COMPENSATION– Cont'd**

Details of remuneration paid to key management personnel are disclosed in the Directors Report.

Messrs. Leung and Yan through their related entities provide management support and inventory purchases to Multistack International Limited and Multistack Australia Limited as follows:

Directors and related entities	Transaction	Sales / (Expenditure)		Balance Receivable / (Payable)	
		31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Welletin Investments Ltd	Management fee	(\$170,177)	(\$169,390)	(\$1,641,077)	(\$1,317,168)
Super Link Company Ltd	Purchases	(\$109,403)	(\$273,737)	(\$109,403)	Nil
Super Link Company Ltd	Loan & Interest	(\$140,317)	(\$133,663)	(\$3,546,727)	(\$3,092,105)
Super Link Company Ltd	Sales	-	\$228,000	-	\$43,923
A.C.R. Equipment (HK) Ltd	Purchases	(\$35,376)	(\$41,334)	(\$35,376)	(\$41,334)
A.C.R. Equipment (HK) Ltd	Loan	-	-	(\$696,000)	(\$696,000)
A.C.R. Equipment (HK) Ltd	Loan & Interest	(\$47,048)	-	(\$1,092,568)	-

There were no transactions with other related parties during the year. There were no loans to key management personnel.

**CONSOLIDATED**

**2024**                      **2023**  
\$                              \$

**20. AUDITORS' REMUNERATION**

Amounts received or due and receivable by the auditors of Multistack International Limited and controlled entities for:

Audit and review of financial reports	84,100	80,000
Other services		
- tax compliance	14,000	12,900
	<u>98,100</u>	<u>92,900</u>

**21. CONTINGENT LIABILITIES**

There were no material contingent liabilities or assets at balance date.

**22. SEGMENT INFORMATION****(a) Description of segments**

The consolidated entity's chief operating decision maker has identified the following reportable segments:

Segment 1 – Primary business and geographical segment being the heating, ventilation and air conditioning (HVAC) industry throughout Australia. The major operations comprise the sale and service of Multistack water and air cooled water chillers used in commercial air-conditioning and process cooling applications. The Group also has agency relationships with agents in New Zealand, Philippines, South Korea and the middle east however these sales are a small portion of the overall group sales and the risks and returns of these sales do not differ from the domestic sales.

Segment 2 – Passive investment operations through wholly owned subsidiary – Option King Ltd.

All these operating segments have been identified based on internal reports reviewed by the consolidated entity's chief executive officer in order to allocate resources to the segment and assess its performance.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 22. SEGMENT INFORMATION – CONT'D

#### (b) Segment information

The consolidated entity's chief executive officer uses segment revenue, segment result, segment assets and segment liabilities to assess each operating segment's financial performance and position. Amounts reported for each operating segment are the same amount recorded in the internal reports to the chief executive officer.

Amounts of segment information are measured in the same way in the financial statements. They include items directly attributable to the segment and those that can reasonably be allocated to the segment based on the operations of the segment. There is no Inter-segment revenue.

Segment information is reconciled to financial statements and underlying profit disclosure notes if provided elsewhere where these amounts differ.

2024	Segment 1	Segment 2	Total
	\$	\$	\$
Segment revenue from external source	330,075	50,618	380,693
Segment result from external source	(1,724,545)	45,255	(1,679,290)
Items included within the segment result:			
Interest/dividend income	-	6,661	6,661
Interest expense	(195,106)	-	(195,106)
Total segment assets	3,072,247	723,381	3,795,628
Total segment liabilities	7,653,300	-	7,653,300

2023	Segment 1	Segment 2	Total
	\$	\$	\$
Segment revenue from external source	1,923,852	634	1,924,486
Segment result from external source	(890,779)	(1,308)	(892,087)
Items included within the segment result:			
Interest/dividend income	-	634	634
Interest expense	(138,047)	-	(138,047)
Total segment assets	3,169,996	125,234	3,295,230
Total segment liabilities	5,473,612	-	5,473,612

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 22. SEGMENT INFORMATION – CONT'D

#### (c) Revenue from external customers and non-current assets attributable to segments

- The total amount of external revenue derived from major customers where the revenue is greater than 10% of the consolidated entity's total revenue is \$241,915 (2023: \$1,397,055).
- There were \$2,744,099 non-current assets at period end (2023: \$2,521,133).

