

MULTISTACK INTERNATIONAL LIMITED
ABN 54 007 254 346

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of Multistack International Limited (the **Company**) will be held on **Wednesday, 24 June 2026 at 2:00pm** (Melbourne time).

The Company's Extraordinary General Meeting will be held virtually via the online videoconferencing platform Zoom. There will not be a physical meeting.

It is important that you have the opportunity to participate in the Meeting and communicate your views to us. As detailed further in the Explanatory Memorandum accompanying this Notice of Meeting, the Company encourages all Shareholders to participate remotely in the Meeting by any of the following means:

1. joining the live Meeting hosted via Zoom, which will allow Shareholders and proxyholders to view and listen to the Meeting, as well as cast direct votes and submit written questions (subject to the connectivity of their device). We will do our utmost to ensure that Shareholders are able to ask questions and make comments during the Meeting. Shareholders who wish to participate in the virtual Meeting may do so via Zoom and must register to participate in the Meeting via Zoom no later than 2:00pm on Monday, 22 June 2026 (Melbourne time);
2. submitting written questions ahead of the Meeting by emailing those questions to yan@multistack.com.au by no later than 2:00pm on Wednesday, 17 June 2026 (Melbourne time); and/or
3. lodging a directed proxy in advance of the Meeting by completing the proxy form enclosed with this Notice of Meeting by no later than 2:00pm on Monday, 22 June 2026 (Melbourne time).

The business to be considered at the Extraordinary General Meeting is set out below. Information on the Resolution to be considered by Shareholders is contained in the Explanatory Memorandum which accompanies this Notice of Meeting. The Explanatory Memorandum should be read in conjunction with this Notice of Meeting.

Business

1. RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholder approval is given for the sale by the Company of its Assets, being the main undertaking of the Company, to Willing Y Limited, on the terms and conditions and in the manner as described in the Explanatory Memorandum accompanying the Notice of Meeting.”

Voting Exclusion Statement

In accordance with Listing Rules 11.2 and 14.11, the Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) the acquirer of the Company's main undertaking and any other person who will obtain a material benefit as a result of the disposal of the Company's main undertaking (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any of their associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the item, in accordance with the directions given to the proxy or attorney to vote on the item in that way;
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the item, in accordance with a direction given to the Chairman to vote on the item as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the item; and
 - (ii) the holder votes on the item in accordance with directions given by the beneficiary to the holder to vote in that way.

Accompanying this Notice is a copy of the Independent Expert's Report commissioned by the Independent Directors which gives the Independent Expert's view as to whether the Proposed Transaction is fair and reasonable to the Shareholders.

The Independent Expert has formed the view that the Proposed Transaction is fair and reasonable to the Shareholders, and it is the opinion of the Independent Expert that in the absence of a superior proposal, the Proposed Transaction is in the best interests of the Shareholders.

All Shareholders are encouraged to read the Independent Expert's Report in full.

By Order of the Board

Yan Wong
Company Secretary
27 May 2026

Notice of Extraordinary General Meeting

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

ASX takes no responsibility for the contents of the Notice of Meeting.

Voting

The vote on the Resolution will be conducted by poll facilitated by Zoom and the results communicated to Shareholders by announcement as soon as practicable after they are known.

Entitlement to Vote

It has been determined (in accordance with regulation 7.11.37 of the Corporations Regulations) that, for the purposes of the Meeting, Shares will be taken to be held by the persons who are the registered Shareholders of the Company at 7:00pm (Melbourne time) on Monday, 22 June 2026. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Each Shareholder has one vote for each Share held by that Shareholder, subject to any voting exclusions described below.

Voting by Proxy

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this Meeting. Broadly:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chairman, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

In accordance with section 249L of the Corporations Act, Shareholders are advised of the following:

- a Shareholder entitled to attend and vote has a right to appoint a proxy to attend the virtual Meeting and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a representative of a body corporate;
- a Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes; and
- if an appointed proxy is not also the Chairman, the proxy need not vote on a poll, however if the proxy does vote on a poll the proxy must vote as directed by the Shareholder. If the proxy holder does not vote, the proxy appointment defaults to the Chairman to vote as directed. If the appointed proxy is the Chairman, the proxy must vote in the manner directed by the Shareholder.

A Proxy Form accompanies this Notice and, to be effective, must be received at least 48 hours before the appointed time of the Meeting (i.e. by no later than 2:00pm (Melbourne time) on Monday, 22 June 2026) at the Company's share registry:

By Post	Multistack International Limited PO Box 195 Moorabbin, Victoria 3189
By Hand	17 Friars Road, Moorabbin, Victoria 3189
or electronically	yan@multistack.com.au (email) +61 3 8586 8201 (Facsimile)

during business hours Monday to Friday (9:00am to 5:00pm).

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of Resolution 1.

Voting by Attorney

A Shareholder may appoint an attorney to vote on his or her behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or at the Company's corporate registry listed above, at least 48 hours before the Meeting (i.e. before 2:00pm (Melbourne time) on Monday, 22 June 2026).

Corporate Representatives

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

Scrutineer

If required, the Company's auditor will act as scrutineer for any polls that may be required at the Meeting.

Participating in the virtual Meeting

Shareholders who wish to participate in the virtual meeting may do so via Zoom and must register to participate in the Meeting via Zoom no later than 2:00pm on Monday, 22 June 2026 (Melbourne time). To register, please enter the following URL in your web browser:

Topic: Multistack EGM 2026

Time: Wednesday, 24 June 2026 at 2:00pm

Register in advance for this meeting:

<https://us06web.zoom.us/join/register/F47klDdDRkSZi2Inw2aeIg>

After registering, you will receive a confirmation email containing information about joining the Meeting.

Meeting ID: 829 2639 2878

Registration will require Shareholders to provide their first name, last name, contact email, address, entity name (if the Shareholder is a body corporate) and the registered details of the Shareholder's shareholding or, if the registrant is a proxyholder, the name of the Shareholder who has appointed the proxyholder. Once your registration is approved by the Company, your Zoom connection details will be sent to the registered email provided at the time of registration.

Participating in the Meeting via Zoom enables Shareholders to view and listen to the Meeting live, as well as cast direct votes and submit questions during the Meeting via the Zoom chat function.

If you experience any issues registering for or accessing the Meeting via Zoom, please email yan@multistack.com.au (or, on the date of the Meeting, ni@multistack.com.au).

Questions at the Meeting

Please note that only Shareholders may ask questions online at the Meeting. Shareholders are strongly encouraged to lodge written questions prior to the Meeting. All questions should be submitted:

1. by email to the Company Secretary by 2:00pm on Wednesday, 17 June 2026 (Melbourne time) at yan@multistack.com.au; or
2. via the Zoom chat function during the course of the Meeting.

The Chairman will endeavour to address as many of the frequently raised relevant questions as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions asked. Please note that individual responses will not be sent to Shareholders.

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum forms part of this Notice of Meeting and has been prepared to provide Shareholders of the Company with sufficient information to consider the Resolution contained in the accompanying Notice of Extraordinary General Meeting of the Company to be held virtually on Wednesday, 24 June 2026 commencing at 2:00pm (Melbourne time).

The Board recommends that Shareholders read this Explanatory Memorandum carefully and in its entirety before making any decision in relation to the Resolution.

2. **RESOLUTION 1 – DISPOSAL OF MAIN UNDERTAKING**

2.1 **Background**

The Board has reviewed the ongoing commercial viability of its underlying business, which as at today is primarily operated by Multistack Australia Pty Limited (**Multistack Australia**) whose principal activities are:

- 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.

After careful review and consideration, given that the Company's activities continue to be loss making and noting that any continuation of the business would certainly require significant capital injection which in the opinion of the Directors is beyond the means and capability of the Company to raise, the Directors have determined that the business of the Company will be discontinued in its present form.

On 17 April 2026, the Company announced to the ASX that it had entered into an asset sale deed (**Asset Sale Deed**) with Willing Y Limited (**WYL**) (details of WYL are further described in Section 2.2 below), under which:

- (a) the Company agrees to sell all of its assets (excluding a limited set of excluded assets as further described in Annexure B) (**Assets**), including 100% of the shares in the Company's wholly owned subsidiary, Multistack Australia, to WYL; and
- (b) WYL agrees to pay the purchase price by way of assuming all liabilities of the Company (excluding a limited set of excluded liabilities as further described in Annexure B) (**Liabilities**),

subject to certain conditions precedent, including Shareholder approval under Listing Rule 11.2 and an independent expert concluding that the transaction is fair and reasonable to the Shareholders (the **Proposed Transaction**).

Following completion of the Proposed Transaction, Multistack Australia will provide certain transitional services (such as use of office, company secretarial and management services that are necessary to maintain the Company's continuous operation) to the Company for a period of 12 months (or such other period as the parties agree in writing). The transitional services will be provided at \$15,000 per month (being a total expected cost of approximately \$180,000 over a 12-month term) and will be funded from the Company's retained cash reserve.

As noted above, a summary of the material terms and conditions precedent of the Asset Sale Deed is set out in Annexure B to this Notice.

2.2 **About WYL**

WYL operates as a specialised trading firm, focusing on the export of air conditioning components from China to the Vietnamese market. WYL's core business activity involves sourcing a range of essential parts from manufacturers across China and distributing them to meet the growing demand within Vietnam's heating and air conditioning industry. The company is looking at expanding into the Australia and New Zealand market.

2.3 **Reason for Proposed Transaction**

The Company's decision to undertake the sale of Assets to WYL was made after thorough and diligent evaluation from the Board and is in the view of the Board in Shareholder's best interests for the following reasons:

- (a) as at 31 December 2025, the Group has a deficiency of working capital of \$1,593,336 and a deficiency of net tangible assets of \$1,600,521, and the Proposed Transaction, which involves the sale of the Assets and the write off of certain debts, would increase the Company's total net assets by approximately \$2,085,514, and would bring up the Company's net tangible assets to approximately A\$300,000 (inclusive of certain accrued expenses); and
- (b) the Company's activities continue to be loss making and any continuation of the business would require significant capital injection which in the opinion of the Directors is beyond the means and capability of the Company to raise.

The Company's primary aims are to preserve value for Shareholders and seek new opportunities following completion of the Proposed Transaction.

2.4 The Company's intention post completion of the Proposed Transaction

The Company confirms that it intends to investigate and pursue further opportunities that may enhance Shareholder value and that it understands any new opportunities to be explored may be subject to ASX re-compliance requirements.

Upon completion of the Proposed Transaction, the corporate structure of the Company will change to the extent that the Company will no longer have any active subsidiaries.

There will be no changes to the Board nor to its senior management personnel as a result of the Proposed Transaction.

Following completion of the Proposed Transaction, other than the reserved working capital of approximately A\$400,000, the Company will have disposed of all of its tangible assets. At completion of the Proposed Transaction, the unsecured and non-interest bearing loan owing by Multistack Australia to A.C.R. Equipment (HK) Limited (ACR) in the amount of A\$696,000 will be partly written off by ACR (in the amount of \$396,000).

Whilst not as part of the Proposed Transaction, at completion of the Proposed Transaction:

- (a) an unsecured and non-interest bearing loan owing by the Company to Welletin Investments Ltd (**Welletin**) in the amount of HKD 8,800,000 (circa A\$1,689,514) will be partly repaid using any residual cash in the Company (in addition to the reserved working capital of A\$400,000), with the balance to be written off by Welletin, or if there will be no residual cash in the Company (other than the reserved working capital of A\$400,000), the Welletin Loan will be written off in full; and
- (b) the dormant wholly owned subsidiary of the Company, Option King Ltd, will be wound up and deregistered.

The reserved working capital of approximately \$400,000 will ensure the Company's continuous operation for the next 12 months and until it secures a future opportunity. As a result, the Company's ongoing operations would be minimal (as it will have no operating business).

