SCIL

Shopping Centre Investments Ltd

2026 Annual Report

SCIL.CO.NZ

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FINANCIAL HIGHLIGHTS

34.78%
Increase

Dividends for the Year

19.59%
Increase in Operating Profit

Operating Profit for the Year

$4.297m

Loan to Value Ratio: An improvement from **47.80%** to **46.65%** (2024 year 52.43%)

FINANCIAL HIGHLIGHTS CONTINUED

42.20%
Decrease

Profit for the Year
$4.365m

Unrealised Increase in Value of Investment Properties
$1.5m

2.96% Increase
in Shareholder's Equity
From $57.5m to
$59.2m

Indicated Value per share based on Net Tangible Assets

Shareholder's Equity	$59,202,914
Adjustment for Financial Reporting Requirement	$8,640,186
Total	**$67,843,100**
Divided by 68,907,243 shares equals	**98.5 cents per share**

Year in Review

FINANCIAL HIGHLIGHTS CONTINUED

Property Valuation Summary

Year	Financial Reporting Valuation			Insurance Replacement Value	Plus Land Value	Total	Difference between the Valuation and the Total
	Land Value	Value of Improvements	Total Valuation				
2026	**33,000,000**	**95,000,000**	**128,000,000**	**223,181,000**	**33,000,000**	**256,181,000**	**$128,181,000**
2025*	33,000,000	93,500,000	126,500,000	223,357,000	33,000,000	256,357,000	129,857,000
2024	25,520,000	100,480,000	126,000,000	236,262,000	25,520,000	261,782,000	135,782,000
2023	25,240,000	96,040,000	121,280,000	236,262,000	25,240,000	261,502,000	140,222,000
2022	31,800,000	97,200,000	129,000,000	171,133,000	31,800,000	202,933,000	73,933,000

*After sale of Chalmers Street properties.

Chair's Report for the Year Ended 28 February 2026

MICHAEL KEYSE
CHAIR

It has been a year of positive results and outcomes determined by the groundwork and application of a number of strategies.

This has been illustrated by the improvement in the Operating Profit, a mutually successful lease review with one of our major anchor tenants with a change of reliance to base rent rather than percentage rentals, a substantial improvement in the WALT calculation (weighted average lease term) due to a concerted program by the Collier's leasing team, and a sustained rental income improvement; these various factors have been illustrated with a further increase to the unrealized valuation of the complex. This is the third year in succession that the determined valuation has improved. The return to shareholders has been enhanced with the application of imputation credits commencing from the quarter distribution ended December 2025.

The twelve months have been identified by critical indicators that have positively impacted upon the Operating Profit result and the return to shareholders. The improvement in profitability has been due to the continuing stability of the interest rates which have been applied to the floating portion of the term loan.

Retail trading conditions nationally have been less than favourable, but despite this, a number of our significant tenants have reported good trading results for the twelve-month period. The food court area continues to enjoy positive support and this is a testament to the original design parameters. Tenants offering technical solutions also attract increasing demand.

Chair's Report for the Year Ended 28 February 2026 CONTINUED

MICHAEL KEYSE
CHAIR

The opening of the Pak'n Save supermarket in Rolleston has impacted upon the Centre's turnover and foot count but these are of manageable proportions and are within anticipated expectations. The Hornby Pak'n Save continues to be one of the prime traders in the group's Christchurch area. The fashion sector remains problematic but the retrenchments in this area have been due to exterior national issues. We have continued to support the fashion precinct as this adds a point of interest to the complex.

The overall vacancy percentage is small but the leasing environment continues to be tight, the empty tenancies visible are a focus of both our and Collier's attention. The immediate program, which is underway, is of two parts. One, an exercise of improvement to the visual aspects of the Mall in order to draw customer and public attention, two, we have completed a contract agreement with a successful nationwide leasing agency which will complement our existing professional leasing contract with Colliers. We are confident that this multi-faceted approach will achieve positive results.

OCCUPANCY PERCENTAGE
AT FEBRUARY 2026

Lease renewals and reviews have been subject to timely action and have been completed before due dates. I refer you to my comments regarding the WALT calculation. The team at Colliers has been enterprising and proactive, all such tasks have been undertaken with enthusiasm and a high degree of professionalism.

The timely conclusion of the rental review within this twelve-month period with one anchor tenant has positively impacted upon the valuation considerations and our relationship with the ASB Bank.

Physical Improvements
The Board has authorised a program of physical improvements to the complex. These are of a visual nature and though of modest proportions will hopefully add to public and customer awareness.

External
The Mall occupies a long frontage to one of the major arterial entries to the City, the aim is to reinforce the perception that this is easily accessible and provides a recognisable shopping experience for an expanding residential and business base.

This includes additional and improved signage, especially that pertaining to the anchor tenants, improvements to the carpark area, improvements to the area's leading to the two main entrances on the South side. Part of this program should be underway by the time of the Annual General Meeting.