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise of cash.

The main purpose of these financial instruments is to provide working capital for the Group's operations.

The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

#### *Interest rate risk*

The Group has an interest-bearing debt obligation with Super Link Company Ltd at 5% per annum, with A.C.R. Equipment (HK) Ltd at 6% per annum, and has cash on hand.

The group's exposure to interest rate risk is limited to the cash balances on hand. The effective interest rate received on cash balances for the year ended 31 December 2023 was 0% and interest rate received on cash balances for the year ended 31 December 2024 was 0%.

#### *Sensitivity*

If interest rates on cash and bonds were to increase/decrease by 100 basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	2024	2023
+/- 100 basis points	\$	\$
Impact on profit after tax	975	647
Impact on equity	975	647

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES– CONT'D

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate	Fixed / variable rate
	\$	\$	\$	%	
<b>2024</b>					
(i) Financial assets					
Cash	975,608	-	975,608	-	Variable
Receivables	-	3,080	3,080	-	
Deposit – Bond for property	-	17,612	17,612	-	
Total financial assets	975,608	20,692	996,300	-	
(ii) Financial liabilities					
Trade payables	-	178,902	178,902	-	
Sundry creditors	-	2,341,333	2,341,333	-	
Loan from A.C.R. Equipment HK Co. Ltd.	1,092,568	696,000	1,788,568	6%	Fixed
Lease liabilities	271,414	-	271,414	5%	Fixed
Loan from Super Link Company Ltd	2,895,288	-	2,895,288	5%	Fixed
Total financial liabilities	4,259,270	3,216,235	7,475,505		
<b>2023</b>					
(i) Financial assets					
Cash	646,816	-	646,816	-	Variable
Receivables	-	47,336	47,336	-	
Deposit – Bond for property	-	17,612	17,612	-	
Total financial assets	646,816	64,948	711,764	-	
(ii) Financial liabilities					
Trade payables	-	99,313	99,313	-	
Sundry creditors	-	1,827,982	1,827,982	-	
Loan from A.C.R. Equipment HK Co. Ltd.	-	696,000	696,000	-	
Lease liabilities	46,664	-	46,664	5%	Fixed
Loan from Super Link Company Ltd	2,631,579	-	2,631,579	5%	Fixed
Total financial liabilities	2,678,243	2,623,295	5,301,538		

**MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES**

ABN: 54 007 254 346

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2024****23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES– CONT'D***Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The following table outlines the group's remaining contractual maturities for non-derivative financial liabilities. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the group can be required to pay.

	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
<b>31-Dec-24</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payables	178,902	-	-	178,902	178,902
Lease liabilities	48,952	52,420	170,042	271,414	271,414
Loan from A.C.R. Equipment HK Co. Ltd.	1,092,568	696,000	-	1,788,568	1,788,568
Loan from Super Link Company Ltd	-	2,895,288	-	2,895,288	2,895,288
Sundry creditors	-	2,341,333	-	2,341,333	2,341,333
	<b>1,320,422</b>	<b>5,985,041</b>	<b>170,042</b>	<b>7,475,505</b>	<b>7,475,505</b>
<b>31-Dec-23</b>					
Payables	99,313	-	-	99,313	99,313
Lease liabilities	46,664	-	-	46,664	46,664
Loan from A.C.R. Equipment HK Co. Ltd.	-	696,000	-	696,000	696,000
Loan from Super Link Company Ltd	-	2,631,579	-	2,631,579	2,631,579
Sundry creditors	-	1,827,982	-	1,827,982	1,827,982
	<b>145,977</b>	<b>5,155,561</b>	<b>-</b>	<b>5,301,538</b>	<b>5,301,538</b>

The payable to Welletin Investments Limited has been included in the above payables as a sundry creditor as it is a related party accrual for management fees. In the event that the Group encounters difficulty in meeting obligations associated with financial liabilities, the Welletin Investments Limited balance will not be called upon within 12 months.

