MULTISTACK

MULTISTACK INTERNATIONAL LIMITED
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16 May 2008

Australian Stock Exchange Ltd
PO Box H224
Australian Square
NSW 1215

Attention: Kate Kidson

Fax: 03 9614 0303 Total: 8 pages including this cover page

Dear Kate,

Re: MSI - Proposed Running Sheet (including prepared address by Chairman and CEO) at Annual General Meeting to be held on 19 May 08

Attached is the proposed address by the Chairman and CEO to be delivered at our shareholder meeting.

By order of the Board

Yan Wong
Company Secretary

MULTISTACK INTERNATIONAL LIMITED

Running sheet for Eighteenth Annual General Meeting to be held on Monday 19 May, 2008 at 10:00 a.m. at Minter Ellison, Level 23, Rialto South Tower, 525 Collins St. Melbourne

Chairman's welcome and notice

Good Morning, ladies and gentlemen, I am Terence Chu. My fellow directors Mr. Stephen Leung, Multistack Group CEO, Mr. S.W.Yan, Ms Ni Chan, Mr Allan Yu, our Company Secretary Ms Yan Wong and I welcome you all to this eighteenth Annual General Meeting of Multistack International Limited.

I noted that a quorum is present and I now declare the meeting open.

The resolutions I shall be referring to are set out in the Notice of Meeting served with the Annual Report for the year ended 31 December 2007. If anyone does not have a copy, we have some spare ones.

Proxies

As Chairman of this meeting, I hold proxies from 13 shareholders totalling about 80 millions shares, which account for 71% of the total issued shares in the Company. 12 proxies are in favour of all the resolutions and they all complied with the requirements of the Constitution of the Company.

Notice of meeting

Before putting the specific resolutions to the shareholders, I would like to move that proper notice of this meeting having been given that the Notice of Meeting be taken as read and tabled.

May I have a seconder?

Those in favour?
Those against?

I declare the motion carried.

Minutes of previous meeting

Minutes of the Annual General Meeting held Monday 21 May 2007 are tabled. Copies are available from the Company Secretary, Ms. Yan Wong.

Rather than reading out the Minutes, I move that the Minutes as tabled be accepted as a true and correct record of the Annual General Meeting held on 21 May 2007.

May I have a seconder?

I shall put the resolution to the meeting.

Those in favour?
Those against?

I declare the motion carried.

Business of the meeting

Before turning to the specific business of the meeting, it would be appropriate for me to ask Mr. Stephen Leung, our Group CEO, to give an overview on the Company business.

Mr. Stephen Leung:

"Overview

For the year ended 31 December 2007 revenue decreased to $13,959,219 (2006: $14,774,307), the profit before income tax was $244,495 (2006: $461,352) and net profit attributable to members of Multistack International Limited is $360,000 (2006: $436,171). We noted that these 3 figures were all down as compared to the previous period.

The MTL heat exchanger plant in Panyu China has been successful in making inroads to more OEM markets. The growth in revenue has overcome the impact of cost increases on raw material including copper and stainless steel. The contribution from MTL to the group's profit in 2007 was encouraging and the Board was confident that this would continue in 2008.

The promotion of modular chiller and precision control air conditioning units in overseas markets was encouraging as were the agents in Indonesia, Malaysia, Singapore, Iran, and New Zealand. The group expects actual results from new customers like agents in Germany, S. Africa, UAE, Thailand and India in the forthcoming period. This would justify the intense product and marketing development undertaken in these areas.

The Board was also encouraged by the results of the operations in Australia. DunnAir International Ltd has been transformed into a lean and mean but profitable operation consisting of a national distribution arm of modular chillers based in Melbourne and a service company in South Australia. It has managed to make a small but consistent profit since the beginning of its restructure program sometime ago. Plans are to be implemented to ensure

that the operations remain commercially feasible in the foreseeable future.
The Joint Venture in Australia – Dunnair Australia Pty Ltd became profitable in December 07, reinforcing the Board's decision to support the retention of this operation. The concept of building a strong dealership network proved successful. Plans are to be adopted to enhance the growth in the forthcoming period, with profits generated in a consistent long-term trend thereafter.

By maintaining our first modular water-cooled chiller using the turbo compressor technology MTTW300 installation for a hospital in Singapore, the Group has managed to get another order to supply a new MTTW300 installation for a commercial complex in downtown Singapore. The Group expected that these installations would become a market leader in the region. In conjunction with the successful launch of a larger capacity turbo compressor TT400 in the market, the Group prepared to make a new prototype MTTW400 module within the next few months for a performance test in the Panyu factory. This would enhance the product range as well as the promotion of the product in the market.

A new packaged type air conditioning unit major for industrial application was in the process of development in the Panyu factory and expected to be launched by the second quarter in 2008. This was highly supported with the proprietary Airflow technology that would enhance the design features and manufacturing efficiency. The Group is confident that this product would bring substantial revenue to the operation in China.

The directors are aware of the overall picture for the air-conditioning business in China is of concern, due to (a) keen competition, (b) the macro austerity program from the Central government on bank loans and real estate industry, (c) the appreciating RMB exchange rate, and (d) the increasing manufacturing costs.

Given the abovementioned factors, the directors are still determined to continue to improve the Company's bottom line performance to enhance shareholder's interest, but in a much more prudent manner for the future.

SL: I'll now hand over the floor back to the Chairman.

TC: I'll now turn to the first resolution of the meeting:

Resolution 1: [Read resolution]

"That the directors' report and consolidated financial report for the financial year ended 31st December 2006, and the auditor's report on the consolidated financial report, be received and adopted."

I now move the resolution.

May I have a seconder?

<u>*Before putting the motion, I would ask if there is any question on the Company*</u>

QUESTIONS and ANSWERS

I shall now put the resolution to the meeting.

Those in favour?
Those against?

I declare the motion carried.

TC: I'll now hand over to Stephen Leung for resolution 2.

SL : Resolution 2: [Read resolution]

"To reappoint Mr Terence Chu, who retires by rotation in accordance with the constitution of the Company and offer for re-election, as a director of the Company."

I now move the resolution

May I have a seconder?

I shall now put the resolution to the meeting.

Those in favour?
Those against?

I declare the motion carried.

SL: I'll now hand over to the Chairman to conclude the meeting.

TC: Any other business?

Closure

Ladies and gentlemen there being no further business, that concludes this Annual General Meeting.

I now declare the meeting closed and thank you for your attendance.

Coffee and tea is available if you would like to stay.