Internal
Installation of attractive and welcoming respite seating within the corridor leading down to Farmers.
A continued program of renovation to the existing travellators.

Chair's Report for the Year Ended 28 February 2026 CONTINUED

MICHAEL KEYSE
CHAIR

69 million
Number of Shares on Issue

247
Number of Shareholders

4.00 Cents Net

Latest net dividend rate declared. [Two of the last quarterly distributions now fully imputed]

Operating Profit
Operating profit has increased by 19.61% despite an increase in general repairs due to improvements to the travellator operations and the increase in Operating Contributions due to the reduced occupancies. Details of the "other operating costs" are identified within Note 13. The impact of the lower interest costs is the major contributor to the improvement in the operating profit.

Quarterly distributions have been maintained and as a result of the improved cash earnings, dividends have increased by 34.8% to the corresponding period last year. Of special note is that from the December ended quarter, all dividends have been fully imputed and this has resulted in a significant improvement to the gross return, assuming a par value of one dollar.

Valuation
It is pleasing to report, for the third consecutive year, an increase in the unrealized value of the complex. The positive change is $1.5 million and is due in part to the positive negotiations listed earlier in this report.

The fair value determinations have been year 2023 $121,280,000, year 2024 $126,000,000, year 2025 126,500,000 (despite the sale of the Chalmers Street properties) and year 2026 $128,000,000.
The Loan to Value calculation is a further positive. Property valued at $128,000,000, term loan balance $59,714,311, a percentage of 46.65%.

Shareholder Equity
With the improvements to the Operating Profit, a careful capital improvements program, a prudent but positive dividend policy, an improved unrealized valuation; total shareholder's equity has increased from $57.508 million to $59.203 million. The percentage increase in equity for the three-year period (year 2023 to year 2026) is 23.82%.

The theoretical share value based on shareholder equity divided by the number of shares equals 86 cents per share, [previous year 83 cents], the latest share value transfer as per "UnListed" is 60 cents.

If this theoretical share value is adjusted by Financial Reporting requirements of a technical nature, then a further theoretical indicated value is 98.00 cents per share [previous year 95.4 cents].

Share Liquidity
The lack of liquidity continues to be of concern and sales of parcels of shares through the "Unlisted" portal do not reflect the underlying value of the asset held and I refer to the comments above and previous presentations.

This liquidity issue and the potential to resolve it will be a defining discussion at the forthcoming Annual General Meeting and be subject to the submission of a proposed formal resolution.

Chair's Report for the Year Ended 28 February 2026 CONTINUED

MICHAEL KEYSE
CHAIR

Summary
At the immediate the world is in a state of flux and concern due to the Strait of Hormuz conflict.
Due to careful management and the reduction in interest rates, the resultant cash flow improvement has given the Company capacity to meet short term negative outcomes whilst maintaining its determined policies.

Leasing will remain a focus of attention. Due to timely lease renewals and reviews, the positive energy illustrated by the Collier's team, the introduction of substantial resources due to the additional contractual relationship with a nationwide leasing agency of repute, the Company has put in place conditions to improve the present occupancy percentages. An illustrative factor of this is the recent leasing conclusions with a number of our banking tenants allied with the construction, by them, of attractive fit-outs. This area will be further enhanced by the improvements listed for the entrance approach.

The Board, its Managing Agents, Colliers, the operations team at the Mall; all continue to maintain a cohesive and pro-active environment and have in place established frameworks and forecasts for them to meet the challenges of the next twelve months.

Report from the Centre Manager

JASON MARSDEN
SENIOR CENTRE MANAGER

The past twelve months have been a period of both challenge and opportunity. As global trade tariff pressures eased, the economy faced new headwinds from rising fuel prices, the ripple effects of which were felt across most sectors. Locally, however, growth within our catchment remains robust. This momentum is highly visible on nearby Amyes Road, where roughly one in four properties has transitioned from a single dwelling to multi-unit townhouses.

Recognising Hornby's pivotal role as a high-growth area, the Council has begun addressing long-term traffic and pedestrian connectivity challenges. Ultimately, this increased housing density is driving strong footfall and retail turnover, outpacing many surrounding suburban catchments.

The South Island's largest Pak'n Save opened in Rolleston, making its presence felt, however our supermarket operators took the challenge head on and continue to innovate and drive both low prices and high customer service. Our total footfall was somewhat artificially impacted by the relocation of the Thursday Night Market offsite, but this alleviated some of the challenges around parking availability for the permanent tenants' late-night trade. Despite these challenges The Hub finished the financial year slightly ahead of the previous twelve months in both turnover and footfall.

84
Total number of tenancies.
As at latest balance date 28 February 2026

23,515 sqm
Total lettable Area

Report from the Centre Manager CONTINUED

JASON MARSDEN
SENIOR CENTRE MANAGER

Like most major centres, we are currently carrying some vacancies. We have secured some long-term incubator pop-up stores, expanded our offering and kept vacant sites activated. It is very encouraging to see these new stores and concepts proving viable.

