

First NZ Properties Limited

Minutes of Annual General Meeting: Held 31 August 2026 from: 10.00am

Duncan Cotterill Board Room, 197 Bridge Street, Nelson

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- Welcome to all – Chair John Murray.

Present: John Murray (Chair), Damien Prendergast (Director), Paul Rosanowski (Project Manager), Richard Eberlein (Property Manager).

Shareholders in attendance

- Peter Truman
 - Manatu Ltd 131,268
 - Jillian Truman F/T 4,427
 - Porthleven Ltd 6,831
- Frank Saxton 41,477
- Harry Pearson
 - HJP Land Trust 48,290
- Paul Rosanowski
- Damien Prendergast
 - A&J Enterprises Ltd

Apologies:

Andrea Prendergast
Kathryn & Euan Brownlie
Craig Priscott
Delia French

<u>Proxies (Held by Chair)</u>	Shares @ Mtg
Andrea Prendergast	4,732
Euan & Kathryn Brownlie	17,610
Paul Rosanowski	22,841
A&J Enterprises 2006 Ltd	174,957
Paget Capital Mngt Ltd	39,104
CNP LP Holdco Ltd	2,230,949

- **Introduction of the directors and staff:**
 - John and Damien (Directors), Richard (Property Manager) and Paul (Project Manager), were introduced.
- **Overview of the year 2025-2026 operations:**
 - ISL, Millar and Mephan appealed the High Court decision to the Court of Appeal.
 - Sheffield Crescent Property Ltd removed from the Companies Register.
 - Court of Appeal released the decision in June. Court found an implied term in management contract therefore ISL was entitled to \$450k gain fee. First NZ to pay Mephan's costs and disbursements. Other appeal grounds that were successful had no effect on the High Court award.

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- In August 2025 the settlement was completed regarding the Symonds Street purchasers claim. First NZ paid \$400k being 50% of the \$800k total.
- Rangitikei Street was marketed in October November 2025 by Bayleys. Received several conditional offers however the conditions and value of the offers were not acceptable. The property was then removed from the market. This process highlighted a need to amalgamate the titles.
- Surveyors prepared the necessary plans to amalgamate the titles into one title for Rangitikei Street property.
- Company paid out 3 separate dividends with a total of 76 cents per share gross. A total of \$1,790,916 was paid out to shareholders.
- **Syndex – secondary market:**
 - Syndex continues to supply the registry and secondary market functions.
 - 31,710 shares have traded this financial year (2025 = 16,000 shares). The price started the year at \$3.88 and has been as high as \$4.23 with the latest trade at \$4.08 within the last week.
 - There are 115 Shareholders remaining in the company which is down from 133 last year.
- **Court of Appeal Brief:**
 - After the High court judgement was released, Mr Millar/ISL and Mr Mephan appealed the high court awards. This hearing was on the 2nd of April 2025.
 - The Court of Appeal released its decision on 11 June 2025.
 - In summary, the Court of Appeal found that the First NZ Management Agreement contained an implied term, meaning that it continued beyond the sale of the last supermarket property in 2004, and 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.
 - Some of the appeal grounds were allowed but none of these resulted in any other requirement to repay the High Court awards above the Symonds Street gain fee. First NZ was ordered to pay Mr Mephan appeal costs. No costs orders were made in relation to ISL or Mr Millar.
 - These proceedings are complete.
- **Symonds 110 Ltd:**
 - After more than 4 years, the claim that was filed by the purchasers of 110 Symonds Street was 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 Properties Ltd.

- **Financial Highlights**

	2026	2025	Variance
Total rental income	\$1,125,527	\$1,771,990	-\$646,463

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Profit from operations		\$244,593	\$2,968,570	-\$2,723,977
Gain (Loss) on investment property		-\$550,000	-\$750,000	\$200,000
Profit (Loss) after tax		-\$529,832	\$1,499,818	-\$2,029,650
Property valuation		\$10,300,000	\$10,850,000	-\$550,000
Equity		\$18,879,370	\$21,200,118	-\$2,320,748

