

First NZ Properties Limited

Minutes of Annual General Meeting: Held 12 September 2025 from: 10.00am

Brook Room, Tides Hotel, Trafalgar Street, Nelson

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

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

Shareholders in attendance

- Peter Truman
 - Manatu Ltd
 - Jillian Truman F/T
 - Porthleven Ltd
- Frank Saxton
- Paul Rosanowski
- Damien Prendergast
 - A&J Enterprises Ltd

Apologies:

Andrea Prendergast

Delia French

Kathryn & Euan Brownlie

Harry Pearson

Craig Priscott

Proxies Held

Andrea Prendergast: 4,732

A&J Enterprises Ltd: 174,957

Delia M French: 1,755

HJP Land Trust: 48,290

Kathryn&Euan Brownlie: 17,610

CNP LP Holdco Ltd: 2,230,949

Total Proxies: 2,478,3138

(All held by the Chairperson)

- **Introduction of the directors and staff:**
 - John and Damien (Directors), Richard (Property Manager), Paul (Project Manager) and Kathy (Minute Secretary) were introduced.
- **Overview of the year 2024-2025 operations:**
 - OCR decreased and interest rates declined.
 - Sheffield Crescent property was sold in May 24.
 - High Court found in favour of the company against ISL, Millar and Mephan. Appealed to the Court of Appeal.
 - Share redemption of 19.52% of the company shares. Redeemed at \$4.94 per share.
 - Company paid dividends in May of 15 cents and October a 24 cent, fully imputed.
 - Liquidated Sheffield Crescent Property Ltd in January 2025.
 - Court of Appeal decision was released in June 2025.

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- Company paid a dividend of 51 cents fully imputed in July 2025.

- **Syndex – secondary market:**
 - Continues to work well.
 - Secondary market has been extremely low on trades this financial year.
 - Only 16,000 shares (2024 = 28,048) shares have traded this financial year.
 - The price has ranged from \$3.88 to \$ 4.18.
 - The last trade was 3 weeks ago at \$4.18 for 2,390 shares.
 - There are 133 Shareholders remaining in the company.

- **High Court/Court of Appeal Brief:**
 - Mr Millar/ISL and Mr Mephan initially appealed all the financial aspects of the high court awards, and this was heard on 2nd April 2025.
 - **The Court of Appeal released its decision** on 11 June 2025 including:
 - It found that First NZ Management Agreement contained an implied term, meaning that it continued beyond the sale of the last supermarket property in 2004, and it applied to both Kilmore Street and Symonds Street. ISL was therefore entitled in contract to receive the Symonds Street gain fee of \$450,000 (plus GST) and entitled to rely on the indemnity provision in the Management Agreement. \$484,488 was repaid to ISL which was the \$450,000 gain fee plus interest in July 2025.
 - Some of the appeal grounds were allowed but ultimately no other parts that were allowed resulted in any other requirement to repay the High Court awards.
 - First NZ was ordered to pay Mr Mephan costs (\$23,831.13) for a standard appeal, and usual disbursements. No costs orders were made in relation to ISL or Mr Millar. For the year ended 31 March 2025, the amount held on trust account less the amounts payable by the Group was \$1,639,560.

- **Symonds 110 Ltd:** After more than 4 years the claim brought by the purchasers of 110 Symonds Street has been settled.
 - The settlement was between all parties and was full and final on all matters. \$800,000 was paid to settle the claim and this was split 50/50 between Mr Millar and First NZ Ltd.

● **Financial Highlights**

	<u>2025</u>	<u>2024</u>	<u>Variance</u>
Total rental income	\$1,771,990	\$2,000,198	-\$228,208
Profit from operations	\$2,968,570	\$1,247,024	\$1,721,546
Gain (Loss) on investment property	-\$750,000	\$270,000	-\$1,020,000

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Profit after tax		\$1,499,818		\$1,152,278		\$347,540
Property valuation		\$10,850,000		\$20,150,000		-\$9,300,000
Equity		\$21,200,118		\$24,624,763		-\$3,424,645

		2025		2024		Variance
Bank - Term deposit		\$8,576,330		\$3,997,634		\$4,578,696
interest Received		\$566,609		\$144,105		\$422,504
Earnings per share		\$0.46		\$0.28		\$0.18
Dividends paid		\$1,004,741		\$878,376		\$126,365
- Per share		\$0.31		\$0.22		\$0.09
Net tangible assets		\$6.48		\$6.05		\$0.43
Last traded price per share		\$4.18		\$4.60		-\$0.42
		20/08/2025				