EB Games exited the New Zealand market at the end of January, to the dismay of a generation of gamers and pop culture enthusiasts. The advent of online gaming and downloads strangled the profitable second-hand game market, and despite good progress in merchandise and collector cards, the business returned losses.

At the time of writing, ProfessioNAIL are fitting out their new site between Stirling Sports and Westpac. With the success of our other health and beauty brands this will be a great addition to the Centre and strengthen the other offerings in that area.

Another significant tenant reinvestment has come from our banks with most now having completed major refurbishments. These provide a very tangible demonstration of the confidence in both The Hub and the greater Hornby community, especially following a period of branch closures across the country.

While the apparel category continues to face challenging times, other categories including health and beauty, jewellery, mobile technology and food have shown good resilience and even growth for some businesses.

The Hub's unique catchment of local businesses sees workers frequent the Centre multiple times a week providing a strong economic advantage over other suburban shopping centres that may only serve a residential catchment.

The Hub continues to operate at an industry leading level. For the ninth year in a row, The Hub received Gold Accreditation from the Toitū Enviro-mark programme. To the best of our knowledge, we remain the only New Zealand shopping centre to achieve this level of environmental accreditation.

For the second year in a row, The Hub was announced as a finalist in the national Clean Sweep awards. This cleaning industry initiative extensively measures presentation and hygiene of sites, drilling down further into systems, operations and culture. The winner will be announced mid-July. It would be great to see our fantastic team of cleaners recognised within the industry for their ongoing hard work.

The Hub continues to build on its exceptional community connections with a unique musical instrument drive to support Hornby High School. The initiative launched under the banner Play it Forward. Many well-known musical artists are former Hornby High graduates, and we were very fortunate to have Boh Runga lend her name and image to the campaign.

Report from the Centre Manager CONTINUED

JASON MARSDEN
SENIOR CENTRE MANAGER

This resulted in many donated instruments, including electric and acoustic guitars, violins, amplifiers, trumpets and flutes, keyboards and even an oboe. These instruments provided an immediate benefit to the music students, and it was heartwarming to see the community come together for such a worthwhile cause.

Over the coming weeks and months some aesthetic and amenity upgrades will progress around The Hub. Two substantial respite seating installations are well under way and may be completed around the time of the AGM. There are also major upgrades to the main southern entrance apron and banking entrances under instruction. The latter will see a new footpath pedestrian access point close to the Carmen/Main South Road intersection. This should complement Council planned pedestrian access improvements across to the Harvey Norman Centre, something that has been a major community issue for many years. Additionally, significant wayfinding signage has been installed to highlight and ease access to the rooftop carpark from both Main South Road and Chalmers St.

This year we have seen the departure of our Operations Manager, Kiri Thomson, who has transitioned to the Colliers Project Leaders team. Many new projects around Canterbury will now benefit from her many years of facilities and project experience. We wish to extend heartfelt thanks to Kiri for her immense input and dedicated work over the last two plus decades and wish her all the very best with her new career.

Kiri's departure coincides with the creation of a new dedicated Marketing Manager position. This will ensure The Hub continues to punch above its weight by delivering innovative and impactful marketing campaigns. Facilities Management has become part of the Centre Manager's role, providing a level of continuity for this function.

While The Hub is an asset driven to provide a return on investment, it is also a living, breathing entity that provides amenity and many other benefits to the communities it serves. The Centre cannot thrive without the input and support of many, and I wish to acknowledge all our staff across cleaning, security, operations, marketing and customer services. Not least also our tenants. The offsite support of Tim Raateland, our Colliers Asset Manager, accountants and lastly the continued support of the Shopping Centre Investments Limited Board and shareholders.

Thank you one and all.

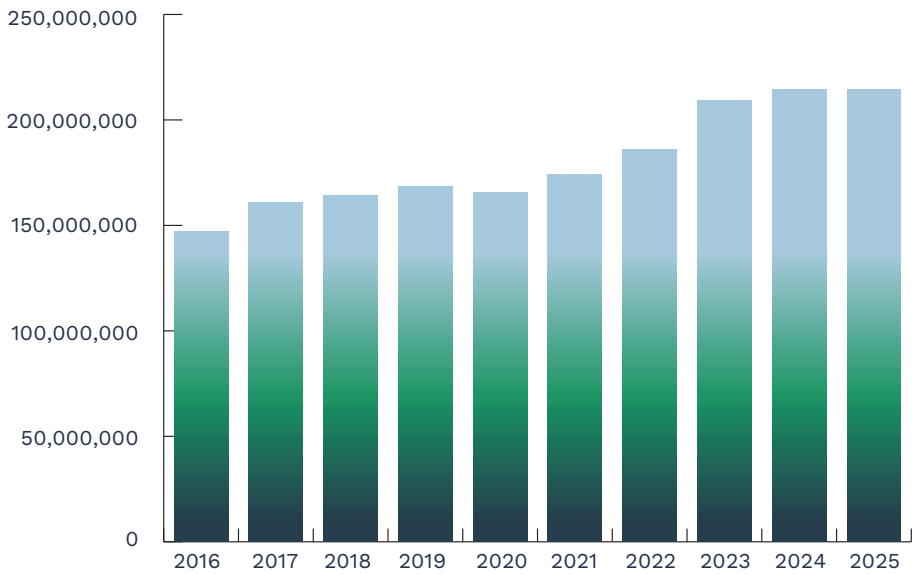
Turnover for the 12 months to 28 Feb 2026

