

First NZ Properties Limited

Minutes of Annual General Meeting: Held 15 September 2023

From 10.00am

De Lorenzo Apartments, Trafalgar Street, Nelson

- **Welcome to all – Chair John Murray: Including those present and via Livestream**
 - **Present: John Murray (Chair), Damien Prendergast (Director), Paul Rosanowski (Project Manager) and Richard Eberlein (Property Manager).**
 - **Michael Millar and Gillian Bishop (not current shareholders).**

Shareholders in attendance

- **Jillian Truman F/T and Manatu Ltd (Peter Truman)**
- **A&J Enterprises 2006 Ltd (Damien Prendergast, Director)**
- **Frank Saxton**
- **HJP Land Trust (Harry Pearson)**

Apologies:

Andrea Prendergast

Craig Priscott

Proxies Held

Andrea Prendergast	5,880
CNP LP Holdco Ltd	2,771,964
Estate of JL Ireton	18,375

- **Introduction of the staff and directors (John Murray):**
 - **John, Damien, Richard, and Paul.**
- **Overview of the year 2022-2023 Operations: (John Murray)**
 - Another challenging year
 - Two main features – attending to High Court Hearing in May 2023; awaiting judgement; will respond once known/resolved and the possible sale of properties.
 - Conditional contract on Sheffield Crescent.
 - October 2022 – entered first conditional sale of Sheffield Crescent, subsequently cancelled
 - April 2023 reinvigorated the sale; unfulfilled conditions as at present.
 - June 2023 – Special Meeting – revoked Old Constitution and accepted a new constitution.
 - Official OCR continued to rise during the year
 - June 2023 – requested a marketing proposal from real estate agents for Rangitikei Street property. Received a conditional offer to which we had counter offered – not heard back from the agents.
 - Symonds110 Ltd claim (Damien to report later)
 - Dividends to be distributed
 - Cash reserves held in the Company; looking at possibilities. Possible future share redemption or dividends.

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- **Damien Prendergast**
 - Update from SFO - Warrant of arrest out for Mr Barnes
 - High Court – Heard in the Nelson High Court 1 to 9 May 2023 with final submissions in Wellington on 12 May. Awaiting judgement for over 4 months. Not sure when this outcome will be available. Company has claimed approximately \$2.1m plus interest and costs and ISL counter claim is \$124,000.
 - Symonds Street claim – not expected to be in the High Court until the end of 2024. No agreement reached although there have been discussions between the parties. Discovery is not completed at this point.
 - Legal fees – large part of accounts. Increased by \$160,000 for the year to a total of \$482,255 for the year. High Court cost is currently \$330,000 for the ISL case.
 - Legal fees are split apportioned to the claim amount.

- **Syndex – secondary market: (Damien Prendergast)**
 - Trading on secondary market 210K on share trades
 - Prices range from \$4.00 to \$4.70.
 - Registry and share fees now paid by the Company

- **Financial Overview: (Paul Rosanowski)**
 - Had to split accounts (per the Auditor’s request). Because Sheffield Crescent was under a conditional contract it had to be treated as Discontinued Operations. Therefore the comparisons from 2022 to 2023 are difficult.
 - No dividends paid out – lack of imputation credits.
 - 2023 increase in Legal expenses (\$160k) Property repairs (\$60k) and insurance almost doubled (\$30k).
 - 2023 property valuations have declined creating a loss for the company.
 - \$4.25 last share trade price in June 2023.

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	2023	2022	
Total rental income	\$1,974,119	\$1,943,946	1.55%
Profit from operations	\$1,049,809	\$2,070,567	-49.30%
Gain (Loss) on investment property	-\$3,560,000	\$2,018,984	-276.33%
Profit after tax	-\$2,823,243	\$3,695,717	-176.39%
Property valuation	\$19,880,000	\$23,440,000	-15.19%
Equity	\$24,350,861	\$27,175,385	-10.39%
	2023	2022	
Bank - Term deposit	\$4,051,413	\$2,538,060	59.63%
Earnings per share	-\$0.69	\$0.91	-175.82%
Dividends paid	\$0	\$649,568	-100.00%
- Per share	\$0.00	\$0.16	-100.00%
Net tangible assets	\$5.99	\$6.68	-10.33%
Last traded price per share	\$4.25	\$4.61	-7.81%
16/06/2023			

- **Property Overview (Richard Eberlein)**
 - **Overviewed the properties**
 - **Sheffield Crescent:**
 - The estate was rejuvenated following the earthquakes in Christchurch
 - Detailed Structural Assessment brought about Insurance request to bring up to 67% of code (\$4m estimated cost)
 - Previous tenant went bankrupt – new and current tenant’s lease renewal in 2024
 - There is a conditional sale contract with the tenant. The tenant is looking for finance and this is being sought at present. All conditions have not been satisfied.
 - **Rangitikei Street:**
 - **202-234 Rangitikei Street, Palmerston North (4 Retail Units)**

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- Marketed for sale – without interest to date and taken off the market
- Harvey Norman – Lease to October 2026. Gross rent of \$476,228. Rental increase of CPI with a cap of 3%.
- Bed, Bath Beyond - Leased until 2026 with areas sublet to Postie Plus. Current net rent is \$303,414. 3% Rent Reviews in December
- Price Busters – Leased until 2027 with a right to 2033. Current rent is \$162,372 with a fixed annual rent increase of 1%.

AGM BUSINESS:

3 Proxies were received – all of whom voted in the affirmative for the following Resolutions

RESOLUTIONS

- 1) **That the minutes of the 21 September AGM held at Trailways Hotel, Nelson be approved.**
Passed unanimously.

- 2) **That the 2022-2023 Annual Report be received and approved**
Passed unanimously.

- 3) **That BDO continue as Auditors for the following year, 2024. The manager of the Company to fix the fees and expenses of the Company's auditor.**
Passed unanimously.

- 4) **That John Murray be reappointed as Director for a further 3-year term.**
Passed unanimously.

- 5) **That Damien Prendergast be reappointed as a Director for a further 3-year term.**
Passed unanimously.

• **General Business:**

- 1) **Vote of thanks** was given by Peter Truman to the Directors for their leadership of the Companies.
- 2) **John gave thanks** to fellow Director Damien, the Staff, RWCA, Duncan Cotterill and all those who attended.

Meeting closed at 10.45am