



SPRINGS ROAD PROPERTY LTD

FSS MANAGEMENT

This Management Report ("Report") provides key information about Springs Road Property Ltd.

24 February 2022

Dear Shareholder

Partial settlement of High Court Proceedings – ISL, Millar and Mephan

High Court Proceedings – Investment Services Ltd, M Millar and P Mephan

The directors of Springs Road announce to shareholders [and the market] that a partial settlement of aspects of the High Court proceedings against Michael Millar, Investment Services Limited and Paul Mephan, has been reached. The settlement reached is on a without admission of liability basis.

The aspect of the claim that is now fully and finally resolved relates to the fraud committed by Mr Neil Barnes (the **Barnes Fraud**). As part of the settlement:

- Investment Services Ltd will make payment of **\$162,500.09** to Springs Road, being:
 - **\$161,682.09** in settlement of the unrecovered balance of the Barnes Fraud; and
 - **\$818.00** (inc GST) in settlement of the claim for interest and costs;
- Springs Road assigns any rights of recovery in respect of the unrecovered balance of the Barnes Fraud to ISL.

The directors are pleased to have secured full recovery of the amounts it sought in its pleaded claims through this partial settlement, and particularly where Springs Road was the victim of losses suffered through the Barnes Fraud.

Springs Road's other pleaded claims against the defendants (including relating to undisclosed payments made to ISL) are being amended, and the proceedings will continue to progress through the High Court.

Yours faithfully

John Murray

Chair

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