$244.7m

(up +0.3% on the previous 12 months)

Significant Graphs

MAT TURNOVER
EX GST



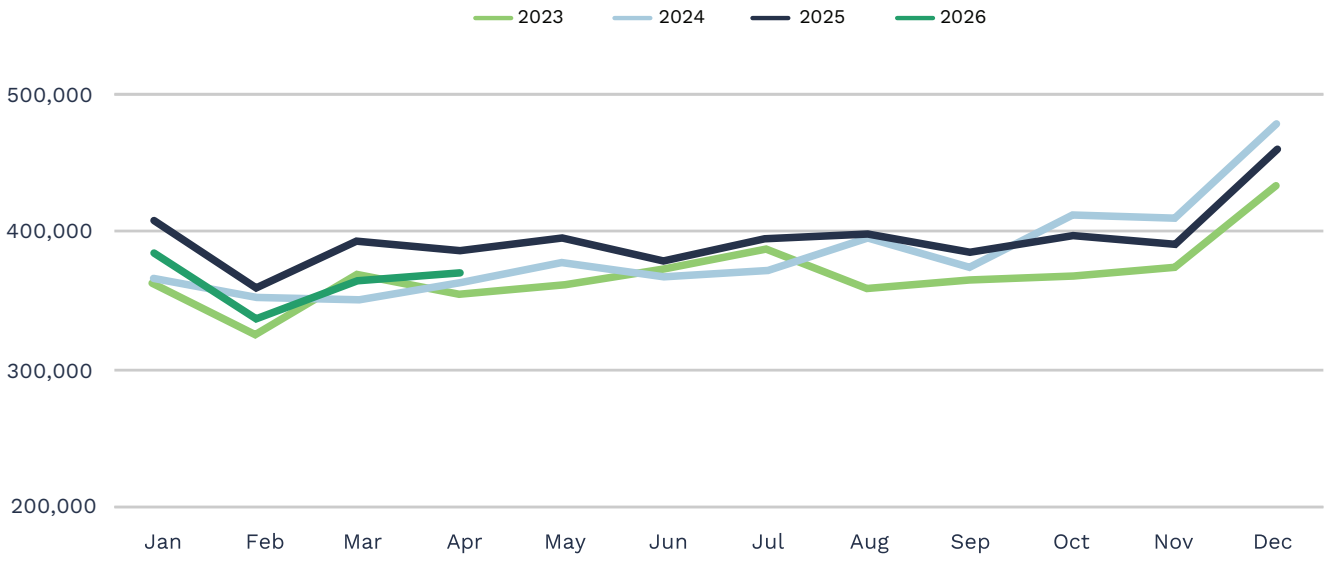
Annual Foot Count to 28 February 2026

4.7 million

(up +0.5% on the
previous 12 months)