*Foreign currency risk*

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency exposures. All Group's sales are denominated in the functional currency of the operating unit making the sale, whilst approximately 100% of cost of sales are denominated in the unit's functional currency.

The loan from Super Link Company Ltd was USD 1,800,000 and it's interest bearing at 5% per annum, and the loan from A.C.R. Equipment (HK) Ltd was USD 650,000 and it's interest bearing at 6% per annum. both these loans and interest owing were restated at closing foreign exchange rate at period with movements being foreign currency gain or loss, there has been no repayment of loan principal nor interest during the period.

The Group does not seek to hedge this exposure.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. The Group does not actively mitigate these risks nor does it have a strategy in place for the future to do so.

The balance of financial instruments at year end denominated in foreign currency is not material to the financial statements, therefore the Group is not exposed to material foreign currency risk. Therefore no sensitivity analysis has been performed.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2024

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES– CONT'D

#### *Credit risk*

The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

The Group minimizes credit risk in relation to cash balances by holding cash on deposit, bonds and bond funds with major banks.

The Company minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers.

Terms and conditions relating to receivables:

- (a) Trade - Credit sales are on commercial terms and credit terms typically in Australia are up to 60 days from delivery.
- (b) Receivables from other persons are on commercial terms and in accordance with the region of operation.

#### *Fair Values*

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the consolidated statement of financial position and notes to the consolidated financial statements.

### 24. SUBSEQUENT EVENTS

As previously reported, the Company has referred its claims against Danfoss to arbitration in the US. On 21 February 2025, the Company is pleased to announce that the parties have now finalised and executed a Settlement Agreement, thereby ending the arbitration.

There has been no other matter or circumstance, which has arisen since 31 December 2024 which has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2024, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2024, of the Group.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 31 December 2024

Name of entity*	Type of entity	Trustee, partner or participant in joint venture**	% of share capital held	Country of Incorporation	Australian resident or foreign resident***	Foreign tax jurisdiction(s) of foreign residents
Multistack International Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
Multistack Australia Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Option King Limited	Body Corporate	N/A	100%	Hong Kong	Foreign	N/A

\* Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in the notes to the financial statements.

\*\* This means whether, at that time, the entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

\*\*\* The definitions of 'Australian resident' and 'foreign resident' in the ITAA 1997 are mutually exclusive. This means if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of the public company disclosures in the consolidated entity disclosure statement.

### Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

### Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

#### *Australian tax residency*

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

#### *Foreign tax residency*

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

# MULTISTACK INTERNATIONAL LIMITED AND CONTROLLED ENTITIES

ABN: 54 007 254 346

## DIRECTORS' DECLARATION 31 DECEMBER 2024

The directors declare that the financial statements and notes set out on pages 11 to 37 in accordance with the *Corporations Act 2001*:

- a) Comply with Accounting Standards and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- b) As stated in note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards;
- c) Give a true and fair view of the financial position of the Group as at 31 December 2024 and of its performance for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Multistack International Limited and controlled entities will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the chief executive officer and chief financial officer to the directors in accordance with sections 295A of the *Corporations Act 2001* for the financial year ending 31 December 2024.

This declaration is made in accordance with a resolution of the directors.

Dated at Melbourne 28th day of March 2025.