2.5 Indicative timetable

Subject to the Listing Rules and the Corporations Act requirements, the Company anticipates completion of the Proposed Transaction will be in accordance with the following timetable:

Event	Date *
Announcement of execution of Asset Sale Deed	17 April 2026
Notice of Meeting for the Proposed Transaction dispatched to Shareholders	27 May 2026
Extraordinary General Meeting to approve the Proposed Transaction	24 June 2026
Completion of the Proposed Transaction	30 June 2026

**Note: This timetable is indicative only and the Directors reserve the right to amend the timetable as required.*

2.6 Listing Rule 11.2

Listing Rule 11.2 requires an ASX listed entity to get the approval of holders of its ordinary securities any must comply with any requirements of ASX in relation to the notice of meeting, if the entity proposes to make a significant change to the nature or scale of its activities, and the significant change involves the entity disposing of its main undertaking.

Pursuant to Guidance Note 12, ASX generally applies a 50% "rule of thumb" in assessing whether assets or a business constitute the main undertaking of a listed entity.

Given the Assets from more than 50% of a listed entity's consolidated total assets, consolidated annual expenditure, consolidated EBITDA and consolidated annual profit before tax, it would be considered that the Assets are the Company's main undertaking, and therefore Listing Rule 11.2 applies to the Proposed Transaction.

2.7 Financial effect

As noted in Section 2.1 above, in consideration for the purchase of the Assets, WYL agrees to pay the purchase price for the Assets to the Company by way of assuming the Liabilities.

As no additional cash will be raised as a result of the Proposed Transaction, there will be no proposed use of proceeds.

2.8 Impact on the share capital of the Company

The Company will not issue any securities under the Proposed Transaction. Accordingly, the structure of the Company's share capital will be unaffected by the Proposed Transaction.

2.9 Advantages of the Proposed Transaction

The Directors believe that the Proposed Transaction is in the best interests of Shareholders and the Company collectively and the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- (a) the Company's total net assets would increase by approximately \$2,085,514 following completion of the Proposed Transaction, representing a circa 130.3% increase based on 31 December 2025 accounts and 130.9% of current total net assets;
- (b) the Company will not have the operational costs or contingent liabilities associated with Multistack Australia following completion of the Proposed Transaction and accordingly will cease to be loss making other than for the incurrence of ongoing statutory costs to maintain the listing of the Company while an alternative transaction is identified; and
- (c) the Company will be able to focus solely on its strategy to find a suitable opportunity for continuation as a listed entity.

2.10 Disadvantages of the Proposed Transaction

The Directors are of the view that the following non-exhaustive list of potential disadvantages may be relevant to a Shareholder's decision on how to vote on the Proposed Transaction:

- (a) the Company will not share in the upside (if any) of future operations of Multistack Australia. Any potential success from future activities and operations of Multistack Australia will be to the benefit of WYL, not the Company; and
- (b) as the Proposed Transaction involves the Company's disposal of its main undertaking, ASX will review whether the Company's level of operations going forward is sufficient, and its financial condition is adequate, to warrant continued quotation of its securities and listing on the official list of the ASX. If ASX is not satisfied in this regard, ASX will suspend its Shares from trading and will require the Company to re-comply with the admission requirements in Chapters 1 and 2 of the Listing Rules before its Shares can be reinstated to trading.

2.11 Listing Rules 12.1 and 12.3

The Company notes that in accordance with Listing Rule 12.1, the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities, and that ASX will assess the Company's level of operations following completion of the Proposed Transaction.

The Company notes that in accordance with Listing Rule 12.3, if half or more of an entity's total assets is cash or in a form readily convertible to cash, ASX may suspend quotation of the entity's securities until it invests those assets or uses them for the entity's business.

As noted in Section 2.4 above, following completion of the Proposed Transaction, the Company will have a reserved working capital of approximately A\$400,000 to ensure its continuous operation for the next 12 months and until it secures a future opportunity. If the Company does not identify and implement a new business, it will face suspension and re-compliance requirements imposed under the Listing Rules.

2.12 Independent Expert's Report

Accompanying this Notice is a copy of the Independent Expert's Report commissioned by the Independent Directors which gives the Independent Expert's view as to whether the Proposed Transaction is fair and reasonable to the Shareholders.

As noted in Section 2.1, the Proposed Transaction involves the Company to sell the Assets to WYL and WYL to assume the Liabilities. The Independent Expert has concluded that the value of the Assets and the consideration receivable by the Company to be nil, and that the net liability to be assumed by WYL is approximately \$264,000.

The Independent Expert has formed the view that the Proposed Transaction is fair and reasonable to the Shareholders, and it is the opinion of the Independent Expert that in the absence of a superior proposal, the Proposed Transaction is in the best interests of the Shareholders.

All Shareholders are encouraged to read the Independent Expert's Report in full.

The Independent Expert has given, and has not before the date of the Notice withdrawn, its consent to the inclusion of the Independent Expert's Report with the Notice and to the references to the Independent Expert's Report in this Notice being made in the form and context in which each such reference is included.

2.13 Effect of Shareholder approval

If this Resolution 1 is passed, the Company will be able to proceed with the Proposed Transaction.

If this Resolution 1 is not passed, the Company will not be able to proceed with the Proposed Transaction, and will retain its assets and liabilities.

2.14 Directors' Recommendation

The Directors do not have any interest in the outcome of Resolution 1.

For the reasons stated above, the Directors unanimously recommends that Shareholders *vote in favour* of Resolution 1.

GLOSSARY

ACR has the meaning given in Section 2.4 of the Explanatory Memorandum.

Asset Sale Deed has the meaning given in Section 2.1 of the Explanatory Memorandum.

Assets has the meaning given in Section 2.1 of the Explanatory Memorandum.

ASX means ASX Limited.

Board means the current board of directors of the Company.

Chairman means the person appointed to chair the Meeting.

Company means Multistack International Limited ACN 007 254 346.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth) made under the Corporations Act.

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Extraordinary General Meeting, EGM or Meeting means the meeting convened by the Notice.

Group means the Company and its subsidiaries.

Guidance Notes means the Guidance Notes of ASX.

Independent Expert means PKF Melbourne Corporate Pty Ltd ACN 063 564 045 AFSL 222050.

Independent Expert's Report means the report from the Independent Expert which is set out in Annexure C to this Notice.

Liabilities has the meaning given in Section 2.1 of the Explanatory Memorandum.

Listing Rules means the Listing Rules of ASX.

Multistack Australia has the meaning given in Section 2.1 of the Explanatory Memorandum.

Notice or **Notice of Meeting** or **Notice of Extraordinary General Meeting** means this notice of extraordinary general meeting and the explanatory memorandum accompanying the Notice and the Proxy Form.

Proposed Transaction has the meaning given in Section 2.1 of the Explanatory Memorandum.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Welltin has the meaning given in Section 2.4 of the Explanatory Memorandum.

WYL has the meaning given in Section 2.1 of the Explanatory Memorandum.

Annexure A – Proxy Form

FORM OF PROXY

The Secretary
Multistack International Limited
17 Friars Road
Moorabbin, Victoria, 3189

I/We _____
(please print)

of _____
(please print)

being a member(s) of Multistack International Limited appoint:

Name of Proxy _____

Address of Proxy _____

or, in his/her absence, the Chairman as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of Multistack International Limited to be held on **Wednesday, 24 June 2026 at 2:00pm** (Melbourne time) and at any adjournment of that meeting.

If you have appointed two proxies you may specify what proportion of your voting rights each proxy is to represent.

Directing your Proxy

Please indicate with an 'X' how you wish your vote to be cast. The Chairman intends to vote undirected proxies in favour of Resolution 1. Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chairman to vote in accordance with the Chairman's voting intention.

The resolution is numbered as in the notice of meeting.

Resolution No.	1
FOR	
AGAINST	
ABSTAIN	

This proxy must be signed by each member (or the member's attorney) to which this proxy relates. Proxies given by a company must be signed by a duly authorised officer or attorney.

Dated: _____

SIGNATURE(S) of members	NAME please print

Proxies must be received by the company not less than forty eight hours before the time appointed for the holding of the meeting.

Proxies can be received by the company at either PO Box 195 Moorabbin, Victoria 3189 or 17 Friars Road, Moorabbin, Victoria 3189 or by fax at (03) 8586 8201 or by email yan@multistack.com.au.

Annexure B – Summary of key terms of the Asset Sale Deed

Subject	Key terms
Parties	Vendor: Multistack International Limited ACN 007 254 346 Purchaser: Willing Y Limited (Company Registration No. 77751503-000-02-25-1), a company incorporated in Hong Kong
Assets	Assets to be acquired by the Purchaser under the Asset Sale Deed include: (a) cash in hand, on deposit with banks or other financial institutions; (b) 100% of the shares in the capital of Multistack Australia Pty Ltd ACN 068 121 577, the wholly owned operative Australian subsidiary of the Vendor; (c) the authorisations relating to the business conducted by the Vendor or the Assets (to the extent they are capable of being transferred with the business); (d) the records belonging to and used by the Vendor solely in the conduct of its business; and (e) all other property, rights and assets of the Vendor used in the business, but does not include the Excluded Assets (see below).
Excluded Assets	Excluded Assets include: (a) the reserved working capital of A\$400,000; (b) the records which the Vendor is required by law to retain; and (c) insurance policies relating to the business or owned by the Vendor or any related body corporate of the Vendor and the benefit of any claims under those policies.
Consideration	In consideration for the purchase of the Assets, the Purchaser agrees to pay the purchase price for the Assets to the Vendor, which will be satisfied by the Purchaser assuming the assumed liabilities in accordance with the Asset Sale Deed. Assumed liabilities includes all liabilities and other amounts payable by, or financial indebtedness of, the Vendor on and from the Completion Date, other than the excluded liabilities, which includes: (a) the Welletin Loan (being the unsecured and non-interest bearing loan of HKD 8,800,000 owing by the Vendor to Welletin Investments Ltd), which will be partly repaid using any residual cash in the Company (in addition to the reserved working capital of A\$400,000), with the balance to be written off by Welletin, or if there will be no residual cash in the Company (other than the reserved working capital of A\$400,000), the Welletin Loan will be written off in full by Welletin; (b) the Option King Shares (being 100% of the shares in the capital of Option King Ltd, a wholly owned dormant Hong Kong subsidiary of the Vendor); and (c) liabilities relating to from the bona fide ordinary course administration of the Vendor, including ASIC and ASX annual listing fees and any fees owing by the Vendor to its legal and financial advisers.
Conditions	The sale of the assets contemplated by and completion under the Asset Sale Deed are conditional on the satisfaction or waiver of the following conditions: (a) the Vendor has passed, in accordance with and for the purposes of ASX Listing Rules and the Corporations Act, a resolution in a general meeting approving the Vendor's entry into this deed and the transactions contemplated under this deed, and has complied with all requirements of the ASX Listing Rules (and any conditions imposed by, or requirements of, ASX) and the Corporations Act; (b) receipt by the Vendor of the Independent Expert's Report; (c) either (i) the Purchaser receives notice in writing from the Federal Treasurer or his or her agent to the effect that there are no objections under the Australian Government's foreign investment policy or under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) (FATA) to the Purchaser acquiring the assets in accordance with the Asset Sale Deed, or the Treasurer is, by reason of lapse of time, no longer empowered to make an order under FATA in respect of the acquisition contemplated by the Asset Sale Deed (FIRB Approval), or (ii) the parties agree in writing that FIRB Approval is not required;

For personal use only

Subject	Key terms
	<p>(d) either (i) under the <i>Competition and Consumer Act 2010</i> (Cth), the Australian Competition and Consumer Commission consents to, or states that it will not object to, the Purchaser acquiring the assets in accordance with the Asset Sale Deed, either without conditions or with conditions and requirements that are acceptable to the Purchaser and the Vendor (each acting reasonably) (ACCC Clearance), or (ii) the parties agree in writing that ACCC Clearance is not required; and</p> <p>(e) the lessor and its mortgagees and/or secured parties under the lease (relating to the premises at 17 Friars Road, Moorabbin, Victoria) consent in writing to the change in control of MSA that will occur on completion, to the extent required by the terms of the lease.</p> <p>Conditions (a) – (d) above cannot be waived.</p>
Key Completion deliverables	<p>The key Completion deliverables under the Asset Sale Deed include:</p> <p>(a) copies of duly executed documents evidencing the satisfaction of Conditions (c)(ii), (d)(ii) and (e) above;</p> <p>(b) evidence confirming that the ACR Loan (being the unsecured and non-interest bearing loan of A\$696,000) has been partially released and discharged by A.C.R. Equipment (HK) Limited and is in the amount of A\$300,000; and</p> <p>(c) evidence confirming the Intercompany Loan has been fully forgiven and written off from the book of MSA.</p>
Scheduled Completion Date	30 June 2026
Sunset Date	31 August 2026
Governing law	The governing law for the Asset Sale Deed is Victoria.