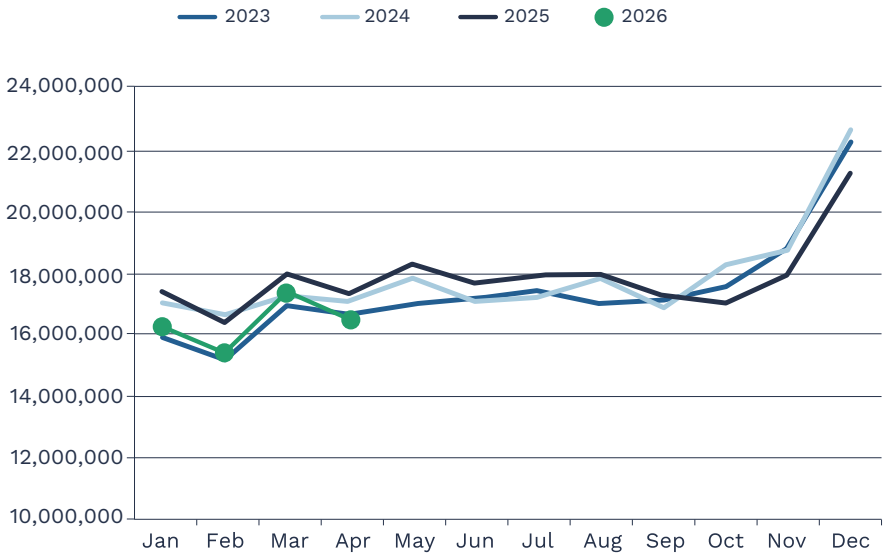
Significant Graphs

THE HUB FOOT TRAFFIC*



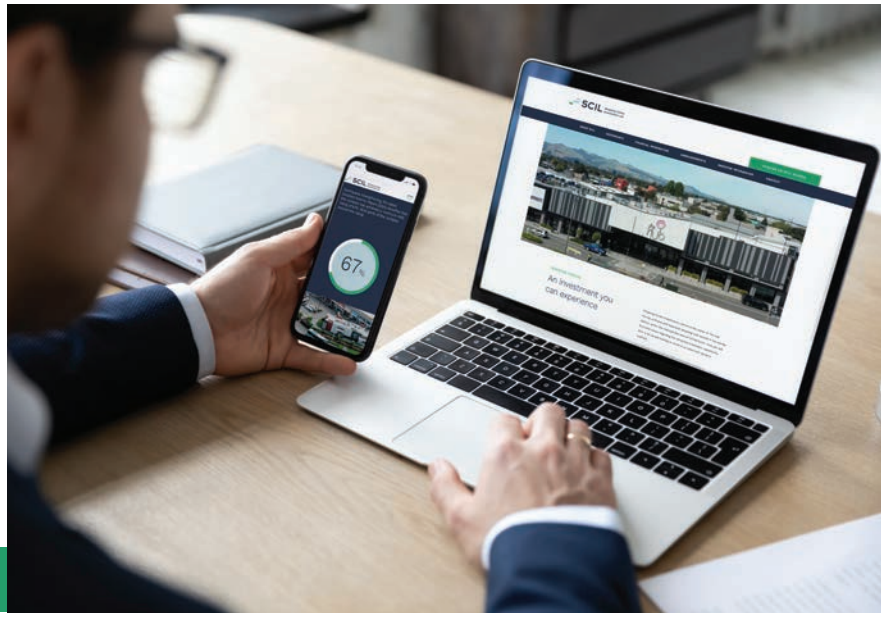
*Based on new footcount system with Bellwether.

THE HUB TURNOVER
EX GST



RODNEY WAYNE
SALE
25% OFF
SALE
30%
moda bella

Website



SCIL.CO.NZ

A detailed website is available online and a notification to the link has previously been sent to all shareholders

The Menu headings are:

1. **About SCIL**
   - An introduction as to "Who we are".
   - A description of the "Journey so Far".
   - A detailed "Strategy Declaration" with 5 key declarations.
   - A link to full details of the Management Team headed by Jason Marsden.

2. **Governance**
   The governance policies, practices and processes are defined within the Statement of Board Governance and the Board Charter. Both these the Statement and the Board Charter are detailed within the website.

   Statement of Board Governance
   Comprises 8 principles and is a critical component of the overall Governance Function.

   Board Charter
   This defines the Company's direction and the setting of operational goals.

   Directors
   A brief introduction to the 4 Directors.

3. Financial Information

Details as to the structure of the Company.
The 2026 Annual Report which contains the audited financial statements for the Year ended 28 February 2026.

The 2025 Annual Report.
2025 Unaudited Half Year Report.

A "Fact Sheet" which highlights Key Information as well as a short summary of results for previous years in graph and table form.

Details of Gross Dividend rates.

4. Announcements

This contains the various previous interim and annual Chairman's Reports.
The latest Annual General Meeting [AGM] notice and Attachments including the Proxy Form.
A link back to the audited financial accounts.

5. Investor Information

Secondary Listing details [Unlisted Securities Exchange "USX"].
Link to the USX website.
Details as to Sharebroker registration associated with the USX.

Accessing the Share Register, Dividend and Advice Notices via Computershare.
Link to Computershare, advice as how to Log In
a) Common Shareholder Number (CSN)
b) Authorisation Code (FIN)

6. Contact

Ability to contact the Company by way of email, form for completion.
Direct links to:
a) Computershare
b) Companies Office

Secondary Listing

The Company is a registered member within the USX Unlisted Securities Exchange.

This is a secondary listing and is a Trading and Information Platform which provides liquidity and transparency.

Trading, by way of bids and offers, is carried out by a determined number of sharebrokers that are registered with the Unlisted Securities Exchange, on behalf of shareholders and intending investors.

Such Brokers undertake the trading exercise and arrange the settlements.

The “Log In” website provides market information with an Issuer Profile and includes the prices and volume movements detailed within Historical Pricing Charts.

The USX operates under an Exemption in regard to the clauses of the Financial Markets Conduct Act.