Allan Yu

Chairman



Stephen Leung

Director, CEO



## Independent Auditor's Report

### to the Members of Multistack International Limited

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Multistack International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company, as at the date of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1(b) in the financial report, which indicates that the Group incurred a net loss after income tax of \$1,679,290 during the year ended 31 December 2024 and, as of that date, the Group had a net liabilities position of \$3,857,672 and a net cash outflow from operating activities of \$493,309. These conditions, along with the other matters set forth in Note 1(b), indicate the existence of a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

##### Advisory. Tax. Audit.

In our opinion, there are no key audit matters to communicate.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report****Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 4 to 7 of the Directors' Report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Multistack International Limited for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Richard S. Cen**  
Director

Dated this 28<sup>th</sup> day of March 2025

## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. The information is current at 19 March 2025.

### CLASS OF SHARES AND VOTING RIGHTS.

There are 525 registered holders of ordinary shares of the company. All ordinary shares carry one vote per share.

### TWENTY LARGEST SHAREHOLDERS.

Name	Number of shares held	% held	Substantial shareholder interest
Mr Siu Wai Yan	34,567,498	25.36	64,895,799
Mr S Leung Kwok Yin	28,405,454	20.84	64,895,799
Jin Qiao (Hong Kong) Investment Development Co Ltd	24,000,000	17.61	
Govinda Freedom Fund Pty Ltd <Super Govinda a/c>	10,500,000	7.70	
China Agents Ltd.	7,678,390	5.63	
Ms Lee Hung Arum Mak	3,428,000	2.51	
Bull Equities Pty Ltd	2,500,000	1.83	
HSBC Custody Nominees (Australia) Ltd	2,013,889	1.48	
Wellelin Investments Ltd.	1,672,000	1.23	64,895,799
BNP Paribas Nominees Pty Ltd <Clearstream>	1,256,394	0.92	
BNP Paribas Noms Pty Ltd UOBKH a/c R'Miers	1,243,500	0.91	
Ms Yeok Yan Wong	1,134,477	0.83	
Mr Gabriel Govinda	1,127,436	0.82	
GA & AM Leaver Investments Pty Ltd <GA & AM Leaver S/Fund A/C>	825,484	0.61	
Aerobotics Pty Ltd	788,145	0.58	
Mr Anthony Bohnenn	620,954	0.46	
Miss Bijuan Tan	515,000	0.38	
Angeline Pty Ltd <Goldner Super Fund Account>	500,000	0.37	
Recara Super Fund Pty Ltd <Recara Super Fund A/C>	500,000	0.37	
Mr Elliot Kwan	449,503	0.33	
<b>Total</b>	<b>123,726,124</b>	<b>90.77</b>	

The twenty largest shareholders hold 90.77% of the ordinary shares of the company.

Messrs. Yan and Leung through their interests in the above entities are registered as having a substantial shareholder interest.

There is no on-market buy-back currently in progress.

### DISTRIBUTION OF SHAREHOLDERS

Ordinary shares

Range	Holders	Shares
1 - 1,000	65	36,015
1,001 - 10,000	258	1,164,578
10,001 - 100,000	156	5,693,608
100,001+	46	129,409,723
<b>TOTAL</b>	<b>525</b>	<b>136,303,924</b>

### DIVIDEND REINVESTMENT PLAN

This plan is currently suspended.

## ASX ADDITIONAL INFORMATION - continued

### CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Multistack International Limited has the responsibility for the corporate governance of the Group. The Board guides and monitors the business and the affairs of the Group on behalf of the shareholders.

The Corporate Governance Statement of Multistack International Limited is structured with reference to the Australian Stock Exchange Corporate Governance Council's principles set out in the 4th Edition Recommendations. Directors and management of Multistack International Limited and controlled entities are committed to high standards of corporate governance. The Board of Directors oversee the consolidated entity and performs its functions on behalf of shareholders. The goals of good corporate governance adopted by the Directors and Management of Multistack International Limited and controlled entities are to ensure alignment of Directors and shareholders interests. The following principles are adopted.

