

First NZ Properties Limited

Minutes of Annual General Meeting: Held 21 September 2022

From 10.30am

Trailways, Nelson

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- **Welcome to all – Chair John Murray: Including those present and via Livestream**
  - **Present: John Murray (Chair), Damien Prendergast, Paul Rosanowski (Project Manager), Richard Eberlein (Property Manager), Kathy Tatlock (Minute Secretary), Peter Truman, Frank Saxton and Craig Priscott, Tracey and David Penrose**
  - **Apologies: Rachel Thony, Warwick Scott, Colleen Prendergast, Kathryn & Euan Brownlie and Delia French.**
- **Introduction of the staff and directors (John Murray):**
  - **John, Damien, Richard, Paul and Kathy.**
- **Overview of the year 2021-2022 Operations:**
  - **John outlined the Operations overview**
  - **Challenging and dynamic environment**
  - **CNP LP Holdco offer to shareholders at \$4.61 resulted in them purchasing 2,771,964 shares**
  - **Paid 2 dividends during the year, totalling 22 cents per share**
  - **Moved to Syndex in 2021**
  - **Changed the constitution with a special meeting during the year**
  - **Negotiated partial settlement with Investment Services Ltd and others. This is still ongoing. Satisfied the fraud part of the claim**
  - **Assessed several properties to purchase. None have met the purchase criteria**
  - **Reviewed Sheffield Crescent and that property is for sale**
  - **Filed the defence to a claim on Symonds110 Ltd**
- **General strategy for the company:**
  - **The general strategy was given for the upcoming year.**
  - **Dividends limited as there are no imputation credits available.**
  - **Will retain funds to finance growth**
  - **Cash reserves may be used to purchase properties or shareholder buy back**
- **Syndex – secondary market: (Damien Prendergast)**
  - **Some challenges experienced, but working well in the main**
- **Overview of the legal actions of the Company: (Damien Prendergast)**
  - **Fraud and High Court Proceedings**
  - **Received \$850k from the parties for the fraud by Mr Barnes fraud and the overdrawn ICA penalties and interest from IRD (\$291k).**
  - **High Court proceedings in May 2023 with ISL and others for undisclosed management fees and gain fees (\$2.58m).**
  - **Discussed the breakdown of the legal fees**

*The Directors and Management were commended for the hard work they put into the legal claim*

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- **Financial Overview: (Paul Rosanowski)**
- Reviewed the numbers within the company accounts.

	<u>2022</u>	<u>2021</u>
Total rental income	\$2,022,580	\$1,844,270
Partial Settlement Funds	\$562,044	\$96,120
Profit after tax	\$3,695,717	\$1,068,410
Gain on investment property	\$2,018,984	\$70,219
Property valuation	\$23,440,000	\$21,330,000
Equity	\$27,175,385	\$24,129,236
Bank - Term deposit	\$2,538,060	\$2,515,060
Earnings per share	\$0.91	\$0.26
Dividends paid	\$649,568	\$881,274
- Per share	\$0.16	\$0.22
Net tangible assets	\$6.68	\$5.94
Last traded price per share	\$4.61	\$3.95

29/07/2022

- **Property Overview (Richard Eberlein)**
  - Overviewed the properties discussing the tenants and the length of their leases as well as the rates of increase expected in their rent. Also the condition of the buildings.
  - **Sheffield Crescent:**
    - 15 Sheffield Crescent, Burnside
    - NZ Yarns now known as 'NZ Natural Fibres Ltd'
    - Lease Renewal 21st Nov 2024, Final Lease Expiry 20th Nov 2036
    - All rent, insurance premiums and recharges are up to date.
- **Rangitikei Street:**
  - 202-234 Rangitikei Street, Palmerston North
    - Harvey Norman Ltd
    - Bed, Bath and Beyond and Postie Plus (sub let)
    - Price Busters/Uncle Bills Wholesale Club
  - Harvey Norman Ltd. Rent Review 27th Oct 2022, Lease Renewal 27th Oct 2026, Final Lease Expiry 27th Oct 2031.
  - Full rent, opex and all recharges are being paid.
  - The CPI rent review (capped at 3%) has been agreed and the increased rent will be paid from November.
  - Bed Bath and Beyond. Rent Review 1st Dec 2022, Lease Renewal 1st Dec 2026, Final Lease Expiry 1st Dec 2036.
  - Full rent, opex and all recharges are being paid.
  - PriceBusters (Uncle Bills Discount Store). Rent Review 5th April 2023, Lease Renewal 5th April 2027, Final Lease Expiry 5th April 2033.
  - Full rent, opex and all recharges are being paid.
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**AGM BUSINESS:**

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

**Proxies Held**

<b>Prudent Investments Ltd</b>	<b>100,000</b>
<b>Craig Smith</b>	<b>5,000</b>
<b>Andrea Prendergast</b>	<b>63,400</b>
<b>Colleen Prendergast</b>	<b>119,000</b>
<b>Eru Edwards</b>	<b>5,000</b>
<b>Kathryn &amp; Euan Brownlie</b>	<b>20,000</b>

- **Resolution 1 – Adoption of the minutes of the 2021 annual meeting held at Fable Hotel, Dunedin, 23 September 2021**  
**Moved: Peter Truman**  
**Seconded: Damien Prendergast** **Carried**
- **Resolution 2 – Approval of the Company’s 2022 annual report**  
**Moved: Craig Priscott**  
**Seconded: Frank Saxton** **Carried**
- **Resolution 3 – Appointment of BDO Christchurch as the Company’s auditor for 2023 and authorising the manager of the Company to fix the fees and expenses of the Company’s auditor**  
**Moved: Peter Truman**  
**Seconded: Frank Saxton** **Carried**
- **General Business:**
  - None

***Meeting closed at 11.03 am, with a vote of thanks to all who attended***