**Note: The table above contains a summary of key terms of the Asset Sale Deed only and does not set out all terms.*

Annexure C – Independent Expert's Report

11 May 2026

The Directors
Multistack International Limited
17 Friars Road
MOORABBIN VIC 3189

T: +61 3 9679 2222
F: +61 3 9679 2288
melbourne@pkf.com.au
www.pkf.com.au

Dear Directors

Re: Independent Expert's Report

1. Introduction

The Directors of Multistack International Limited ("**MSI**" or "**Multistack**" or the "**Company**") have requested PKF Melbourne Corporate Pty Ltd ("**PKF Corporate**") to prepare an Independent Expert's Report (the "**IER**") in respect of a proposed transaction that would see MSI divest substantially all of its assets to Willing Y Limited ("**WYL**" or "**Willing Y**" or the "**Acquirer**").

On 27 June 2025, the Company announced to the Australian Securities Exchange ("**ASX**") that it intended to discontinue the business of the Company after a review of the ongoing commercial viability of its underlying business (refer further to Section 2.1 of the IER).

On 8 April 2026, the Company announced to the ASX that it agreed in-principle to sell substantially all of its assets (with the exception of certain assets) to Willing Y.

On 17 April 2026, the Company announced to the ASX that it had entered into an asset sale deed (the "**Agreement**") with Willing Y who would purchase substantially all of the assets (with the exception of certain assets) and assume substantially all of the liabilities (with the exception of certain liabilities) of the Company, subject to the satisfaction of certain conditions precedent (referred to as the "**Proposed Transaction**").

The ASX Listing Rule 11.2 requires that a company obtain shareholder approval at a general meeting when the company proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities which involves disposing of its main undertaking. As the Proposed Transaction would result in the Company disposing of its main undertaking, ASX listing Rule 11.2 requires that the Company obtain shareholder approval for the Proposed Transaction. The Directors of the Company wish to present shareholders with an independent expert's report to assist the shareholders in forming a view on whether to vote in favour of or against the Proposed Transaction.

2. The Proposed Transaction

2.1 Summary of the Proposed Transaction

The Proposed Transaction consists of the following, amongst other things such as certain conditions (refer further to 'Annexure B – Summary of key terms of the Asset Sale Deed' of the Notice of Extraordinary General Meeting):

- MSI agrees to sell all of its assets (excluding a limited set of excluded assets) (the "**Assets**"), including 100% of the shares in one (1) of the Company's wholly owned subsidiaries, Multistack Australia Pty Ltd ("**MSA**"), to WYL;
- WYL agrees to pay the purchase price by way of assuming all liabilities of the Company (excluding a limited set of excluded liabilities) (the "**Assumed Liabilities**"); and
- obtaining any other necessary approvals, consents, authorisations and/or waivers.

Under the terms of the Agreement, the 'Assets' can be summarised as:

- cash reserves to be at least AU\$300,000;
- the shares in MSA; and
- all records, authorisations and rights, including licences, approvals, consents, permits, certificates, rights, registrations and other authorisations relating to the MSA business,

and exclude cash of AU\$400,000 to be retained by MSI as well as any records which MSI is required to retain by law and any insurance policies and claims under such policies (collectively referred to as the "**Excluded Assets**").

Under the terms of the Agreement, the 'Assumed Liabilities' include all liabilities and amounts payable by, or financial indebtedness of, MSI including losses, damages, outgoings, costs and expenses and exclude:

- the loan owing by MSI to Welletin Investments Limited (the "**Welletin Loan**");
- the shares in Option King Limited¹; and
- liabilities relating to or arising from the bona fide ordinary course of administration of MSI, including ASIC and ASX annual listing fees and any fees owing by MSI to its legal and financial advisors.

Under the terms of the Proposed Transaction, the Company will not receive any consideration (either in the form of cash or shares), however, Willing Y will assume the net liabilities of MSI assessed to be approximately AU\$264,000 (refer to Section 7.9 of the IER). In respect of the Assets and Assumed Liabilities, upon completion of the Proposed Transaction MSI will:

- confirm the cash reserves of MSA to be at least AU\$300,000;
- confirm any intercompany loan between MSI and MSA is fully forgiven and written off, such that Willing Y will not assume any liability for loans owing by MSA to MSI;
- confirm the loan owing by MSA to A.C.R. Equipment (HK) Limited (the "**ACR Loan**") of AU\$696,000 has been partially released and discharged by the amount of AU\$396,000, such that Willing Y will only assume AU\$300,000 in respect to the ACR Loan; and
- execute a 'transitional services agreement' with Willing Y under which Willing Y (as the owner of MSA) will provide certain transitional services to MSI (such as for use of office, company secretarial and management services) for a period of twelve (12) months or such other period as agreed (the "**Transitional Services Agreement**").

Upon completion of the Proposed Transaction, MSI will:

- pay Willing Y (as the owner of MSA) AU\$15,000 per month under the Transitional Services Agreement;
- retain 100% of the shares in one (1) of its wholly owned subsidiaries, Option King Limited, which will be wound up and deregistered;
- have disposed of all its assets, and as it will receive no cash consideration as part of the Proposed Transaction, MSI will retain cash reserves of AU\$400,000 to be used to fund continuous operations (such as meeting statutory obligations and its obligations under the Transitional Services Agreement) over the next twelve (12) months;
- have extinguished all of its remaining liabilities (those liabilities which do not form part of the Assumed Liabilities under the Proposed Transaction) such that the Welletin Loan will be partly repaid and partly written off;
- not issue any new shares and, as such, there will be no change to the share capital structure of MSI;
- not have any changes to the composition of its Board nor senior management personnel; and
- no longer have any subsidiaries or business operations and, as such, will be a dormant ASX listed company,

and the Board of MSI intends to identify and pursue business opportunities for continuation as an ASX listed company.

¹ A dormant subsidiary of MSI, which is intended to be wound up and deregistered following completion of the Proposed Transaction.

Whilst A.C.R. Equipment (HK) Limited and Welletin Investments Limited are not a party to the Proposed Transaction, they have both provided written confirmation to the Company to confirm and agree the partial write off of their respective loans to MSA and the Company under the terms of the Proposed Transaction.

2.2 Proposed Resolution to be Approved by Shareholders

The Company is seeking shareholder approval at the forthcoming Extraordinary General Meeting (the “**Meeting**”). The Notice of Extraordinary General Meeting (the “**Notice**”) requires the MSI shareholders to vote on the following ordinary resolution:

Resolution 1: Disposal of Main Undertaking

“That, for the purposes of Listing Rule 11.2 and for all other purposes, Shareholder approval is given for the sale by the Company of its Assets, being the main undertaking of the Company, to Willing Y Limited, on the terms and conditions and in the manner as described in the Explanatory Memorandum accompanying the Notice of Meeting.”

We have been requested by the Directors of the Company to provide an opinion on whether Resolution 1 is in the ‘best interests’ of the Shareholders of MSI. The Directors of the Company have requested PKF Corporate to prepare an IER in accordance with ASIC Regulatory Guide 111 – Content of Expert Reports.

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3. Summary opinions

In our opinion, the Proposed Transaction (Resolution 1 of the Notice) is **fair and reasonable to the Shareholders** and on this basis, it is our opinion that in the absence of a superior proposal, the Proposed Transaction is **in the best interests of the Shareholders**. Our principal reasons for reaching this opinion are:

Fairness

In Section 7 of the IER, we assessed the value of the net assets to be disposed of by Multistack to be **nil**.

In Section 8 of the IER, we assessed the value of the consideration receivable by Multistack to be **nil**.

As the value of the consideration receivable by Multistack (nil) is equal to the value of the net assets to be disposed of by Multistack (nil), we have concluded that the Proposed Transaction is **fair**.

Reasonableness

In Section 10 of the IER, we considered that the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction and for this reason we have assessed the Proposed Transaction as being **reasonable**. A summary of the significant factors that we considered are as follows:

Advantages

- Whilst we assessed the value of the net assets to be disposed by Multistack to be nil and the value of the consideration receivable by Multistack to be nil, under the Proposed Transaction we have assessed (in Section 7 of the IER) that Multistack will transfer net liabilities of say AU\$264,000 to Willing Y and release its obligation to repay the balance of the ACR Loan of AU\$396,000 which is not transferred to Willing Y as an Assumed Liability.

Although Multistack will not receive any consideration (either in the form of cash or shares) under the Proposed Transaction, it will transfer net liabilities to Willing Y and reduce its net asset deficiency position (refer to Section 6.4 of the IER) by discharging its obligations to repay the ACR Loan and the Welletin Loan.

- If Shareholders approve the Proposed Transaction, Multistack will be able to release its commitments in respect to funding the discontinuation of an unprofitable business as well as extinguish its indebtedness and discharge any obligations to repay the ACR Loan and the Welletin Loan.

Upon completion of the Proposed Transaction, Multistack will retain AU\$400,000 in cash resources and will have no indebtedness although it will be required to manage limited cash resources to meet ongoing administration and compliance costs as an ASX listed company as well as monthly costs of AU\$15,000 under the Transitional Services Agreement.

- If Shareholders approve the Proposed Transaction, the Directors of Multistack intend to investigate and pursue new opportunities that may enhance shareholder value (refer to Section 2.4 of the Notice).

Disadvantages

- If Shareholders approve the Proposed Transaction, they will forego the opportunity to receive any competing bid from an alternative acquirer or a more superior offer to that offered by Willing Y.

Whilst no alternative or superior offer has presented itself since the announcement of the Proposed Transaction and execution of the Agreement, Multistack previously announced Super Link as a prospective acquirer (refer to Section 7.8 of the IER). Given the relationship between Super Link, Mr Yan and Mr Leung as major shareholders of and lenders to Multistack we can see no reason as to why an alternative transaction between Multistack and Super Link would be superior to the Proposed Transaction unless it was on more favourable terms.

Accordingly, we can see no reason as to why an alternative offer would be initiated at this time without the consent and support of Mr Yan and Mr Leung and their associates as the major shareholders of and lenders to Multistack.

- Shareholders who wish to participate in the future of Multistack's existing underlying business (although being discontinued) will not be able to achieve such investment exposure if they approve the Proposed Transaction and, as such, they will forego the opportunity to benefit from realising any future prospects of Multistack's underlying business. Accordingly, the individual investment, taxation or other strategic objectives of individual shareholders may not be achieved if they approve the Proposed Transaction.

In the current circumstances, the Directors of Multistack have determined to discontinue its underlying business primarily as a result of its loss-making operations and additional capital requirements and, as such, those Shareholders who wish to participate in the future of Multistack's underlying business may not be able to do so as a result of the discontinuation of the business.