	BEST PRACTICE RECOMMENDATION	COMMENT
1.	<i>Lay solid foundations for management and oversight</i>	
1.1	A listed entity should disclose: <ul style="list-style-type: none"><li>a) the respective roles and responsibilities of its board and management; and</li><li>b) those matters expressly reserved to the board and those delegated to management.</li></ul>	<p>The Board of Directors of Multistack International Limited and controlled entities is responsible for the direction and supervision of the Company's businesses on behalf of the shareholders and the other stakeholders in the Company, including employees, lenders and the wider communities to which the Company belongs.</p> <p>Every year, the Board ordinarily reviews and approves a strategic plan for the Group and its one-year operating plan, including the annual operating and capital budgets. At each half-yearly meeting, the Board reviews progress against the strategic plan.</p> <p>The Board separately receives submissions from the management on major capital expenditures, acquisitions and disposals of significant assets or other material investment issues.</p>
1.2	A listed entity should <ul style="list-style-type: none"><li>a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li><li>b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li></ul>	<p>The Company will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director; and</p> <p>The Company will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has written agreements with each director and senior executive setting out the terms of their appointment.
1.4	The Company Secretary should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

**ASX ADDITIONAL INFORMATION - continued**

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**

1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>a) have and disclose a diversity policy;</li> <li>b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(1) the measurable objectives set for that period to achieve gender diversity;</li> <li>(2) the entity's progress towards achieving those objectives; and</li> <li>(3) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul>	<p>The Company has a diversity policy and the relevant disclosures, please refer to page 52.</p> <p>The Company is not a "relevant employer" under the Workplace Gender Equality Act.</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>There was no formal evaluation process of the performance of the Board, its committees and individual Directors.</p>
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>There was no formal evaluation process of the performance of its senior executives.</p> <p>Payment of remuneration entitlements to senior executives are not performance based.</p> <p>There has been no performance evaluation undertaken in 2024.</p>



**ASX ADDITIONAL INFORMATION - continued**

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**

<b>2.</b>	<b><i>Structure the board to be effective and add value</i></b>	
2.1	<p>The Board of a listed entity should:</p> <p>a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>The Board has a Nomination Committee. The members of the Nomination Committee are Mr S. Yan and Mr S. Leung.</p> <p>The Nomination Committee has only two members and both are not independent directors. The Nomination Committee is not chaired by an independent director.</p> <p>There is no formal charter for the Nomination Committee.</p> <p>Given the size of the Board and the size of operations, the Board has considered the current composition appropriate and will consider appointment of more independent Directors as the operations expand.</p> <p>The Nomination Committee did not meet during the year 2024.</p>
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	<p>The Company has disclosed the mix of skills and diversity of its Board. Please refer to Page 2 for the composition of its skill and experience of its various Board members.</p> <p>The Board considered the current composition appropriate for its size and operations.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type listed below but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The Directors in office at the date of this statement are:</p> <ul style="list-style-type: none"> <li>- Allan Yu, Chairman &amp; Independent Non-executive Director; appointed as a member of the Board since 2004.</li> <li>- Siu Yan, Executive Director; appointed as a member of the Board since 1991.</li> <li>- Stephen Leung, Group CEO; appointed as a member of the Board since 1991.</li> <li>- Ni Chan, Executive Director; appointed as a member of the Board since 2002.</li> <li>- Terence Chu, Independent Non-executive Director; appointed as a member of the Board since 1999.</li> </ul>
2.4	A majority of the board should be independent directors.	Of the five Board members, three Directors listed above are not considered to be independent. Therefore the majority of the Board are not independent. With the consideration of the industry experience and the specific expertise of its Board members, also the existing size of operations, the Board has considered the current composition adequate and will consider appointment of more independent Directors as the operations expand.
2.5	The chair of the board should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Mr Allan Yu is the Chairman of the Board who is an independent non-executive director while Mr Stephen Leung is an Executive Director and the Group CEO.