- Rental from Rangitikei Street is the same as last year. Additional \$490k (deferred tax adjustment) in income from the sale of the Sheffield Cres property. Only 2 months of Sheffield Cres rent as it was sold in May.
- Increase in profit from operations as the judgment from the Court of Appeal has been included (\$1.6m)
- Decline in the Palmerston North property of \$750k. Weaker investment demand and reduced appeal of retail property. Down to \$10.85m.
- Variance in Profit made up from:
 - \$490,580 deferred tax adjustment created from Sheffield Cres sale.
 - Court of Appeal judgment \$1,639,505
 - Sheffield Cres cost of sale in this year's account.
 - Tax provision increased to \$676,085. Some of the increase related to Court of Appeal funds.
 - The \$750k write down of the Palmerston North property.
- Equity is reduced by \$1m of dividends paid and the authorised subscribed capital payment of nearly \$4m with the Share Redemption.
- Increase in bank deposits from the sale of Sheffield Cres.
- Interest received increased from the funds available from Sheffield Cres and put on fixed term deposit.
- Earnings per share is 46 cents per share.

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- Dividends Paid – Paid out \$1m.
 - Paid 2 dividends in the 2025/26 year totally 67 cents gross fully imputed.
- Last sale through Syndex was \$4.18 on 20 August 2025.

- **Property Overview**
 - **Overview of the properties:**
 - **15 Sheffield Crescent, Burnside, Christchurch:**
 - The property was a 14,285m² factory on a 3hectare site, in a light industrial estate in Christchurch.
 - NZ Yarn Ltd had tenanted the property since 2014 changing their name to NZ Natural Fibres Ltd in later years.
 - The current term of the lease ended in November 2024, but with rights of renewal through until 2036.
 - In March 2022, structural improvement works required to achieve 67% NBS were estimated at \$4m+.
 - The decision was taken to sell the property, and it settled at \$8.55m in June 2024.

 - **202-234 Rangitikei Street, Palmerston North.**
 - This property in Palmerston North, was purchased Symonds 110 Ltd in early 2020. It comprises two warehouse style buildings built in 2008. They total 4,100sqm including storage and some mezzanine offices.
 - The warehouses comprise four retail units that 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.
 - The property has three tenants, Harvey Norman occupying one whole building, and Bed Bath and Beyond sharing the other building with Uncle Bills discount store.
 - **Lease Details:**

Harvey Norman Ltd initially agreed a gross lease over 20240sqm for 8 years from 2008 and renewed in 2016 and 2021 through to October 2026. The lease includes one remaining right of renewal that would take them through to 2031.

They currently pay a gross rent of \$516,093. It is subject to annual CPI reviews/capped at 3% per annum. The next review is in October and is likely to be at around 3%. We are negotiating with the tenant around the early renewal of their lease given that there is only one year remaining of their current term.

Bed, Bath and Beyond originally leased 695sqm in 2026 for ten years with two 5-year renewals through until 2036.

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The tenant added the adjoining 535sqm to their lease in late 2029. They then sub-let that additional space to **Postie** during the Covid downturn.

Their current net rent is \$320,831pa and is subject to annual fixed 3% increases, with a market rent review upon renewal in 2026.

At the last rent review in February 25, we negotiated the early renewal of their lease through to 2031, in lieu of the 3% increase. The next rent review will therefore be to market in February 26, but their lease was extended by 5 years.

Price Busters/Uncle Bills Wholesale Club originally leased 812sqm in 2009 renewing in 2025 and 2021 until 2027. They then have another 6-year right of renewal to 2033.

Annual rent reviews are fixed at 1%pa.

The last review was in April 25. Their current net rent is \$168,965pa.

AGM BUSINESS:

Six Proxies were received representing 93.36% of shareholders at the meeting – all of whom voted in the affirmative for the following Resolutions.

RESOLUTIONS

- 1) That the minutes of the 6 September 2024 AGM held at De Lorenzo Apartments, Nelson be approved.

Passed unanimously.
- 2) That the 2025 Annual Report be adopted.

Passed unanimously.
- 3) That BDO Christchurch Ltd be reappointed as the Company's Auditor for 2026 and that the Manager of the Company be authorised to fix the fees and expenses of the Company's auditor.

Passed unanimously.

• General Business:

- 1) **Future of the Company** (in lieu of now having only one Property) was queried. John advised that the company was solvent and liquid. As directors, we are still looking for other investment opportunities however none have materialised. Shareholders may have other views and may advise otherwise.
- 2) **John gave thanks** to Damien, Richard, Paul, RWCA accountants, BDO auditor, Duncan Cotterill lawyers and all the Shareholders.

Meeting closed at 10.30am