

Superstore Properties Limited

Minutes of Annual General Meeting: Held 6 September 2024 From 11.00am

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 (Shareholder and Director), Richard Eberlein (Property Manager) and Kathy Tatlock (Minutes Secretary).

Shareholder in attendance

Manatu Ltd (P Truman)

Jillian Truman Family Trust (P Truman)

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

Frank Saxton

Judy & Paul Fanselow

Proxies Held

Fay Earles Trust 1,000

Andrea Prendergast 12,600

CNP Investment Holdings LP 1,155,233

K&B Parritt 3,000

Margaret Bailey 5,000

Total Proxies **1,176,833**

All proxy votes are held by the Chairman.

Apologies

Mandy Deans

Andrea Prendergast

Fay Walsh (Fay Earles Trust)

Craig Priscott

Kevin & Brenda Parritt

Margaret Bailey

- **Introduction of the staff and directors (John Murray):**
 - John, Damien (Directors), Richard (Property Manager), Paul Rosanowski (Project Manager, away at present) and Kathy Tatlock (Minutes Secretary). Damien Prendergast (Director)
- **Overview of the year 2023-2024 operations (John Murray):**
 - Dynamic and challenging year
 - OCR going up – high inflation.
 - Higher yields expected.
 - Discussions held with ANZ and they were comfortable with the Company's financial position.

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- Cranford Street - taken off the market because of Insurance issues.
 - The insurance negotiations were with the insurance company and other parties over the cracked floor.
 - Working hard to get Insurance claim settled
 - Cameron Road - sale commenced in November and eventually sold to Tauranga City Council. Became unconditional in May 2024.
 - Repaid ANZ loans with the funds from the sale of Cameron Road (In May 2024).
 - High Court judgement reached in May 2024 in the company's favour.
 - \$1,011,000 plus GST, funds received and held in Duncan Cotterill trust fund.
 - Costs and disbursements are being sought.
 - Appeal lodged by Mr Millar et al- will be opposed the Company.
 - Appeal to be heard on 3rd and 4th April 2025.
 - No dividends were paid out during the financial year.
 - Dividends paid out since the year end - May 2024 of 15 cents and August 2024 of 83 cents. Both fully imputed.
- **Strategy for the year**
 - Options for Property Investments being researched.
 - Structure being looked at.
 - In good financial position.
 - Implications of Craig Priscott's shareholding - could remove current directors, appoint another director, need his support with major strategy.

Damien Prendergast:

- High Court Proceedings
 - Judgement received after a year (16 May 2024), in our favour.
 - Received the funds, \$1,011,646. Paid to Duncan Cotterill trust account.
 - Appeal lodged by Mr Miller (will be opposed by the Company). If successful the funds will be returned to Mr Millar. To be heard 3rd and 4th April 2025.
 - Awaiting determination of costs and disbursements.
 - Fraud of Mr Barnes -contacted the SFO – no progress to date.
- **Syndex – secondary market:**
 - Trading was slim this year.
 - No commission for buy/sell in Syndex.
 - CNP Holdings 5.30/share (traded at 4.702/share) unsolicited offer in May 2024.
- **Financial Highlights: (John Murray)**
 - Finance costs – big interest bill (per banking covenant).
 - Net Profit up for the year.
 - Gain/Loss on Investment Properties
 - Cranford Street, Christchurch had a decline.
 - Cameron Road had a gain.
 - Overall, the properties had an increase
 - Equity gone up.

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- Bank Loan – reduction due to deposit received for Cameron Road sale.
- EPS – 33 cents which is a positive return this year.
- Dividends – none paid in the 2023-2024 financial year – paid 15 cents fully imputed in May 2024.
- Last traded price was \$5.30
- Liquidity good
- 2,095,000 shares held.

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Total rental income	\$1,563,594	\$1,538,594	\$25,000
Finance cost	\$797,058	\$598,451	\$198,607
Profit from operations	\$287,175	\$421,849	-\$134,674
Gain (Loss) on investment property	\$525,000	-\$4,050,000	\$4,575,000
Profit after tax	\$700,152	-\$3,757,333	\$4,457,485
Property valuation	\$26,625,000	\$26,100,000	\$525,000
Equity	\$16,605,824	\$15,905,672	\$700,152

	<u>2024</u>	<u>2023</u>	<u>Variance</u>
Bank - ANZ Loan - Floating rate	\$7,976,879	\$9,524,000	-\$1,547,121
Interest Percentage 31 March	8.68%	8.13%	0.55%
Earnings per share	\$0.33	-\$1.79	\$2.12
Dividends paid	\$0	\$529,591	-\$529,591
- per share	\$0.00	\$0.25	-\$0.25
Net tangible assets	\$7.92	\$7.59	\$0.33
Last traded price per share	\$5.30	\$6.00	-\$0.70
28/08/2024			

Property Overview: (Richard Eberlein)

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- **315-321 Cranford Street, Christchurch**
 - **Placemakers:** Right to two further renewals of 6 years each through to 2040
 - Net rent is currently \$625,236pa, but a market review is due in February 2025.
 - Following the 2010 earthquakes major repairs were completed at the expense of the Insurers.
 - Whilst the building is occupied it is proposed to settle the remainder of the EQ claim and hold the cash until an appropriate juncture.
 - The Tenant insures the property direct. We are negotiating with Tenants around the liabilities involved in deferring repairs before confirming the settlement of the claim.
 - A detailed Engineering Evaluation following the EQ events reported 66%NBS upon completion of the wall and roof repairs. Government requires an NBS of no less than 34%, but insurers and tenants are seeking 67%.
 - A Detailed Seismic Assessment report has now been instructed to assess the effect that the unrepaired floors have on the NBS, and to ensure the continued safe occupation and to satisfy insurers.

- **483 Cameron Road, Tauranga**
 - **This property was sold in May 2024**
 - The following information reflects what was in place as at 31 March 2024.

 - **The Warehouse Ltd**– buildings in good condition, with the exterior having recently been repainted.
 - Ground level carpark repairs quoted at a cost of up to \$200,000.
 - Three rights of renewal of 4 years each, taking it through to 2037.
 - Current net rent increased to \$925,000 at April 2022. TWL are also repaying \$36,000 per annum against an improvement loan until 2025.
 - Complicated negotiations to achieve a sale involved assisting TWL with an early lease surrender, infilling of openings into an adjoining property at 14 St Johns Street, Tauranga and the assignment and surrender of a lease that TWL had over that adjoining property. However, this resulted in the successful ‘as is,’ sale of the property in June 2024 to Tauranga Council at \$18m.

RESOLUTIONS:

The following resolutions were proposed:

(5 Proxies, 56.1% of shareholding held – all in favour of the resolutions).

RESOLUTIONS

- 1) That the minutes of the 15 September 2023 AGM held at De Lorenzo Motel, Nelson be approved. **Passed unanimously.**
- 2) That the 2023-2024 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:**

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- **John gave acknowledgements** and thanks given to the Staff and Team at FSS Management (Paul, Project Manager, Richard, Property Manager, Kathy Minute Secretary, fellow Director Damien and the teams at RWCA, Duncan Cotterill and BDO, along with the Shareholders who have attended, especially those who have travelled.
- **Thoughts on going forward** – a query asked by Judy Fanselow. John responded that a pause is being put in place at present, however, Shareholders would be kept fully informed of any developments.
- **Dividends** – considered twice per year.
- **Judy Fanselow on behalf of the Shareholders (and Damien) gave thanks** to John and the Management Team for the management of the Company.

Meeting closed at 12.11pm, with a vote of thanks to all who attended.