**ASX ADDITIONAL INFORMATION - continued**

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**

2.6	A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	The Company has an induction program for new directors which introduces the company, its products and activities, this includes meeting with the CEO and its senior management.
<b>3.</b>	<b><i>Instil a culture of acting lawfully, ethically and responsibly</i></b>	
3.1	A listed entity should articulate and disclose its values.	The Company is a for-profit entity, the Company and its team will act lawfully, ethically and responsibly when attempting to achieve this goal.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	The Company does not have a formal code of conduct because it believes that a more effective means of actively promoting ethical and responsible decision making is for the Board and senior management team to build, through their own actions, an ethical culture.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	The Company does not have a whistleblower policy, nevertheless its employees may report to the Board about any unlawful, unethical or irresponsible behaviour within the organisation.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	The Company does not have an anti-bribery and corruption policy, nevertheless the Board acknowledges the serious criminal and civil penalties that may be incurred and the reputational damage that may be done if the organisation is involved in bribery or corruption, the Board requires such breaches to be reported to the appropriate person or body within the organisation.
<b>4.</b>	<b><i>Safeguard the integrity of corporate reports</i></b>	
4.1	The Board of a listed entity should (a) have an audit committee which: (1) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	The Board has an Audit Committee.  Mr T. Chu (Independent Non-executive director) chairs the Audit Committee. The members of the audit committee were: Mr T. Chu and Mr A. Yu. Both members are non-executive and independent directors.  There are only 2 members whilst Recommendation 4.1 suggested the Audit Committee to have at least three members, with the consideration of the existing size of operations and the size of the Board, the Board has considered the current composition adequate and will consider appointment of more members as the operations expand.  There is no formal charter for the audit committee.  The relevant qualifications and experience of the members of Audit Committee are disclosed at Page 2 of this annual report.  The Audit Committee met on 7 February 2024 and 14 August 2024.

**ASX ADDITIONAL INFORMATION - continued**

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**

4.2	The board should, before it approves the financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Board will before it approves the financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the Group have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	The Company provides periodically audited or reviewed financial statements, the Company will state any periodic corporate report it releases to the market if that is not audited or reviewed by an external auditor.
<b>5</b>	<b><i>Make timely and balanced disclosure</i></b>	
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<p>The Audit Committee monitors the Company's compliance with the Continuous Disclosure policies of the Australian Stock Exchange and oversees the Company's annual reports, media and ASX announcements.</p> <p>The Company adheres to the continuous disclosure requirements of the ASX as a means of continually communicating with shareholders</p>
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	The Board will receive copies of all material market announcements promptly after they have been made.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	The Company will give any of such presentation materials on the ASX Market Announcements Platform ahead of any presentation to new and substantive investor or analyst.
<b>6.</b>	<b><i>Respect the rights of security holders</i></b>	
6.1	A listed entity should provide information about itself and its governance to investors via its website	<p>The Board is responsible for the governance of the Company.</p> <p>The Company has information about itself and its products at its website. The Corporate Governance Statement is included in its yearly Financial Report.</p>
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<p>The Company does not have investor relations program, investors may write in for queries about the company.</p> <p>The Company at the AGM will meet its shareholders and investors, either at the AGM venue or virtually via Zoom platform, and respond to their enquiries.</p>
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	All shareholders are invited to attend its AGM, either in person or by representatives, either at the AGM venue or virtually via Zoom platform be in the forum in which to discuss issues relevant to the Company.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	The Company has all substantive resolutions at a meeting of security holders decided by a poll.