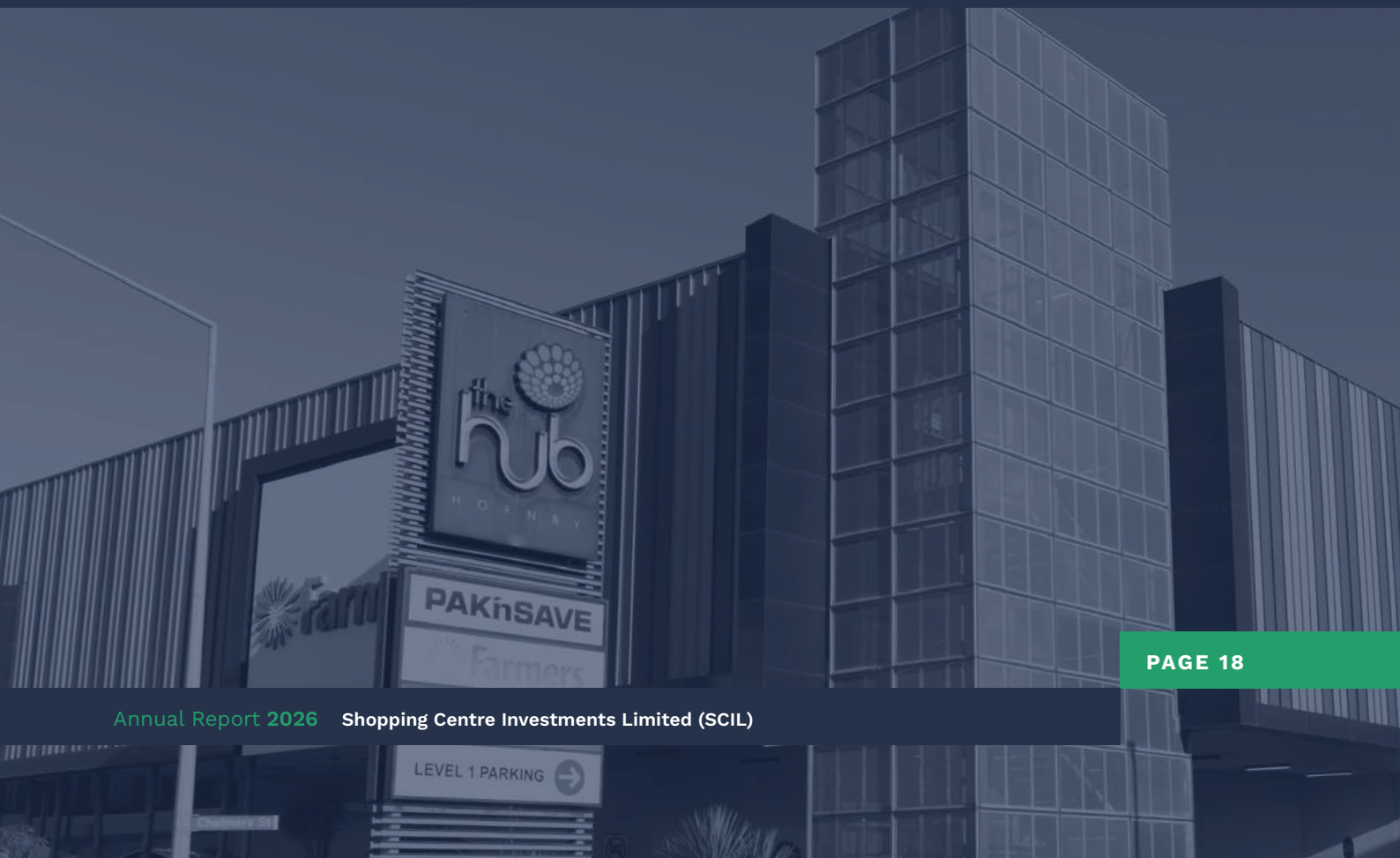
Any investor must first sign an Investor Information and Disclaimer form.

The advantages of the USX listing as per their information summary are:

1. Lower compliance and cost option
2. Arms-length transparent price discovery
3. Hands off market participation
4. No need for regular and costly valuations
5. Facilitates communication with investors and shareholders
6. Lower transaction costs
7. Enables exposure to greater investor interest and publicity
8. USX initiated Issuer Profiles

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2026

2026
Financial Results



SHOPPING CENTRE INVESTMENTS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28TH FEBRUARY 2026

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF SHOPPING CENTRE INVESTMENTS LIMITED AND GROUP

Opinion

We have audited the consolidated financial statements of Shopping Centre Investments Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 28 February 2026 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 28 February 2026 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and IFRS® Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group or any of its subsidiaries.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investment Properties- Key Audit Matter

As disclosed in note 6 of the consolidated financial statements the Group's Investment Properties are carried at fair value. The property was valued at $128.0m (2025: $126.5m). The revaluation gain recognised in the consolidated statement of profit or loss and other comprehensive income was $1.3m (2025: $3.8m).

We include the valuation of the investment properties as a key audit matter due to the following reasons:

- The significance to the financial statements: The investment properties accounts for 94.1% of the total assets (2025: 93.7%) making it the most significant balance on the consolidated statement of financial position;
- The complexity of the valuation model: The valuation model is complex and relies on various estimates and underlying assumptions, such as capitalisation rates, current market rent and anticipated growth based on available market data and transactions; and
- The valuation requires the use of judgments specific to the properties, as well as consideration of the prevailing market conditions Significant assumptions used in the valuations are inherently subjective and in times of uncertainty the degree of subjectivity is higher than it might otherwise be. A small difference in any one of the key assumptions could result in a significant change to the valuation of a property.