- If Shareholders approve the Proposed Transaction, Multistack will have disposed of its main undertaking and may become non-compliant with ASX Listing Rules (in particular ASX Listing Rules 1 and 2) which may result in MSI's shares being suspended from trading and this may require Multistack to re-comply with such ASX Listing Rules.

In doing so, the Directors of Multistack will need to commence a process of identifying and pursuing new and alternative asset(s) to present to Shareholders from which it can create upside shareholder value. This may require extensive Director focus and expense to secure in order to provide shareholders with a value proposition whilst managing existing cash resources (and assuming the continued financial support from its major shareholders if required) to allow it to meet ongoing administration and compliance costs.

If MSI's shares are suspended from trading, MSI shareholders will have no tradeable market in which MSI shares can trade and there is a risk that MSI shares may continue to remain suspended from trading, until Multistack can re-comply with the relevant ASX Listing Rules, and this may result in MSI shares being delisted from the ASX. In such a scenario, MSI shareholders will hold shares in an unlisted company with no primary market in which MSI shares can be traded.

Other factors

- Multistack is reliant on financial support from its major shareholders (the ACR Loan and the Welletin Loan) to fund its loss making operations and in order to meet ongoing administration and compliance costs as an ASX listed company.

As at 31 December 2025, Multistack had a net asset deficiency of approximately AU\$1.6 million and a net debt position (cash resources less loans) of approximately AU\$1.28 million (refer to Section 6.4 of the IER). Accordingly, Multistack currently has insufficient cash resources to repay its indebtedness in respect to the ACR Loan and the Welletin Loan.

Multistack's independent auditor's report, set out in Multistack's Financial Report for the year ended 31 December 2025, disclosed a 'material uncertainty related to going concern' and, as such, this raises a concern in respect to Multistack's ability to continue as a going concern.

As disclosed in 'Note 1 (b) Going Concern' of Multistack's Financial Report for the year ended 31 December 2025, Multistack has obtained an undertaking in respect to the ACR Loan and the Welletin Loan that:

- the lenders will not call on the outstanding loan amounts for at least twelve (12) months from signing the Financial Report for the year ended 31 December 2025; and
- the lenders are willing to provide financial support if required during the next twelve (12) months.

Having regard to the above undertakings of financial support, the financial report of Multistack has been prepared on a going concern basis.

Accordingly, Multistack is reliant on funds loaned by entities related to its Directors and major shareholders and if Shareholders do not approve the Proposed Transaction it may be further reliant on additional funding, and increased indebtedness, to continue as a going concern.

- The Directors of Multistack unanimously recommend that the Multistack Shareholders vote in favour of the Proposed Transaction (refer to Section 2.14 of the Notice) and that they believe that the Proposed Transaction is in the best interest of the Multistack Shareholders (refer to Section 2.3 of the Notice).

Mr Yan and Mr Leung (as Directors of Multistack), and through their associated entities (Welletin Investments Limited, ACR Equipment Supplies Limited, Better Asia Group Limited and SuperLink Co Limited), collectively hold a relevant interest in 47.61% of the issued ordinary capital of Multistack (refer to Section 6.3 of the IER). Accordingly, the Proposed Transaction has the support of the major shareholders of Multistack.

- If Shareholders do not approve the Proposed Transaction, Multistack will have incurred transaction costs with no benefit gained and a further reduction to cash reserves and an increase to the net asset deficiency position of Multistack.

Multistack's proposition will be limited to the prospects, if any, of the right to manufacture and distribute HVAC products which incorporate the ORC technologies in Australia (which may be minimal given that the Multistack Directors have determined to discontinue its underlying business) and, as such, Multistack will hold no assets with which it can progress or undertake any business activities to provide shareholders with any potential upside. The Multistack Directors consider that any continuation of Multistack's underlying business would require capital injection which is beyond the means and capability of Multistack to raise.

Accordingly, whether Shareholders do or do not approve the Proposed Transaction the Directors of Multistack will need to commence a process of identifying and pursuing new and alternative asset(s) to present to Shareholders from which it can create upside shareholder value. This may require extensive Director focus and expense to secure in order to provide shareholders with a value proposition whilst managing existing cash resources (and assuming the continued financial support from its major shareholders as the lenders) to allow it to meet ongoing administration and compliance costs.

- If Shareholders do not approve the Proposed Transaction, Multistack or Willing Y may terminate the Agreement in which case Multistack will retain ownership of its existing assets and liabilities (including the full amount of the ACR Loan and the Welletin Loan). In order for Multistack to provide any shareholder value it would need to seek a new asset(s). This may require extensive management focus, expense and continued financial support from the major shareholders as the lenders.

Under such a scenario, Multistack will continue to rely on financial support from its major shareholders as the lenders and it will be required to manage its existing cash resources to fund the operating losses of the underlying business (although being discontinued) as well as ongoing administration and compliance costs as an ASX listed company.

The Directors of Multistack can seek alternative funding although given the current position of Multistack (with a loss-making business being discontinued and its level of indebtedness to the major shareholders as the lenders) the prospects of such alternative funding may be on substantially less advantageous or unfavourable terms and may be highly dilutive to the Multistack shareholders.

Accordingly, given the current position of Multistack the prospect of it being used as a 'backdoor listing' vehicle may be minimal and the Directors of Multistack may have no realistic alternative but to de-list MSI shares from the ASX and/or place Multistack into administration.

4. Structure of this report

The remainder of this report is divided into the following sections:

<u>Section</u>		<u>Page</u>
5	Purpose of the report	8
6	Multistack – key information	9
7	Assessment as to the value of the net assets to be disposed by of Multistack	16
8	Assessment as to the value of the consideration receivable by Multistack	22
9	Assessment as to Fairness	23
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 <u>Appendix</u>		
A	Sources of Information	28
B	Declarations, Qualifications and Consents	29
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5. Purpose of the report

This report has been prepared to meet the following regulatory requirements:

ASX Listing Rule 11.2

Listing Rule 11.2 requires a company to obtain shareholder approval at a general meeting when the company proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities if the significant change involves the company disposing of its main undertaking.

The company must not enter into an agreement to dispose of its main undertaking unless the agreement is conditional on the company obtaining shareholder approval.

Whilst there is no regulatory requirement to commission an independent expert's report in relation to the Proposed Transaction, the Directors of the Company wish to present shareholders with the IER to assist the shareholders in forming a view on whether to vote in favour of or against the Proposed Transaction.

ASIC Regulatory Guide 111 – Content of Expert Reports (“RG111”)

Whilst RG111 does not specifically prescribe the form of assessment of an expert in relation to the disposal of a company's main undertaking (such as the Proposed Transaction), it provides guidance in relation to the content of independent expert's reports prepared for a range of circumstances.

General

The terms “fair” and “reasonable” are not defined in the Corporations Act 2001, however, guidance as to the meaning of these terms is provided by ASIC in RG111. For the purpose of the IER, we have defined them as follows:

Fairness	the Proposed Transaction is “fair” if the value of the consideration receivable by MSI is equal to or greater than the value of the net assets to be disposed of by MSI.
Reasonableness	the Proposed Transaction is “reasonable” if it is fair. It may also be “reasonable” if, despite not being “fair” but after considering other significant factors, shareholders should vote in favour of the Proposed Transaction in the absence of a superior proposal being received.

What is fair and reasonable for the Shareholders should be judged in all the circumstances of the proposal.

The methodology that we have used to form an opinion as to whether the Proposed Transaction is fair and reasonable, is summarised as follows:

- (i) In determining whether the Proposed Transaction is fair, we have:
 - assessed the value of the net assets to be disposed of by MSI;
 - assessed the value of the consideration receivable by MSI; and
 - compared the value of the net assets to be disposed of by MSI with the value of the consideration receivable by MSI.
- (ii) In determining whether the Proposed Transaction is reasonable, we have analysed other significant factors that the Shareholders should review and consider prior to deciding whether to vote in favour of or against the Proposed Transaction.

If we form an opinion that the Proposed Transaction is ‘fair and reasonable’ then we will also be able to conclude that the Proposed Transaction is in the ‘best interests’ of the shareholders. If we form an opinion that the Proposed Transaction is ‘not fair but reasonable’ we may still conclude that the Proposed Transaction is in the ‘best interests’ of the shareholders. If we form an opinion that the Proposed Transaction is ‘not fair and not reasonable’ then we will conclude that the Proposed Transaction is ‘not in the best interests’ of the shareholders.

6. Multistack – key information

6.1 Background

Multistack is an ASX listed company with two (2) wholly owned subsidiaries:

- Multistack Australia Pty Ltd (“**Multistack Australia**”) – operates the underlying ‘Multistack’ business comprised of the sale, marketing and distribution of ‘Multistack’ water and air cooled water chillers used in the commercial air-conditioning and process cooling applications. Multistack Australia markets a range of products within its portfolio of chillers and heat pumps under its core categories of ‘Oil-Free Chillers’, ‘VSD Screw Chillers’, ‘Scroll Chillers’ and ‘Screw Chillers’; and
- Option King Limited (“**Option King**”) – has remained dormant since late 2022.

On 21 February 2025, Multistack announced to the ASX² the settlement with Danfoss AS which included, amongst other things, the receipt of cash proceeds of approximately AU\$2.98 million (refer to Section 6.6 of the IER) and:

- Multistack being an approved company authorised to provide product support and on-site repairs and service for Danfoss products (exclusive in Hong Kong and non-exclusive in a number of other countries), over a five (5) year term;
- Multistack being appointed as an exclusive agent in Hong Kong for the repair and servicing of Danfoss products which are no longer warrantied by Danfoss, over a five (5) year term; and
- Multistack receiving a one-off credit of US\$100,000 to be used for the purchase of goods from Danfoss as well as with discount on purchases of Danfoss products and parts and access to engineering and other technical support with components for ‘ORC’ products,

and the provision for the assignment of the above to Super Link.

On 16 April 2025, Multistack announced to the ASX³ the acquisition of its ‘Verdicorp Assets’ by Super Link Company Limited (“**Super Link**”). Super Link exercised its right to acquire the ‘Verdicorp Assets’ in return for a complete discharge of Multistack’s obligations to repay the outstanding loan and accrued interest. The ‘Verdicorp Assets’ included, amongst other things, a product portfolio of ‘Organic Rankine Cycle’ (ORC) technologies and ‘Turbo Expander’ products which Multistack marketed and distributed. The ‘Verdicorp Assets’ were acquired by Multistack during June 2020 and the consideration paid by Multistack was funded by Super Link under a loan agreement (the “**Super Link Loan**”). Under the Super Link Loan, Super Link was granted security over the Verdicorp Assets and separately, under an Asset Sale Deed, Super Link was granted an option to purchase the ‘Verdicorp Assets’.

The acquisition of the ‘Verdicorp Assets’ by Super Link included the assignment of the above-mentioned agreements and one-off credit to Super Link which formed part of the settlement with Danfoss AS. Accordingly, Multistack no longer owns the ‘Verdicorp Assets’ however it retains the right to manufacture and distribute HVAC products which incorporate the ORC technologies in Australia.

On 27 June 2025, Multistack announced to the ASX that it intended to discontinue the underlying ‘Multistack’ business after a review of its ongoing commercial viability. Since this announcement and the announcement of the Proposed Transaction, Multistack has continued to operate the underlying ‘Multistack’ business (refer further to Section 6.5 of the IER).

² ASX announcement dated 21 February 2025 ‘Settlement with Danfoss’

³ ASX announcement dated 16 April 2025 ‘SuperLink exercised option under the Asset Sale Deed’

6.2 Directors

Multistack's Directors at the date of this report are presented in the table below.

