

## Appendix 4E

### Preliminary final report

Year ending on 31 December 2016  
Provided to the ASX under listing rule 4.3A

Name of entity	ABN
Multistack International Limited	54 007 254 346

#### 1. Reporting period

Report for the financial year ended 31 December 2016.
Previous corresponding period is the financial year ended 31 December 2015.

#### 2. Results for announcement to the market

				\$A
Revenues from ordinary activities	down	54.27 %	to	818,979
Loss from ordinary activities after tax attributable to members	down	34.39%	to	(525,102)
Net loss for the period attributable to members	down	34.39%	to	(525,102)
Record date for determining entitlements to the dividend	Not applicable			

**Results for announcement to the market (cont'd)**

**Dividends**

No dividends were paid or declared for the year ended 31 December 2016.

**Trends in Performance**

Total revenue in 2016 decreased by 54.27% to \$818,979. The net loss for the period attributable to members was \$525,102 (2015: \$800,239).

**Operations-**

The trading entity, DunnAir International Limited, has made a loss for the year ending 31 December 2016, despite all the effort of increased marketing and promotion of the Multistack MagLev oil-free centrifugal chillers. There has been very keen competition in the industry.

Subsequent to year end, there have been further negotiations held regarding the potential sale of the JV business. As at the date of this announcement, no formal legal agreement for sale has been executed.

The Directors are in the progress of discussion with the developer for energy efficient technologies for a possible merger. The Company is waiting for further information and proposal. Appropriate announcement will be made when the Board has a decision.

**Tax consolidation**

For the purposes of income taxation, Multistack International Ltd and its 100% owned subsidiaries have not formed a tax consolidated group and entry into a tax consolidated group is unlikely. This did not impact the consolidated results for the year. From 1 January 2004, the carried forward tax losses of each entity in the Group could only be used to offset taxable income of that individual entity.

### 3. Consolidated Statement of Profit or Loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2016

	For the year	
	31 December 2016	31 December 2015
	\$	\$
<b>Revenue</b>		
Sale of goods	818,979	1,790,644
<b>Total Revenue</b>	<b>818,979</b>	<b>1,790,644</b>
Cost of sales	(540,909)	(1,381,524)
<b>Gross Profit</b>	<b>278,070</b>	<b>409,120</b>
<b>Other Income</b>	<b>169,905</b>	<b>217,093</b>
<b>Expenses</b>		
Employee benefits expense	(617,665)	(421,532)
Occupancy expense	(44,042)	(41,235)
Administrative expense	(183,976)	(200,325)
Loss on Financial Assets	(72,784)	(131,730)
Professional fees	(81,804)	(81,898)
Other expenses	(109,054)	(101,655)
<b>Total Expenses</b>	<b>(1,109,325)</b>	<b>(978,375)</b>
<b>Loss before share of (loss) from joint venture</b>	<b>(661,350)</b>	<b>(352,162)</b>
Share of (loss) of joint venture accounted for using the equity method	(52,169)	(633,480)
<b>Loss before income tax</b>	<b>(713,519)</b>	<b>(985,642)</b>
Income tax benefit from R&D tax concession	188,417	185,403
<b>Loss for the year</b>	<b>(525,102)</b>	<b>(800,239)</b>
<b>Loss from continuing operations</b>	<b>(525,102)</b>	<b>(800,239)</b>
<b>Other comprehensive income or loss for the year</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>		
Exchange differences on translation of foreign operations, net of tax	-	-
<b>Total comprehensive loss for the year</b>	<b>(525,102)</b>	<b>(800,239)</b>



#### 4. Consolidated Statement of Financial Position

	31 December 2016 \$	31 December 2015 \$
<b>Current assets</b>		
Cash and cash equivalents	532,565	677,205
Financial assets	2,447,782	2,662,859
Receivables	36,288	204,674
Inventories	318,190	307,409
<b>Total current assets</b>	<b>3,334,825</b>	<b>3,852,147</b>
<b>Total assets</b>	<b>3,334,825</b>	<b>3,852,147</b>
<b>Current liabilities</b>		
Payables	708,111	707,742
Provisions	97,757	90,346
<b>Total current liabilities</b>	<b>805,868</b>	<b>798,088</b>
<b>Total liabilities</b>	<b>805,868</b>	<b>798,088</b>
<b>Net assets</b>	<b>2,528,957</b>	<b>3,054,059</b>
<b>Equity</b>		
Contributed equity	155,638,695	155,638,695
Accumulated losses	(153,109,738)	(152,584,636)
<b>Total equity</b>	<b>2,528,957</b>	<b>3,054,059</b>