How the matter was addressed in our audit

Our procedures included, but were not limited to, the following:

- Reading the valuation report for the group's investment properties and reviewing the valuation methodology and the reasonableness of the significant underlying assumptions.
- Discussing with management the nature of key assumptions and the expected impacts of economic conditions on these assumptions.
- Assessing the competence, objectivity, and integrity of the independent registered valuers. We assessed their professional qualifications and experience.
- Holding discussions with the valuer to understand the valuation process adopted. With the purpose of the meeting being to identify and challenge the critical judgement areas in the valuation model and to confirm the valuation approach was in accordance with NZ IFRS 13 *Fair Value Measurement*, and NZ IAS 40 *Investment Property*.
- Using our in-house valuation specialists to assess the appropriateness of the valuation methodology and challenge the reasonableness of the underlying assumptions. Our specialists focused on the appropriateness of the valuation methodology chosen, and the appropriateness of the capitalisation rates and discount rates applied.
- Assessing the adequacy of the disclosures made in respect of the valuation of investment properties in the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Chairman's Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:
https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/.

This description forms part of our auditor's report.

Who we Report to

This report is made solely to the Group's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and the Group's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Warren Johnstone.

BDO Christchurch Audit Limited

BDO Christchurch Audit Limited
Christchurch
New Zealand
02 June 2026

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28TH FEBRUARY 2026

BDO Christchurch

		Group	
		2026	2025
	Notes	$	$
Operating Income			
Rent Received	11	10,351,380	10,272,179
		10,351,380	10,272,179
Other Income			
Insurance Proceeds Received		-	52,559
Interest Received on Assets Amortised at Cost		29,507	46,337
Power Commissions & Recoveries		138,849	177,425
		168,356	276,321
Less Overhead Expenses			
Management Contributions		(61,246)	(87,737)
Operating Contributions		(838,103)	(696,966)
Power Supplies		-	(36,136)
Audit Fees (BDO Christchurch - Statutory Audit)	12	(50,800)	(91,050)
Directors Fees	23	(225,000)	(223,000)
Interest Expense on Lease Liabilities	10	(270,882)	(274,150)
Interest Expense on Liabilities at Amortised Cost		(3,586,855)	(4,540,609)
Other Operating Expenses	13	(1,189,411)	(1,005,865)
		(6,222,297)	(6,955,513)
Operating Profit / (Loss)		**4,297,439**	**3,592,987**
Non Operating Income and Expenses			
Net change in the value of the:			
Investment Properties	6	1,320,627	3,814,976
Derivative Financial Instruments	9	(9,770)	(790,314)
Realised Gain on Investment Properties	6	-	1,510,491
		1,310,857	4,535,153
Profit / (Loss) before Income Tax		**5,608,296**	**8,128,140**
Income Tax Benefit / (Expense)			
Income Tax	14 & 15	(1,243,656)	(576,103)
		(1,243,656)	(576,103)
Profit / (Loss) Attributable to Shareholders		**4,364,640**	**7,552,037**
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to Shareholders		**4,364,640**	**7,552,037**

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28TH FEBRUARY 2026

BDO Christchurch

28TH FEBRUARY 2025		Group			
	Notes	Share Capital	Accumulated Losses	Accumulated Losses Attribution Reserve	Total
		$	$	$	$
Balance at 29 February 2024		**73,374,286**	**(12,774,530)**	**(8,662,279)**	**51,937,477**
Total Comprehensive Income for the Year					
Profit / (Loss) for the Year		-	7,552,037	-	7,552,037
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		-	7,552,037	-	7,552,037
Transactions with Owners recorded directly in Equity					
Dividends to Shareholders		-	(1,981,084)	-	(1,981,084)
Transfer to/(from) Accumulated Losses Attribution Reserve	5	-	(3,814,976)	3,814,976	-
Balance at 28 February 2025		**73,374,286**	**(11,018,553)**	**(4,847,303)**	**57,508,430**

28TH FEBRUARY 2026		Group			
	Notes	Share Capital	Accumulated Losses	Accumulated Losses Attribution Reserve	Total
		$	$	$	$
Balance at 28 February 2025		**73,374,286**	**(11,018,553)**	**(4,847,303)**	**57,508,430**
Total Comprehensive Income for the Year					
Profit / (Loss) for the Year		-	4,364,640	-	4,364,640
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		-	4,364,640	-	4,364,640
Transactions with Owners recorded directly in Equity					
Dividends to Shareholders		-	(2,670,156)	-	(2,670,156)
Transfer to/(from) Accumulated Losses Attribution Reserve	5	-	(1,320,627)	1,320,627	-
Balance at 28 February 2026		**73,374,286**	**(10,644,696)**	**(3,526,676)**	**59,202,914**