		<u>2026</u>	<u>2025</u>	<u>Variance</u>
Bank - Term deposit		\$8,033,975	\$8,576,330	-\$542,355
interest Received		\$356,723	\$566,609	-\$209,886
Earnings per share		-\$0.16	\$0.46	-\$0.62
Dividends paid		\$1,790,916	\$1,004,741	\$786,175
- Per share		\$0.55	\$0.31	\$0.24
Net tangible assets		\$5.77	\$6.48	-\$0.71
Last traded price per share		\$4.20	\$4.18	\$0.02
12/04/2026				

Major items affecting the Financial Report:

- The Rangitikei Street, Palmerston North property has been written down to \$10,300,000 for the year which is a decrease of \$550,000 (2025 decrease of \$750,000).
- The 2026 accounts include the settlement with the purchasers of 110 Symonds Street property. This settlement was in August 2025. 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, being \$400,000 from Mr Millar and \$400,000 from First NZ Properties Ltd.
- The tax provision in this financial year is \$224,425 compared to 2025 \$676,085.
- The Court of Appeal released its judgment on 11 June 2025 confirming First NZ Properties Ltd entitlement to a settlement of \$1,639,560. This amount was recognised as Other Income in the 2025 financial statements.

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- Equity is reduced by \$2.3m. Increased dividends paid of \$1,790,916 and the loss were contributing factors.
- Dividends were paid in June 16 cents gross, July 51 cents gross, and October 9 cents gross.
- Decrease in bank amount and interest earned due to the low interest rates contributed to the Other Income being reduced this year.
- Earnings per share is a loss of 16 cents per share.
- **Property Overview**
 - **202-234 Rangitikei Street, Palmerston North.**
 - This property in Palmerston North, was purchased by 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. Mitre 10, Noel Leeming, Warehouse Stationery, and many other national retailers are 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, which they have recently agreed to that renewal of the lease through to 2031.
 - They currently pay a gross rent of \$530,000. It is subject to annual CPI reviews/capped at 3% per annum. The review due in October 2026 would have been a market review upon renewal. However, as an incentive for the tenant to renew the lease it was agreed that this review would be foregone. Future annual CPI reviews will continue from October 2027.
 - **Bed, Bath and Beyond** originally leased 695sqm in 2026 for ten years with two 5-year renewals through until 2036.
 - 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 be to market in December 2026.
 - **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 until 2027.
 - The last review was in April 26. Their current net rent is \$170,655pa.

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AGM BUSINESS:

Six Proxies (2,490,193 shares) were received representing 91.47% of shareholders at the meeting – all of whom voted in the affirmative for the following Resolutions.

RESOLUTIONS

- 1) That the minutes of the 2025 AGM held at Brook Room, Tides Hotel, Nelson, on 12 September 2025, be approved.**

Passed unanimously.

- 2) That the 2026 Annual Report be adopted.**

Passed unanimously.

- 3) That BDO Christchurch Ltd be reappointed as the Company's Auditor for 2027 and that the Manager of the Company be authorised to fix the fees and expenses of the Company's auditor.**

Passed unanimously.

- 4) Re-appointment of John Murray as a Director of the Company for a further 3 years.**

Passed unanimously.

- 5) Re-appointment of Damien Prendergast as a Director of the Company for a further 3 years.**

Passed unanimously.

• General Business:

○ Future of the Company.

- 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.
- A shareholder (F Saxton) queried the sustainability of FSS Management Ltd now that there was only one company.
John discussed the cost of running the company and appreciated that with the reduction in the number of companies and only one property, there would be a decrease in the cost of running FSS Management, but it was not a long term option.
- A shareholder (H Pearson) questioned if the Rangitikei Street property might be sold and what affect it would have on the Company.

John considered that there were options:

- Sell the Rangitikei property and liquidate the Companies.
- Keep the property. Liquidate First NZ and transfer shares for Symonds110 Ltd to FNZ shareholders.
- Purchase another property.
- Do nothing – which is not acceptable.

John suggested that the Company would look at agents and could then test the market.

- A shareholder (P Truman) queried the Legacy Tax item (\$116,961) in the accounts.

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John advised that it was an out of balance number that had been in the accounts since the transfer of accounts to Xero. This now aligned the IRD and the company accounts.

This was the first year it had been highlighted to management.

- John gave thanks to Damien, Richard, Paul, RWCA accountants, BDO auditor, Duncan Cotterill lawyers and all the Shareholders.
- Damien gave thanks to John for all his input on the matters that came up throughout the year.

Meeting closed at 10.50 am