Table 1

Multistack International Limited Directors
Mr Allan Yu (Chairman)
Mr Stephen Leung (Chief Executive Officer)
Mr Siu Wai Yan (Executive Director)
Ms Yim Ni Chan (Executive Director)
Mr Terence Chu (Non-Executive Director)

Source: ASX

6.3 Issued capital

As at 25 March 2026, Multistack had a total of 136,303,924 fully paid Ordinary Shares on issue. As at the date of the IER, the substantial shareholders of Multistack held a relevant interest in 78.56% of the issued ordinary capital of Multistack and we have presented their shareholding in the table below.

Table 2

Multistack International Limited Shareholder name	Number of Shares held	Percentage Interest
Mr Siu Wai Yan	34,567,498	25.36%
Mr Stephen Leung Kwok Yin	28,405,454	20.84%
Welletin Investments Limited	1,672,000	1.23%
ACR Equipment Supplies Limited	144,400	0.11%
Better Asia Group Limited	62,000	0.05%
SuperLink Co Limited	44,447	0.03%
Total Messrs Yan & Leung	64,895,799	47.61%
Jin Qiao (Hong Kong) Investment Development Co Limited	24,000,000	17.61%
Govinda Freedom Fund Pty Ltd	10,500,000	7.70%
China Agents Limited	7,678,390	5.63%
Total	107,074,189	78.56%

Source: ASX, MSI's Annual Report for the financial year ended 31 December 2025

As at 25 March 2026, Mr Yan and Mr Leung, including through their associated entities (Welletin Investments Limited, ACR Equipment Supplies Limited, Better Asia Group Limited and SuperLink Co Limited), collectively held a relevant interest in 47.61% of the issued ordinary capital of Multistack.

As at the date of the IER, Multistack had no options or other securities convertible into ordinary shares on issue.

6.4 Statement of financial position

Multistack's consolidated statements of financial position as at 31 December 2023, 2024 and 2025 are presented in the table below.

Table 3

Multistack International Limited Consolidated Statement of Financial Position AU\$	Audited Dec-23	Audited Dec-24	Audited Dec-25
Assets			
Current Assets			
Cash and cash equivalents	646,816	975,608	1,108,270
Trade and other receivables	47,336	3,080	1,631
Inventories	62,333	55,229	117,977
Deposit - bond for property	17,612	17,612	17,612
Total Current Assets	774,097	1,051,529	1,245,490
Non-Current Assets			
Intangible assets - ORC Technology	2,478,134	2,478,134	-
Leased assets - right of use	42,999	265,965	51,689
Total Non-Current Assets	2,521,133	2,744,099	51,689
Total Assets	3,295,230	3,795,628	1,297,179
Liabilities			
Current Liabilities			
Trade and other payables	1,927,295	2,567,283	1,837,622
Lease liabilities	46,664	101,372	111,168
Loan from A.C.R Equipment (HK) Ltd	696,000	1,741,520	696,000
Loan from Super Link Company Ltd	2,631,579	2,895,288	-
Provisions	164,414	170,135	194,036
Total Current Liabilities	5,465,952	7,475,598	2,838,826
Non-Current Liabilities			
Lease liabilities	-	170,042	58,874
Provisions	7,660	7,660	-
Total Non-Current Liabilities	7,660	177,702	58,874
Total Liabilities	5,473,612	7,653,300	2,897,700
Net Liabilities	(2,178,382)	(3,857,672)	(1,600,521)
Equity			
Contributed equity	156,838,695	156,838,695	156,838,695
Accumulated losses	(159,017,077)	(160,696,367)	(158,439,216)
Total Equity	(2,178,382)	(3,857,672)	(1,600,521)

Source: MSI's Annual Reports for the financial years ended 31 December 2023, 2024 and 2025

Numbers in the table may not reconcile to the nearest dollar with the financial statements due to rounding.

In relation to the financial position of Multistack, we provide the following comments:

- As at 31 December 2025, Multistack held cash resources of approximately AU\$1.10 million compared to borrowings of approximately AU\$2.39 million (the ACR Loan totalling AU\$696,000 and the Welletin Loan totalling approximately AU\$1.69 million reported within 'trade and other payables' as it relates to fees for management services provided to Multistack). Accordingly, as at 31 December 2025 Multistack reported a net debt position (cash resources less loans) of approximately AU\$1.28 million.

As at 31 March 2026⁴, Multistack held cash resources of approximately AU\$906,000 and reported a net cash outflow of approximately AU\$200,000 during the March 2026 quarter.

In accordance with the Agreement, a minimum cash reserve of AU\$300,000 will be disposed of and transferred to Willing Y and a minimum cash reserve of AU\$400,000 will be retained by Multistack for working capital purposes. Accordingly, the residual cash reserves will be used to partially repay the Welletin Loan with the balance to be written off.

Also in accordance with the Agreement, the ACR Loan of AU\$696,000 will be partially released and discharged by the amount of AU\$396,000, such that Willing Y will only assume AU\$300,000 in respect to the ACR Loan.

- As set out in Section 6.1 of the IER (and as announced by Multistack to the ASX on 16 April 2025), the 'Verdicorp Assets' (including those agreements which formed part of the settlement with Danfoss AS) were disposed of to Super Link in exchange for the complete discharge of Multistack's obligations to repay the Super Link Loan.

In accordance with the Agreement, Multistack will dispose of the remaining right to manufacture and distribute HVAC products which incorporate the ORC technologies in Australia.

- As at 31 December 2025, MSI reported working capital related assets of approximately AU\$137,000 (comprising trade and other receivables, inventories and a rental bond) and working capital related liabilities of approximately AU\$342,000 (comprising provisions for employee entitlements and warranty claims and trade and other payables excluding the Welletin Loan). Accordingly, as at 31 December 2025 MSI reported a net working capital deficit position of approximately AU\$205,000.

As at 31 March 2026 (based on the unaudited balance sheet of MSI), MSI reported working capital related assets of approximately AU\$89,500 (comprising trade and other receivables, inventories and rental bond) and working capital related liabilities of approximately AU\$249,000 (comprising provisions for employee entitlements and warranty claims and trade and other payables excluding the Welletin Loan). Accordingly, as at 31 March 2026 (based on the unaudited balance sheet of MSI) MSI reported a net working capital deficit position of approximately AU\$159,500.

MSI reported a net asset deficiency (net liability position) as at 31 December 2025 of approximately AU\$1.6 million which is primarily comprised of cash reserves as well as the ACR Loan (AU\$696,000) and the Welletin Loan (AU\$1,689,514). As at 31 March 2026 (based on the unaudited balance sheet of MSI as set out in Table 9 of the IER), MSI reported a net asset deficiency (net liability position) of approximately AU\$1.76 million.

⁴ Appendix 4C for the quarterly cash flow report for the quarter ended 31 March 2026

6.5 Operating performance

Multistack's consolidated statements of profit or loss and other comprehensive income for the financial years ended 31 December 2023 (FY23), 2024 (FY24) and 2025 (FY25) are presented in the table below.

Table 4

Multistack International Limited Consolidated Statement of Profit or Loss and Other Comprehensive Income AU\$	Audited FY23	Audited FY24	Audited FY25
Sale of goods	1,763,061	374,032	158,888
Cost of sales	(1,453,931)	(253,712)	(85,465)
Gross profit	309,130	120,320	73,423
Other income			
Interest	634	6,661	964
Foreign currency gain	44,984	-	74,351
Sundry income	115,807	5	4,045,576
Total other income	161,425	6,666	4,120,891
Expenses			
Employee benefits expense	(383,316)	(403,587)	(401,497)
Administration expenses and occupancy expenses	(496,993)	(436,191)	(480,958)
Finance costs	(138,047)	(195,106)	(62,181)
Foreign currency loss	-	(491,104)	-
Professional fees	(267,886)	(252,788)	(884,637)
Other expenses	(76,400)	(27,500)	-
Impairment	-	-	(107,890)
Total expenses	(1,362,642)	(1,806,276)	(1,937,163)
Profit/(Loss) before income tax	(892,087)	(1,679,290)	2,257,151
Other comprehensive profit/(loss)	-	-	-
Total comprehensive profit/(loss)	(892,087)	(1,679,290)	2,257,151

Source: MSI's Annual Reports for the financial years ended 31 December 2023, 2024 and 2025

Numbers in the table may not reconcile to the nearest dollar with the financial statements due to rounding.

In relation to the financial performance of Multistack, we provide the following comments:

- During FY23 and FY24, Multistack’s sales have been limited to the sale and service of ‘Multistack’ water-cooled and air-cooled water chillers and spare part sales. During FY25, Multistack’s sales have been limited to the sale of water-cooled chillers and spare part sales. We have presented the breakdown of Multistack’s trading revenue in the table below.

Table 5

Multistack International Limited Breakdown of sales AU\$	Audited FY23	Audited FY24	Audited FY25
Sale of chillers	1,451,874	297,251	84,228
Sale of related spare parts	311,187	76,781	74,660
Total sale of goods	1,763,061	374,032	158,888

Source: MSI’s Annual Reports for the financial years ended 31 December 2023, 2024 and 2025

- During FY23 and FY24, Multistack reported net losses totalling approximately AU\$2.57 million in aggregate.
During FY25, Multistack reported a profit of approximately AU\$2.26 million as a result of the reported ‘other income’ of approximately AU\$4 million which included cash received of approximately AU\$2.98 million from the settlement with Danfoss AS and a gain on the disposal of the ‘Verdicorp Assets’ as a result of the discharge and repayment of the Super Link Loan. After adjusting for these amounts (and the legal expenses incurred in respect to the settlement with Danfoss AS of AU\$744,182 and the impairment expense), Multistack reported an adjusted net loss of approximately AU\$936,000 for FY25.
- On 27 June 2025, Multistack announced to the ASX⁵ that given its loss-making business activities and that any continuation of its business would require a capital injection which the Directors of Multistack consider is beyond the means and capability of the Company to raise, the Directors of Multistack have determined that the business will be discontinued.
- During the March 2026 quarter⁶, Multistack’s sales have been limited to the sale of an air-cooled chiller and spare part sales.

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⁵ ASX announcement dated 27 June 2025 ‘Super Link to Acquire All Assets and Liabilities of MSI’

⁶ Quarter Activity Report – January to March 2026 Quarter

6.6 Cash flow statements

Multistack's consolidated statements of cash flows for FY23, FY24 and FY25 are presented in the table below.

Table 6

Multistack International Limited Consolidated Statement of Cash Flows AU\$	Audited FY23	Audited FY24	Audited FY25
Cash flows from operating activities			
Receipts from customers	1,985,287	455,442	177,476
Payments to suppliers and employees	(2,715,791)	(955,412)	(1,819,939)
Proceeds from legal settlement	-	-	2,976,729
Net cash increase/(used in) operating activities	(730,504)	(499,970)	1,334,266
Cash flows from investing activities			
Interest and other items of similar nature received	634	6,661	964
Net cash provided by investing activities	634	6,661	964
Cash flows from financing activities			
(Repayment to)/Loan from Directors' related entities	-	924,251	(1,092,568)
Payment of principal portion of lease payments	(93,376)	(102,150)	(110,000)
Net cash provided by/(used in) financing activities	(93,376)	822,101	(1,202,568)
Net increase/(decrease) in cash and cash equivalents	(823,246)	328,792	132,662
Cash and cash equivalents at the beginning of the period	1,470,062	646,816	975,608
Cash and cash equivalents at the end of the period	646,816	975,608	1,108,270

Source: MSI's Annual Reports for the financial years ended 31 December 2023, 2024 and 2025

Numbers in the table may not reconcile to the nearest dollar with the financial statements due to rounding.

In relation to the net cash flows of Multistack, we provide the following comments:

- During FY23 and FY24, Multistack reported net cash outflows from operating activities and whilst Multistack reported net cash inflows from operating activities during FY25, this was a result of the cash proceeds received from the settlement with Danfoss AS which in part was used to repay part of the ACR Loan (including interest).
- During the March 2026 quarter⁷, Multistack reported net cash outflows of approximately AU\$200,000 as a result of the continued operating losses which were approximately AU\$175,000 during this quarter.

