

FIRST NZ PROPERTIES LTD



This quarterly Management Report (“Report”) provides key information about First NZ Properties Ltd. This report covers the period between 01 January to 31 March 2023.



Fourth Quarter, FY 2023

4 May 2023

Dear Shareholder

FIRST NZ PROPERTIES LIMITED (COMPANY) - SHAREHOLDER UPDATE

Conditional sale of 15 Sheffield Crescent, Christchurch.

Sheffield Crescent Property Limited, a subsidiary of First NZ Properties Limited

A revised conditional Sale and Purchase Agreement has been signed by both the vendor and the purchaser dated 19 April 2023. There are conditions that must be satisfied by both parties.

Conditions are to be completed at various times with the latest being 30 June 2023 with settlement one month later.

Unaudited Financial Report at 31 March 2023

Below is an unaudited update of the company’s 12-month financial information.

This information is directly from our Xero system as at 31 March 2023.

It is expected that there will be changes to these numbers following an update to the year-end accounts. These are preliminary, they do not have any adjustment for property values, and for information only. Confirmed numbers will be available following the audit by BDO Christchurch.

Financial information summary	2023 (1 Apr to 31 Mar 2023)	2022 (1 Apr to 31 Mar 2022 for comparison)
Gross rental income	\$ 2,002,893	\$ 1,943,946
Net profit before tax (NPBT)	\$ 1,061,354	\$ 4,089,551
Ending equity	\$ 28,235,458	\$ 27,175,385

15 Sheffield Crescent, Christchurch.

NZ Yarns Ltd. Lease Renewal 21st Nov 2024, Final Lease Expiry 20th Nov 2036

All rent, insurance premiums and recharges are up to date.

The Building Warrant of Fitness has been received.

234 Rangitikei Street, Palmerston North.

Harvey Norman electronics retail store dominates the property occupying around half of the floor area. The buildings are in good condition, although minor repairs are becoming increasingly required.

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.

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.

High Court Proceedings

In December 2020 proceedings were issued in the High Court (Nelson Registry) against Michael Millar, Investment Services Limited and Paul Mephan.

The trial commenced on 1 May 2023 for a period of 10 days. This is being heard by Justice Gwyn, in the High Court at Nelson.

Symonds110 Limited

Symonds110 Ltd, is a subsidiary of First NZ Properties Ltd.

Symonds110 Limited along with Michael Millar and Paul Mephan have had a claim lodged against them in the High Court in Auckland. The claim is in relation to the aluminium composite cladding (**ACP**) which the purchaser of the building alleges has caused the loss of a tenant and that the ACP will need to be replaced. It is alleged that by failing to disclose the existence of a letter from the Auckland City Council regarding the ACP there has been a breach of the warranties in the agreement for sale and purchase.

A statement of defence has been filed denying any liability whatsoever. It is not expected that there will be any hearing on the substantive claim until 2024. Settlement offers have been exchanged in an endeavour to settle the dispute but they have not been accepted by either party.

Dividend Declared on 27 April 2023

The First NZ Properties Limited directors have resolved to pay a dividend to the shareholders as at 27th April 2023. The gross dividend is 19 cents per share and is fully imputed.

The dividend has been authorised for payment on or about 18 May 2023 in cash to all holders of ordinary shares in the company who were registered as such in the share register as at 5pm on the 27 April 2023.

Investment Property

The Directors continually review property options which may be of benefit to the Company. This includes the sale or purchase of properties. Any transaction would be subject to the Directors belief that it would be in the best interests of the Company and, if it was deemed a major transaction, a special resolution of the shareholders of the Company would be required.

Shareholder Information update

If you have any changes to your email or residential address, please let us know. info@fssmanagement.co.nz

If you require any further information, please contact us on info@fssmanagement.co.nz .

Yours faithfully

John Murray
Chair