**ASX ADDITIONAL INFORMATION - continued**

**CORPORATE GOVERNANCE STATEMENT (CONT'D)**

6.5	A listed entity should give shareholders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Shareholders are able to contact the Company or its share registrar, Computershare, by mail, telephone or email. Shareholders may choose to receive communication from and send communications to, the Company and Computershare electronically.
<b>7.</b>	<b><i>Recognise and manage risk</i></b>	
7.1	<p>The Board of a listed entity should:</p> <p>a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>Given the size and nature of the operations, there is no Risk Committee.</p> <p>The Board oversees the management of business risks and internal control. The Board identifies, assesses and monitors business risks by considering such matters during Board meetings and through discussions with senior management on an informal basis. Minutes of discussions are documented within Board meeting minutes.</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	The Board has reviewed its risk management framework and risk profile for the Company during the year.
7.3	<p>A listed entity should disclose:</p> <p>a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>The Company does not have an internal audit function.</p> <p>The Audit Committee oversees and assesses the Company's internal compliance and control systems and processes.</p>
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	<p>The Board oversees the management to identify and manage various business risks including economic risk.</p> <p>The Board is satisfied that there has been no material exposure to economic risk.</p> <p>The Company is not subject to material exposure to Environmental sustainability and Social sustainability risks.</p>

8.	<b><i>Remunerate fairly and responsibly</i></b>	
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has a Remuneration Committee.</p> <p>Mr T. Chu (Independent Non-executive director) chairs the Remuneration Committee. The members of the Remuneration committee are Mr T. Chu and Mr A. Yu. Both members are independent directors.</p> <p>There is no formal charter for the remuneration committee.</p> <p>There are only 2 members whilst Recommendation 8.1 suggested the Remuneration Committee to have at least three members, with the consideration of the existing size of operations and the size of the Board, the Board has considered the current composition adequate and will consider appointment of more independent members as the operations expand.</p> <p>The Remuneration Committee did not meet during the year as remuneration policies were not reviewed.</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>This information is set out in the Remuneration Report section of the Directors' Report.</p> <p>The non-executive directors do not receive remuneration entitlements and this is clearly separated from the remuneration of the executives.</p>
8.3	<p>If the Company has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it</p>	<p>The Company does not have an equity-based remuneration scheme.</p>

## ASX ADDITIONAL INFORMATION - continued

### CORPORATE GOVERNANCE STATEMENT (CONT'D)

<b>9.</b>	<b><i>Additional recommendations that apply only in certain cases</i></b>	
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	The Board and all its fellow directors speak the language in which board or security holder meetings are held or key corporate documents are written and all directors understand and can contribute to the discussions at those meetings and understand and can discharge their obligations in relation to those documents.
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	The Company is established in Australia and it holds its meetings of security holders in Australia at a reasonable place and time.
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company is established in Australia and holds its meetings of security holders in Australia; an external auditor will attend its AGM and is available to answer questions from security holders relevant to the audit.

The above principles were in place throughout the financial year ending 31 December 2024, with some exceptions of the departures from the Corporate Governance Council recommendations as detailed above, the corporate governance practices of Multistack International Limited and controlled entities were compliant with the Council's recommendations.

## DIVERSITY POLICY

Multistack has adopted a diversity policy on 21 May 2012.

Broadly, the measurable diversity objectives of Multistack are as follows:

- Multistack states and, where necessary, will regularly re-state that there are no forms of discrimination / bias in considering anyone for a position with the Multistack Group, i.e. on grounds of gender, age, physical appearance, origins, race, religion, marital status, sexual preference, pregnancy or likely pregnancy, political leanings, disabilities or otherwise.
- All new appointments or promotion / career enhancement and remuneration is on the basis of merit and ability to carry out the work responsibilities.
- Within the broad ambit of ensuring that the Multistack Group's activities are best developed and to ensure harmony of working within the Multistack Group that there be flexibility in working hours to enable domestic / private lives to allow for a balance between career and family obligations; and
- Consideration will be given to job sharing and time flexibility wherever that is practically possible.

Consistent with the reporting requirements of the ASX Corporate Governance Principles and Recommendations, the table below provides details of the gender diversity within Multistack and its controlled entities.

Level	Male		Female		
	Number	%	Number	%	Total
<b>Board</b>	4	80	1	20	<b>5</b>
<b>Other staff</b>	1	33.33	2	66.67	<b>3</b>
<b>Total</b>	5	62.50	3	37.50	<b>8</b>

Ms N.Chan has been included as both a director in her capacity as an executive director (Board) and an employee (Other staff).