⁷ Appendix 4C for the quarterly cash flow report for the quarter ended 31 March 2026

7. Assessment as to the value of the net assets to be disposed of by Multistack

7.1 Value definition

PKF Corporate's valuation of the net assets to be disposed of by Multistack is on the basis of 'fair market value', defined as:

'the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information, in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length'.

7.2 Valuation methodologies

In selecting appropriate valuation methodologies to assess the value of the net assets to be disposed of by Multistack, we considered the applicability of a range of generally accepted valuation methodologies. Each methodology is described in detail in Appendix C of the IER.

7.3 Share price history

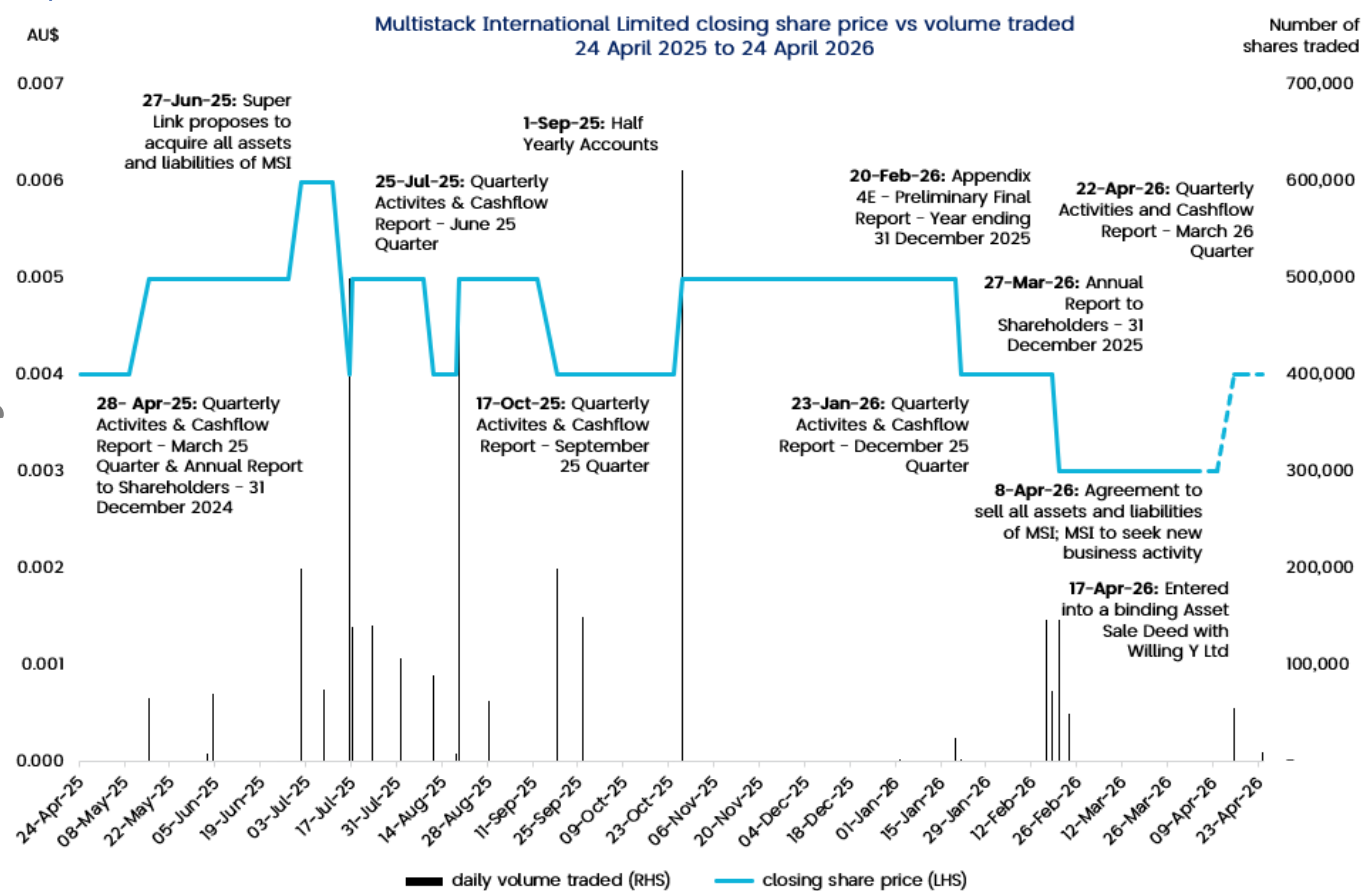
As the share price history of Multistack will incorporate all publicly available information, we consider that the share price history is an appropriate methodology to consider in assessing the value of the net assets to be disposed of by Multistack. The assessed value of the net assets to be disposed of by Multistack will reflect the market capitalisation of Multistack, after adjusting for the excluded Asset and Liability amounts and the implied value of Multistack as an ASX listed shell from the resultant control value of Multistack.

We note that the Proposed Transaction was first announced to the ASX on 8 April 2026. We normally analyse the share price up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of any proposed transaction.

Whilst we have only assessed the share price of Multistack up to and including 7 April 2026 (the last trading day prior to the announcement of the Proposed Transaction), to show the impact of the Proposed Transaction we have presented the share price of Multistack up to a more recent date (24 April 2026) as the period between the announcement of the Proposed Transaction and a more recent date shows the reaction of the market to the Proposed Transaction and this has been taken into account in assessing the reasonableness of the Proposed Transaction in Section 10 of the IER.

We have set out below a graph showing the daily closing share price and the volume of MSI shares traded up to and including 24 April 2026 as well as a selection of market sensitive announcements on the ASX.

Graph 1



Source: ASX, PKF Corporate analysis

We provide the following comments in respect to our key observations of the trading activity in MSI shares:

- Since 1 November 2025 and up to 8 April 2026, the MSI share price has traded on very low volume within a tight range as Multistack's market announcements to the ASX were limited during this period in regard to any advancements in its operating activities and the ongoing commercial viability of Multistack's underlying business and the Directors determination to discontinue its underlying business operations.

During this period, MSI shares only traded on seven (7) trading days. The volume of MSI shares traded during this period totalled approximately 445,000 MSI shares representing a total value of MSI shares traded of approximately AU\$1,600 (calculated based on the closing share price multiplied by the volume of shares traded for those trading days only).

- Prior to the first announcement of the Proposed Transaction on 8 April 2026, MSI shares last traded on 23 February 2026 and closed at a price of AU\$0.003 per MSI share.

Following the 8 April 2026 announcement to the ASX of the Proposed Transaction and up to 24 April 2026, MSI shares only traded on two (2) trading days and on very low volume (approximately 65,500 MSI shares) and within a range of AU\$0.003 and AU\$0.004 per MSI share.

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- We examined the recent share prices and trading volumes in MSI shares up to and including 7 April 2026 (the last trading day prior to the trading halt in respect of the Proposed Transaction) including the volume weighted average price (“VWAP”) of MSI shares based on closing daily prices on the ASX for business trading days. We have set out our analysis in the table below.

Table 7

Multistack International Limited Share price analysis	Shares Traded		VWAP AU\$	Share Price AU\$	
	Number	Value AU\$		Low	High
60 days to 7 April 2026	442,734	1,600	0.004	0.003	0.005
90 days to 7 April 2026	445,188	1,612	0.004	0.003	0.005
120 days to 7 April 2026	1,058,707	4,679	0.004	0.003	0.006

Source: ASX, PKF Corporate analysis

As can be seen from the above table, the VWAP of MSI shares was AU\$0.004 and the MSI shares traded in a range of AU\$0.003 to AU\$0.006 over the preceding periods leading up to and including 7 April 2026.

During the 60, 90 and 120 day trading periods up to and including 7 April 2026, MSI shares traded on average on approximately 8% of the available trading days during each period.

As at 7 April 2026, a total of 136,303,924 MSI shares were on issue. We have analysed the volume of shares traded in MSI over the past 120 trading days up to and including 7 April 2026 of the ‘free float’ only. We have set out our analysis in the table below.

Table 8

Multistack International Limited Share volume analysis	% of free float traded			
	60 days	90 days	120 days	
Number of shares traded to 7 April 2026	442,734	445,188	1,058,707	
MSI free float ¹	15,866,308	2.79%	2.81%	6.67%

Source: ASX, PKF Corporate analysis

¹ The ‘free float’ of MSI shares as sourced from S&P Capital IQ which considers shares held by ‘employees, individual insiders and strategic investors’ totalling 120,437,616 as at 24 April 2026. Accordingly, the ‘free float’ of MSI shares as at 24 April 2026 is 15,866,308 representing approximately 12% of the total MSI shares on issue as at 24 April 2026. The ‘free float’ may be lower or higher dependant on those shareholders who may or may not be considered strategic shareholders in Multistack.

Based on the above analysis, approximately 0.5% of the ‘free float’ of MSI shares is traded every 10 trading days on average over the periods leading up to and including 7 April 2026.

Based on the above comments and analysis, we have concluded that the market in MSI shares is not sufficiently liquid primarily due to the lack of market announcements made by MSI in respect to advancements in its underlying business and the low level of ‘free float’ of MSI shares. For this reason, we consider that the share price valuation methodology is not a reliable methodology to use to value the net assets to be disposed of by Multistack.

7.4 Capitalisation of future maintainable earnings

Multistack is yet to generate profitable earnings from its underlying business operations (after adjusting for ‘other income’) (refer to Section 6.5 of the IER) and Multistack continued to disclose to the ASX⁸ that its Directors have reviewed the ongoing commercial viability of its underlying business and have determined to discontinue its underlying business primarily as a result of its loss-making operations and additional capital requirements.

⁸ As referenced in ASX announcements dated 27 June 2025 ‘Super Link to Acquire All Assets and Liabilities of MSI’, 25 July 2025 ‘Quarterly Activities Report’, 17 October 2025 ‘Quarterly Activities Report’, 23 January 2026 ‘Quarterly Activities Report’, 8 April 2026 ‘Agreement to Sell All Assets and Liabilities of MSI’, 17 April 2026 ‘Entered into a Binding Asset Sale Deed with Willing Y Ltd’ and 22 April 2026 ‘Quarterly Activities Report’

Accordingly, we consider that the capitalisation of maintainable earnings methodology cannot be used to value the net assets to be disposed of by Multistack.

7.5 Net present value of future cash flows

Multistack is yet to generate positive cash flows from operating activities (after adjusting for 'proceeds from the legal settlement') (refer to Section 6.6 of the IER), it does not have current long term cash flow forecasts and Multistack's Directors have determined to discontinue its underlying business.

Accordingly, we consider that the net present value of future cash flows methodology cannot be used to value the net assets to be disposed of by Multistack.

7.6 Asset based methods

As at 31 December 2025, Multistack reported net liabilities (a net asset deficiency position) as per the audited statement of financial position of approximately AU\$1.6 million (refer to Section 6.4 of the IER).

In considering the applicability of assessing the value of the net assets to be disposed of by Multistack based on a net assets approach, we have considered the terms of the Proposed Transaction (refer to Section 2.1 of the IER) which sets out the Assets to be disposed of and the Assumed Liabilities to be transferred by Multistack.

Accordingly, we have considered the value of the Assets and the Assumed Liabilities under the net assets approach and we have presented our adjustments and analysis in the table below and the corresponding notes. We have assumed there have been no other material changes to the assets and liabilities other than those addressed.