## 5. Consolidated Statement of Changes in Equity

	Attributable to equity holders of the parent		
CONSOLIDATED	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
At 1 January 2015	155,638,695	(151,784,397)	3,854,298
Loss for the year	-	(800,239)	(800,239)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(800,239)</b>	<b>(800,239)</b>
Transactions with owners as their capacity of owners	-	-	-
<b>As at 31 December 2015</b>	<b>155,638,695</b>	<b>(152,584,636)</b>	<b>3,054,059</b>

	Attributable to equity holders of the parent		
CONSOLIDATED	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
At 1 January 2016	155,638,695	(152,584,636)	3,054,059
Loss for the year	-	(525,102)	(525,102)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(525,102)</b>	<b>(525,102)</b>
Transactions with owners as their capacity of owners	-	-	-
<b>As at 31 December 2016</b>	<b>155,638,695</b>	<b>(153,109,738)</b>	<b>2,528,957</b>

## 6. Consolidated Statement of Cash Flows

	31 December 2016 \$	31 December 2015 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,083,995	1,858,306
Payments to suppliers and employees	(1,719,854)	(2,052,848)
Interest and other items of similar nature received	163,342	194,474
Finance costs	(2,833)	(6,410)
Income tax refund	188,417	185,403
<b>Net cash (used in) / provided by operating activities</b>	<b>(286,933)</b>	<b>178,925</b>
<b>Cash flows related to investing activities</b>		
Proceeds on sale of investments	300,000	-
Investment in financial instruments	(157,707)	(187,401)
<b>Net cash provided / (used) in investing activities</b>	<b>142,293</b>	<b>(187,401)</b>
<b>Decrease in cash held</b>	<b>(144,640)</b>	<b>(8,476)</b>
Cash at beginning of year	677,205	685,681
<b>Cash at end of year</b>	<b>532,565</b>	<b>677,205</b>

### Reconciliation of cash

Reconciliation of cash at the end of the year (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	31 December 2016 \$	31 December 2015 \$
Cash on hand and at bank	532,565	677,205
<b>Total cash at end of year</b>	<b>532,565</b>	<b>677,205</b>

## 7.1 Consolidated accumulated losses

	31 December 2016 \$	31 December 2015 \$
Accumulated losses at the beginning of the financial year	(152,584,636)	(151,784,397)
Loss from continuing operations	(525,102)	(800,239)
<b>Accumulated losses at end of financial year</b>	<b>(153,109,738)</b>	<b>(152,584,636)</b>

## 7.2 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with *AASB 133: Earnings Per Share* are as follows.

Basic and diluted earnings per share is calculated at \$(0.0047), based on a net loss for the period attributable to members of \$525,102 and a weighted average of 112,303,924 ordinary shares on issue for the period.

## 7.3 NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.02	\$0.03

## 7.4 Dividends

No dividends have been paid or declared in respect of the current or prior period. There is no dividend or distribution reinvestment plan currently in operation.

## 8. Details of associates and joint venture entities

Name of associate or joint venture entity	% Securities held
Dunnair (Aust) Pty Ltd	50%

### Aggregate share of profits (losses) of joint venture entity

Group's share of joint venture entity:	Current period \$	Previous corresponding Period \$
Loss from ordinary activities before tax	(52,169)	(633,480)
Income tax on ordinary activities	-	-
<b>Loss from ordinary activities after tax</b>	(52,169)	(633,480)
<b>Share of loss of joint venture entity</b>	(52,169)	(633,480)

## 9. Details of entities over which control has been gained or lost during the period

There has been no change in the composition of the group during the period.

## 10. Basis of preparation

The financial information provided in the Appendix 4E is based on the draft annual financial report, which has been prepared in accordance with Australian Accounting Standards.

## 11. Audit of the financial report

The financial report is in the process of being audited, and is not likely to contain an independent audit report that is subject to a modified opinion, emphasis of matter or other matter paragraph.