

First NZ Properties Limited

Minutes of Annual General Meeting: Held 6 September 2024 From: 10.00am

De Lorenzo Apartments, Trafalgar Street, Nelson

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- Welcome to all – Chair John Murray: Including those present and via Livestream

Present: John Murray (Chair), Damien Prendergast (Director), Richard Eberlein (Property Manager) and Kathy Tatlock (Minute Secretary).

Shareholder in attendance

Manatu Ltd (P Truman)

Jillian Truman F/T (P Truman)

A&J Enterprises 2006 Ltd (D
Prendergast, Director)

Frank Saxton

HJP Land Trust (Harry Pearson)

Proxies Held

Paul Rosanowski 9,841

Andrea Prendergast 4,732

CNP LP Holdco Ltd 2,230,949

Rachael Thony 11,831

Total Proxies **2,257,353**

All proxy votes are held by the
Chairman

Apologies

Paul Rosanowski

Andrea Prendergast

Craig Priscott

Rachael Thony

- Introduction of the directors and staff (John Murray):
 - John, Damien (Directors), Richard (Property Manager), Paul (Project Manager who is away) and Kathy (Minute Secretary).
- Overview of the year 2023-2024 Operations: (John Murray). (Including):
 - Overview.
 - Feb 2024 – Conditional sale on Sheffield Cres.
 - June 2024, the sale of Sheffield was confirmed
 - May 2024, received the judgment from the High Court in the Company's favour.
 - It has been appealed to the Court of Appeal. To be heard on 3rd and 4th September 2025.
 - Mr Millar has paid the judgment amount. Costs still to be determined.
 - **General Strategies**

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- Returned possible ASC funds to shareholders.
 - Will consider further dividends next month.
 - Currently, considering what the Company will do with the funds.
 - Symonds110 claim. Working on that at the present.
- **Damien Prendergast:**
 - **Syndex – secondary market:**
 - Working well
 - Trading is down a little.
 - 28,000 shares traded. Last trade \$4.60.
 - No commission being charged by Syndex.
 - Can now register to buy or sell shares.
- **High Court Brief**
 - Judgement in our favour, 16 May 2024.
 - Has been appealed to the Court of Appeal and will be heard on 3rd and 4th April 2025.
 - Received \$2,099,000 which includes Judgment amount and GST.
 - Money in Duncan Cotterill’s trust fund.

 - Symonds 110 appeal scheduled for next year. To be heard September 2025.
 - Not much can be advised at this point.
 - Cost \$48k on this claim in the financial year.
- **Financial Overview: (John Murray)**
 - Operational split. Continued and discontinued properties (Sheffield Cres).
 - Split because of the accounting rules.
 - The financial highlights are direct comparative between the 2 years
 - Profitability is up.
 - Gain or Loss on Property (reduction on Rangitikei Street)
 - Gain on Sheffield Crescent (sold in May 2024).
 - Property Valuations have gone up from \$19.88m to \$20.15m
 - Dividend paid of \$878,376 – 22 cents per share.
 - Share price traded at 28 May 2024 was \$4.60.
 - Solvent and good Liquidity

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Total rental income	\$2,000,198	\$1,974,119	\$26,079
Profit from operations	\$1,247,024	\$1,049,809	\$197,215
Gain (Loss) on investment property	\$270,000	-\$3,560,000	\$3,830,000
Profit after tax	\$1,152,278	-\$2,823,243	\$3,975,521

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Property valuation	\$20,150,000	\$19,880,000	\$270,000
Equity	\$24,624,763	\$24,350,861	\$273,902

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Bank - Term deposit	\$3,997,634	\$4,051,413	-\$53,779
Earnings per share	\$0.28	-\$0.69	\$0.97
Dividends paid	\$878,376	\$0	\$878,376
- Per share	\$0.22	\$0.00	\$0.22
Net tangible assets	\$6.05	\$5.99	\$0.06
Last traded price per share	\$4.60	\$4.25	\$0.35
28/05/2024			

- **Property Overview (Richard Eberlein)**

- **Overview of the properties:**

- **15 Sheffield Crescent, Burnside, Christchurch (includes NZ Yarn Ltd (restructured to become NZ Natural Fibres Ltd).**
 - **Property was sold in June 2024.**
 - The following information reflects what was in place as at 31 March 2024.
 - **Current term of lease ends in November 2024 but** has four 3-year rights of renewal through until 2036.
 - **Current rent stands at \$1,051,279 per annum.** A rent review is due upon the lease renewal in November.
 - **A Detailed Structural Assessment (DSA) received in 2020,** saw \$300,000 spent on urgent structural improvements, bring it up to around 20% of the New Building Standard (NBS). Government requires to be a minimum of 34%, but insurers require 67% NBS to continue Natural Disaster cover. In March 2022, the necessary improvement works were estimated at \$3.1m.
 - Due to this and various other improvements including seismic, the decision was made to sell the property.
 - The property sold in June 2024 to SIO Holdings Ltd 'as is', for the sum of \$8.55m.
 - **202-234 Rangitikei Street, Palmerston North.**

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- This property was bought by Symonds 110 Ltd in early 2020, comprising two retail warehouse style buildings built in 2008. Total 4,100sqm including storage and some mezzanine offices.
- The four units are central to the northern commercial area with Mitre 10, Noel Leeming, Warehouse Stationery and many other national retailers in the immediate area.
- Both buildings are in good condition and have a 100% NBS rating.
- Lease Agreements include:

Harvey Norman	Lease right of renewal until 2031	Gross Rent \$505,230	Next Review October 2024. Likely to be at 3%
Bed, Bath and Beyond	Lease right of renewal until 2036	Net Rent \$320,831pa	Next review December 2024. Fixed at 3%
Price Busters/Uncle Bills Wholesale Club	Right of renewal to 2033	Current Net Rent is \$167,292pa	Annual rent reviews are fixed at 1%pa

AGM BUSINESS:

Five Proxies were received representing 55.52% of shareholders – all of whom voted in the affirmative for the following Resolutions

RESOLUTIONS

- 1) That the minutes of the 15 September 2023 AGM held at De Lorenzo Apartments, Nelson be approved.

Passed unanimously.

- 2) That the 2024 Annual Report be adopted.

Passed unanimously.

- 3) That BDO Christchurch Ltd be reappointed as the Company's Auditors and that the manager of the Company be authorised to fix the fees and expenses of the Company's auditors.

Passed unanimously.

• General Business:

- 1) **John gave thanks** to fellow Director Damien, the Staff, Paul, Richard and Kathy, along with RWCA, Duncan Cotterill and all those Shareholders who attended, as well as the Tui Video Team.
- 2) **Peter Truman** in turn gave thanks to John for ably leading the Company.

Meeting closed at 10.51am