Table 9

Net Assets Approach AU\$	note	Reported Value ¹ Dec-25	Reported Value ¹ Mar-26	To be Disposed or Transferred ²	To be Retained ³	Net Loan Forgiveness ⁴
Assets						
Cash and cash equivalents	5	1,108,270	906,250	300,000	400,000	206,250
Trade and other receivables	6	1,631	41,871	41,871	-	-
Inventories	6	117,977	30,028	30,028	-	-
Deposit - bond for property	6	17,612	17,612	17,612	-	-
Leased assets - right of use	6	51,689	25,092	25,092	-	-
Total Assets	7	1,297,179	1,020,853	414,603	400,000	206,250
Liabilities						
Trade and other payables	6	148,108	54,790	41,562	13,228	-
Lease liabilities	6	170,042	143,337	143,337	-	-
Loan from A.C.R Equipment (HK) Ltd	8	696,000	696,000	300,000	-	396,000
Loan from Welletin Investments Limited	9	1,689,514	1,689,514	-	-	1,689,514
Provisions	6	194,036	194,036	194,036	-	-
Total Liabilities		2,897,700	2,777,677	678,935	13,228	2,085,514
Net Assets/(Liabilities)		(1,600,521)	(1,756,824)	(264,332)	386,772	(1,879,264)

Source: ASX, MSI's Annual Report for the financial year ended 31 December 2025, MSI's unaudited Balance Sheet as at 31 March 2026, PKF Corporate analysis

Note 1: Reported value based upon the audited statement of financial position of Multistack as at 31 December 2025 (refer to Section 6.4 of the IER) and the unaudited balance sheet of Multistack as at 31 March 2026.

Note 2: Reflects the Assets and Assumed Liabilities to be disposed of and/or transferred by Multistack in accordance with the Agreement and adjusted to reflect their reported value based upon the unaudited balance sheet of Multistack as at 31 March 2026.

- Note 3: Reflects the assets and liabilities to be retained by Multistack upon completion of the Proposed Transaction (including the loan amounts to be written off in part or full) and adjusted to reflect their reported value based upon the unaudited balance sheet of Multistack as at 31 March 2026.
- Note 4: Reflects the impact in respect of the loans (the ACR Loan and the Welletin Loan) to be forgiven (or partly repaid in respect to the Welletin Loan and assuming residual cash reserves exist in accordance with Note 5 of Section 7.6 of the IER) upon completion of the Proposed Transaction.
- Note 5: In accordance with the Agreement, we have assumed the minimum cash reserves of AU\$300,000 will be disposed of and transferred to Willing Y and AU\$400,000 will be retained by Multistack (refer to Section 2.1 of the IER).
- As at 31 March 2026, Multistack held cash reserves of approximately AU\$906,000 (refer to Section 6.4 of the IER). In accordance with the Agreement, the residual cash reserves of approximately AU\$206,000 (AU\$906,000 less AU\$300,000 less AU\$400,000) will be used to partly repay the Welletin Loan (to the extent that such cash reserves exist at completion of the Proposed Transaction).
- In accordance with the Transitional Agreement, MSI will pay Willing Y AU\$15,000 per month for certain transitional services (such as for use of office, company secretarial and management services) for a period of twelve (12) months or such other period as agreed (refer to Section 2.1 of the IER). Accordingly, the transitional services represent a monthly obligation payable by MSI in respect of operating expenditure and has not been recognised as a liability of MSI
- Note 6: We have reviewed the unaudited balance sheet of Multistack as at 31 March 2026 and we have adjusted the balances to represent their reported amounts as at 31 March 2026. We have assumed the reported amounts of these assets and liabilities reflect their respective realisable values and payable amounts as at 31 March 2026.
- As at 31 March 2026, Multistack reported trade and other payables which included nominal amounts payable by MSI (and not MSA) which we have assumed does not form part of the Assumed Liabilities to be transferred under the Proposed Transaction (and will be payable by MSI).
- Note 7: Whilst Multistack no longer owns the 'Verdicorp Assets' (refer to Section 6.1 of the IER), it retains the right to manufacture and distribute HVAC products which incorporate the ORC technologies in Australia. In accordance with the Agreement, these rights will be disposed of and transferred to Willing Y, however, as they pertain only to 'rights' there is no reasonable basis for objectively measuring and/or estimating any future benefit, if any, that may be derived from such 'rights' and, as such, no value can be ascribed to these 'rights' at this point in time.
- Note 8: In accordance with the Agreement, the ACR Loan will be written down to AU\$300,000 (refer to Section 2.1 of the IER) which will be transferred to Willing Y.
- Note 9: Whilst not as part of the Proposed Transaction, upon completion of the Proposed Transaction the Welletin Loan will partly be repaid (using the residual cash reserves of Multistack after allowing for the minimum cash reserves to be disposed of and retained by Multistack) and partly written off, such that no liability will remain with Multistack (refer to Section 2.1 of the IER).

In accordance with the Agreement, the intercompany loan between MSI and MSA is to be fully forgiven and written off, such that Willing Y will not assume any liability for loans owing by MSA to MSI (refer to Section 2.1 of the IER).

Having regard to the above comments and analysis, the value of the Assets to be disposed of and the Assumed Liabilities to be transferred under the Proposed Transaction results in net liabilities to be transferred by Multistack to Willing Y of say AU\$264,000, under the net assets valuation methodology. Accordingly, the net assets to be disposed of by Multistack have a nil value.

Under an orderly realisation of assets or liquidation of assets approach, we would not expect the value of the net assets to be disposed of by Multistack to return a value greater (or in the current circumstances lesser net liabilities) than that under a net assets valuation approach.

7.7 Comparable market transactions

In accordance with the Agreement, the assets to be disposed of by Multistack include cash, the shares in MSA (which include the assets to be disposed of and the liabilities to be transferred as set out in Section 7.6 of the IER) and all records, authorisations and rights licences, approvals, consents, permits, certificates, rights, registrations and other authorisations relating to the underlying MSA business. The assets to be disposed of by Multistack are therefore unique and there are no directly comparable market transactions to consider.

Accordingly, we consider that the comparable market transactions valuation methodology cannot be used to value the assets to be disposed of by Multistack.

7.8 Alternative acquirer

On 27 June 2025, Multistack announced to the ASX⁹ that its Directors determined that the only logical acquirer of Multistack Australia's assets is Super Link primarily given its pre-existing commercial connection with Super Link as a supplier of key components to Multistack's underlying business. Whilst no formal agreement had been entered into between Multistack and Super Link, the in principle agreed terms of a transaction were as follows, amongst other things relating to entering into definitive transaction documentation and satisfying requirements applicable to such as a transaction:

- Super Link would acquire all of the assets and liabilities of Multistack, including the acquisition of the shares in Multistack Australia and Option King;
- in exchange, Super Link would forgive all existing loans between Super Link and its related parties and Multistack; and
- Multistack would be left with a nominal net asset position represented by an agreed amount of cash to meet its statutory liabilities over a twelve (12) month period.

Whilst no definitive terms or agreements were entered into between Multistack and Super Link in respect to the above-mentioned transaction to allow us to assess and compare it with the Proposed Transaction, given the relationship between Super Link, Mr Yan and Mr Leung as major shareholders of and lenders to Multistack, we can see no reason as to why an alternative transaction between Multistack and Super Link would be progressed unless it was on more superior terms than the Proposed Transaction with Willing Y.

Since the emergence of Willing Y as the Acquirer and the execution of the Agreement, we are not aware of any alternative or superior proposals received to acquire the net assets to be disposed of by Multistack and we can see no reason as to why an alternative offer would be initiated at this time without the consent and support of Mr Yan and Mr Leung and their associates as the major shareholders of and lenders to Multistack.

7.9 Conclusion

In the current circumstances of Multistack, we have only been able to apply the net assets valuation methodology to assess the value of the net assets to be disposed of by Multistack. As:

- the Multistack Directors have determined to discontinue its underlying business;
- the Proposed Transaction does not include any intangible assets to which a positive value can be attributed; and
- given the material Assumed Liabilities which will transfer (in particular the ACR Loan) to Willing Y,

we have not been able to assess the value of the net assets to be disposed of by Multistack above a nil value.

In light of our comments and calculations in Section 7.6 of the IER, we have further concluded in Section 10 of the IER that the Proposed Transaction results in the transfer of the net liabilities of Multistack of say AU\$264,000 to Willing Y.

⁹ ASX announcement dated 27 June 2025 'Super Link to Acquire All Assets and Liabilities of MSI'

8. Assessment as to the value of the consideration receivable by Multistack

Willing Y is a privately owned entity incorporated in Hong Kong which operates as an exporter of air conditioning components which are sourced and manufactured in China and distributed to the Vietnamese market.

Under the terms of the Proposed Transaction, Multistack will not receive any consideration (either in the form of cash or shares), however, Willing Y will assume the net liabilities of Multistack assessed to be approximately AU\$264,000 (refer to Section 7.9 of the IER).

Whilst under the Proposed Transaction Multistack will not receive any consideration, as part of and/or upon completion of the Proposed Transaction it will:

- dispose of the Assets and transfer the Assumed Liabilities to Willing Y assessed to be net liabilities of approximately AU\$264,000;
- forgive and write off the intercompany loan receivable from MSA;
- release its obligation to repay the balance of the ACR Loan of AU\$396,000 which is not transferred to Willing Y as an Assumed Liability; and
- release its obligation to repay the balance of the Welletin Loan which is not repaid from the residual cash reserves of Multistack after allowing for the minimum cash reserves to be disposed of and retained by Multistack.

Accordingly, we have concluded that the value of the consideration receivable by Multistack is nil.

We have further concluded in Section 10 of the IER that the Proposed Transaction results in the transfer of the net liabilities of Multistack of say AU\$264,000 to Willing Y.

9. Assessment as to Fairness

The Proposed Transaction is “fair” if the value of the consideration receivable by Multistack is equal to or greater than the value of the net assets to be disposed of by Multistack.

In Section 7 of the IER, we assessed the value of the net assets to be disposed of by Multistack to be **nil**.

In Section 8 of the IER, we assessed the value of the consideration receivable by Multistack to be **nil**.

As the value of the consideration receivable by Multistack (nil) is equal to the value of the net assets to be disposed of by Multistack (nil), we have concluded that the Proposed Transaction is **fair**.

10. Assessment as to Reasonableness

Prior to deciding whether to approve or reject the Proposed Transaction, the shareholders of the Company should also consider the following significant factors:

Advantages

- In Section 9 of the IER, we assessed the Proposed Transaction as being fair.
Whilst we assessed the value of the net assets to be disposed by Multistack to be nil and the value of the consideration receivable by Multistack to be nil, under the Proposed Transaction we have assessed (in Section 7 of the IER) that Multistack will transfer net liabilities of say AU\$264,000 to Willing Y and release its obligation to repay the balance of the ACR Loan of AU\$396,000 which is not transferred to Willing Y as an Assumed Liability.
Although Multistack will not receive any consideration (either in the form of cash or shares) under the Proposed Transaction, it will transfer net liabilities to Willing Y and reduce its net asset deficiency position (refer to Section 6.4 of the IER) by discharging its obligations to repay the ACR Loan and the Welletin Loan.
- If Shareholders approve the Proposed Transaction, Multistack will be able to release its commitments in respect to funding the discontinuation of an unprofitable business as well as extinguish its indebtedness and discharge any obligations to repay the ACR Loan and the Welletin Loan.
Upon completion of the Proposed Transaction, Multistack will retain AU\$400,000 in cash resources and will have no indebtedness (refer to Section 7.6 of the IER) although it will be required to manage limited cash resources to meet ongoing administration and compliance costs as an ASX listed company as well as monthly costs of AU\$15,000 under the Transitional Services Agreement.
- If Shareholders approve the Proposed Transaction, the Directors of Multistack intend to investigate and pursue new opportunities that may enhance shareholder value (refer to Section 2.4 of the Notice).

Disadvantages

- If Shareholders approve the Proposed Transaction, they will forego the opportunity to receive any competing bid from an alternative acquirer or a more superior offer to that offered by Willing Y.
Whilst no alternative or superior offer has presented itself since the announcement of the Proposed Transaction and execution of the Agreement, Multistack previously announced Super Link as a prospective acquirer (refer to Section 7.8 of the IER). Given the relationship between Super Link, Mr Yan and Mr Leung as major shareholders of and lenders to Multistack we can see no reason as to why an alternative transaction between Multistack and Super Link would be superior to the Proposed Transaction unless it was on more favourable terms.
Accordingly, we can see no reason as to why an alternative offer would be initiated at this time without the consent and support of Mr Yan and Mr Leung and their associates as the major shareholders of and lenders to Multistack.
- Shareholders who wish to participate in the future of Multistack’s existing underlying business (although being discontinued) will not be able to achieve such investment exposure if they approve the Proposed Transaction and, as such, they will forego the opportunity to benefit from realising any future prospects of Multistack’s underlying business. Accordingly, the individual investment, taxation or other strategic objectives of individual shareholders may not be achieved if they approve the Proposed Transaction.

In the current circumstances, the Directors of Multistack have determined to discontinue its underlying business primarily as a result of its loss-making operations and additional capital requirements and, as such, those Shareholders who wish to participate in the future of Multistack's underlying business may not be able to do so as a result of the discontinuation of the business.

- If Shareholders approve the Proposed Transaction, Multistack will have disposed of its main undertaking and may become non-compliant with ASX Listing Rules (in particular ASX Listing Rules 1 and 2) which may result in MSI's shares being suspended from trading and this may require Multistack to re-comply with such ASX Listing Rules.

In doing so, the Directors of Multistack will need to commence a process of identifying and pursuing new and alternative asset(s) to present to Shareholders from which it can create upside shareholder value. This may require extensive Director focus and expense to secure in order to provide shareholders with a value proposition whilst managing existing cash resources (and assuming the continued financial support from its major shareholders if required) to allow it to meet ongoing administration and compliance costs.

If MSI's shares are suspended from trading, MSI shareholders will have no tradeable market in which MSI shares can trade and there is a risk that MSI shares may continue to remain suspended from trading, until Multistack can re-comply with the relevant ASX Listing Rules, and this may result in MSI shares being delisted from the ASX. In such a scenario, MSI shareholders will hold shares in an unlisted company with no primary market in which MSI shares can be traded.

Other factors

- Following the announcements of the Proposed Transaction made by MSI on the ASX on 8 and 17 April 2026, we observed that there has been no notable change to the volume and value in the trading of MSI shares (refer further to Section 7.3 of the IER).

If the Proposed Transaction is not approved, MSI shareholders may continue to be exposed to an illiquid market in MSI shares and MSI will be left with no immediate alternative to create shareholder value.

- Multistack is reliant on financial support from its major shareholders (the ACR Loan and the Welletin Loan) to fund its loss making operations and in order to meet ongoing administration and compliance costs as an ASX listed company.

As at 31 December 2025, Multistack had a net asset deficiency of approximately AU\$1.6 million and a net debt position (cash resources less loans) of approximately AU\$1.28 million (refer to Section 6.4 of the IER). Accordingly, Multistack currently has insufficient cash resources to repay its indebtedness in respect to the ACR Loan and the Welletin Loan.

Multistack's independent auditor's report, set out in Multistack's Financial Report for the year ended 31 December 2025, disclosed a 'material uncertainty related to going concern' and, as such, this raises a concern in respect to Multistack's ability to continue as a going concern.

As disclosed in 'Note 1 (b) Going Concern' of Multistack's Financial Report for the year ended 31 December 2025, Multistack has obtained an undertaking in respect to the ACR Loan and the Welletin Loan that:

- the lenders will not call on the outstanding loan amounts for at least twelve (12) months from signing the Financial Report for the year ended 31 December 2025; and
- the lenders are willing to provide financial support if required during the next twelve (12) months.

Having regard to the above undertakings of financial support, the financial report of Multistack has been prepared on a going concern basis.

Accordingly, Multistack is reliant on funds loaned by entities related to its Directors and major shareholders and if Shareholders do not approve the Proposed Transaction it may be further reliant on additional funding, and increased indebtedness, to continue as a going concern.

- The Directors of Multistack unanimously recommend that the Multistack Shareholders vote in favour of the Proposed Transaction (refer to Section 2.14 of the Notice) and that they believe that the Proposed Transaction is in the best interest of the Multistack Shareholders (refer to Section 2.3 of the Notice).

Mr Yan and Mr Leung (as Directors of Multistack), and through their associated entities (Welletin Investments Limited, ACR Equipment Supplies Limited, Better Asia Group Limited and SuperLink Co Limited), collectively hold a relevant interest in 47.61% of the issued ordinary capital of Multistack (refer to Section 6.3 of the IER). Accordingly, the Proposed Transaction has the support of the major shareholders of Multistack.

- If Shareholders do not approve the Proposed Transaction, Multistack will have incurred transaction costs with no benefit gained and a further reduction to cash reserves and an increase to the net asset deficiency position of Multistack.

Multistack's proposition will be limited to the prospects, if any, of the right to manufacture and distribute HVAC products which incorporate the ORC technologies in Australia (which may be minimal given that the Multistack Directors have determined to discontinue its underlying business) and, as such, Multistack will hold no assets with which it can progress or undertake any business activities to provide shareholders with any potential upside. The Multistack Directors consider that any continuation of Multistack's underlying business would require capital injection which is beyond the means and capability of Multistack to raise.

Accordingly, whether Shareholders do or do not approve the Proposed Transaction the Directors of Multistack will need to commence a process of identifying and pursuing new and alternative asset(s) to present to Shareholders from which it can create upside shareholder value. This may require extensive Director focus and expense to secure in order to provide shareholders with a value proposition whilst managing existing cash resources (and assuming the continued financial support from its major shareholders as the lenders) to allow it to meet ongoing administration and compliance costs.

- If Shareholders do not approve the Proposed Transaction, Multistack or Willing Y may terminate the Agreement in which case Multistack will retain ownership of its existing assets and liabilities (including the full amount of the ACR Loan and the Welletin Loan). In order for Multistack to provide any shareholder value it would need to seek a new asset(s). This may require extensive management focus, expense and continued financial support from the major shareholders as the lenders.

Under such a scenario, Multistack will continue to rely on financial support from its major shareholders as the lenders and it will be required to manage its existing cash resources to fund the operating losses of the underlying business (although being discontinued) as well as ongoing administration and compliance costs as an ASX listed company.

The Directors of Multistack can seek alternative funding although given the current position of Multistack (with a loss-making business being discontinued and its level of indebtedness to the major shareholders as the lenders) the prospects of such alternative funding may be on substantially less advantageous or unfavourable terms and may be highly dilutive to the Multistack shareholders.

Accordingly, given the current position of Multistack the prospect of it being used as a 'backdoor listing' vehicle may be minimal and the Directors of Multistack may have no realistic alternative but to de-list MSI shares from the ASX and/or place Multistack into administration.

Based on the above significant factors, we consider that the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction, and for this reason, we consider that the Proposed Transaction is **reasonable** for the Shareholders of Multistack.

11. Assessment as to Fairness and Reasonableness

After considering the above matters, we have concluded that the Proposed Transaction is **fair and reasonable to the Shareholders** of Multistack and on this basis, it is our opinion that in the absence of a superior proposal, the Proposed Transaction is **in the best interests of the Shareholders**.

12. Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

12.1 PKF Corporate

PKF Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

12.2 Financial Services Offered by PKF Corporate

PKF Corporate prepares reports commissioned by a company or other entity (“Entity”). The reports prepared by PKF Corporate are provided by the Entity to its members.

All reports prepared by PKF Corporate include a description of the circumstances of the engagement and of PKF Corporate’s independence of the Entity commissioning the report and other parties to the transactions.

PKF Corporate does not accept instructions from retail investors. PKF Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. PKF Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

12.3 General Financial Product Advice

In the report, PKF Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

12.4 Independence

At the date of this report, none of PKF Corporate, Mr Stefan Galbo nor Mr Steven Perri have any interest in the outcome of the Proposed Transaction, nor any relationship with Multistack International Limited, Willing Y Limited, and associated entities or any of their directors. Fees for this report are not contingent on the outcome, content or future use of this report.

An advanced draft of this report was provided to and discussed with the management of the Company and its advisors. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

On 24 June 2022, PKF Corporate prepared an Independent Expert Report for the Company in respect to inventory supply arrangements with Superlink Australia Pty Ltd and Super Link Company Limited.

On 3 April 2023, PKF Corporate prepared an Independent Expert Report for the Company in respect to an existing loan agreement and an Asset Sale Deed with Super Link Company Limited.

PKF Corporate and its related entities do not have any shareholding in or other relationship with the Company that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

PKF Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

PKF Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

12.5 Remuneration

PKF Corporate is entitled to receive a fee of approximately AU\$40,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

12.6 Complaints Process

As the holder of an Australian Financial Services Licence, PKF Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement PKF Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

PKF Corporate is also required to have a system for handling complaints from persons to whom PKF Corporate provides financial services. All complaints should be in writing and sent to the Complaints Officer, PKF Corporate at Level 15, 500 Bourke Street, Melbourne VIC 3000.

PKF Corporate will make every effort to resolve a complaint within 45 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Australian Financial Complaints Authority – GPO Box 3, Melbourne VIC 3001.

Yours faithfully

PKF Melbourne Corporate Pty Ltd



Stefan Galbo
Director



Steven Perri
Director

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Sources of Information

The key documents and sources we have relied upon in preparing the IER are:

- MSI's Annual Reports for the years ended 31 December 2023, 2024 and 2025;
- MSI's unaudited balance sheet as at 31 March 2026;
- MSI's Asset Sale Deed;
- MSI's draft Notice of Extraordinary General Meeting and Explanatory Memorandum;
- Research data from publicly accessible web sites in particular ASX announcements by MSI; and
- Responses to enquiries made with the management of MSI and its advisors.

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Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of Multistack International Limited to accompany the notice of meeting of shareholders to approve the Proposed Transaction pursuant to Chapter 11 of the ASX Listing Rules. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Proposed Transaction is in the best interests of the shareholders of the Company.

In the preparation of this report, we have relied upon information concerning the Proposed Transaction and Multistack International Limited as provided to us and available in the public domain, which we believe, on reasonable grounds, to be reliable and not misleading.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

The statements and opinions included in this report are given in good faith and in the belief that such statements are not false and misleading.

To the extent that this report relies on prospective information, actual results may be different from the prospective information referred to in this report since the occurrence of anticipated events frequently do not occur as expected and the variation may be material. The achievement of the prospective information is dependent on the outcome of the assumptions. Accordingly, we express no opinion as to whether the prospective information will be achieved.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

2. Qualifications

Mr Stefan Galbo and Mr Steven Perri, Directors of PKF Corporate, prepared this report. They have been responsible for the preparation of expert reports and are involved in the provision of advice in respect of valuations, takeovers, capital reconstructions and reporting on all aspects thereof.

Mr Galbo is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

Mr Perri is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

3. Consent

PKF Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

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Valuation methodologies

Share price history

The share price history valuation methodology values a company based on the past trading in its shares.

Capitalisation of future maintainable earnings

Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax (EBIT) or Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). One advantage of using EBIT or EBITDA is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

Net present value of future cash flows

An analysis of the net present value of the projected cash flows of a business and/or asset (or discounted cash flow technique) is based on the premise that the value of the business and/or asset is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure, the costs of capital and an assessment of the residual value of the business and/or asset remaining at the end of the forecast period.

Asset Based Methods

This methodology is based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) Net assets

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realisation costs.

(b) Orderly realisation of assets

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) Liquidation of assets

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

Comparable market transactions

Industry specific methods estimate market values using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an asset than other valuation methods because they may not account for specific factors.

Alternative acquirer

This methodology considers the value that an alternative bidder may be prepared to pay to acquire a business, asset or company.