	Group	
	2026	2025
Dividends for the period (cents per share)	**3.8750**	**2.8750**
Dividend	2,670,156	1,981,084
Shares dividends paid on	68,907,243	68,907,243

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT THE 28TH FEBRUARY 2026

BDO Christchurch

		Group	
		2026	2025
	Notes	$	$
Current Assets			
Cash and Cash Equivalents	17	2,804,148	2,018,577
Colliers Trust Account		103,303	261,100
Accounts & Other Receivables	18	429,234	1,064,366
Total Current Assets		**3,336,685**	**3,344,043**
Non Current Assets			
Investment Properties	6	128,000,000	126,500,000
Leasehold Asset		78,295	82,013
Leasing Costs	19	266,104	418,664
Right-of-Use Assets	10	4,290,883	4,423,582
Tax Paid in Advance	14	-	244,696
Total Non Current Assets		**132,635,282**	**131,668,955**
Total Assets		**135,971,967**	**135,012,998**

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT THE 28TH FEBRUARY 2026

BDO Christchurch

	Notes	Group 2026 $	Group 2025 $
Shareholders' Equity			
Share Capital	5	73,374,286	73,374,286
Accumulated Losses		(10,644,696)	(11,018,553)
Accumulated Losses Attribution Reserve	5	(3,526,676)	(4,847,303)
Total Shareholders' Equity		**59,202,914**	**57,508,430**
Current Liabilities			
Accounts Payable	20	170,758	161,506
Bonds Prepaid		310,520	285,252
Derivative Financial Instrument	9	399,461	389,691
Income Received in Advance		166,383	301,218
Income Tax Payable	14	51,164	-
Lease Liabilities	10	74,360	70,852
GST Payable		186,270	181,953
Provision for GOC Refund	21	22,708	173,382
Defit Funds Received		126,205	126,205
Term Loans - Accrued Interest		200,346	282,973
Term Loans - ASB Bank	8	750,000	750,000
Total Current Liabilities		**2,458,175**	**2,723,032**
Non-Current Liabilities			
Term Loans - ASB Bank	8	58,964,311	59,714,311
Lease Liabilities	10	5,327,145	5,401,505
Deferred Tax Liability	15	10,019,422	9,665,720
Total Term Liabilities		**74,310,878**	**74,781,536**
Total Equity and Liabilities		**135,971,967**	**135,012,998**

Signed for and on behalf of the Board of Directors which authorised the issue of the financial statements on the 2 June 2026

D H Rankin
Director

M J Keyse
Director

The accompanying Notes form part of these Financial Statements.

SHOPPING CENTRE INVESTMENTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 28TH FEBRUARY 2026

BDO Christchurch

	Notes	Group	
		2026	2025
		$	$
Cash flows from operating activities			
Cash was provided from:			
Rentals Received		10,690,560	10,393,688
Interest Received		32,380	45,422
Power Commissions & Recoveries		137,684	183,925
Tax Refunds		-	18,467
		10,860,624	10,641,502
Cash was disbursed to:			
Payments for Services		(1,107,750)	(1,253,089)
Payments for Direct Expenses		(891,286)	(777,482)
Interest Paid		(3,669,480)	(4,629,750)
Income Tax Paid		(594,096)	(14,482)
Net GST Outflows		(28,975)	(73,363)
		(6,291,587)	(6,748,166)
Net Cash Flows from operating activities	**27**	**4,569,037**	**3,893,336**
Cash flows from investing activities			
Cash was provided from:			
Insurance Proceeds		-	52,559
Sale of Investment Properties		-	4,868,948
Transfer from Colliers Trust Account		157,797	-
		157,797	4,921,507
Cash was disbursed to:			
Investment Properties		(179,372)	(61,218)
Transfer to Colliers Trust Account		-	(131,911)
		(179,372)	(193,129)
Net Cash Flows from investing activities		**(21,575)**	**4,728,378**
Cash flows from financing activities			
Cash was disbursed to:			
Dividends Paid		(2,670,156)	(1,981,084)
Lease Liabilities - Interest	**27**	(270,882)	(274,150)
Lease Liabilities - Principal	**27**	(70,853)	(66,032)
Loan - ASB	**27**	(750,000)	(5,598,189)
		(3,761,891)	(7,919,455)
Net Cash Flows from financing activities		**(3,761,891)**	**(7,919,455)**
Net Increase (Decrease) in cash & cash equivalents held		785,571	702,259
Cash & cash equivalents at beginning of the year		2,018,577	1,316,318
Cash & cash equivalents at end of the year	**17**	2,804,148	2,018,577

The accompanying Notes form part of these Financial Statements.

BDO Christchurch

1 REPORTING ENTITY

The financial statements as at and for the year ended 28 February 2026 are those for Shopping Centre Investments Limited (the Company) and its controlled entities (the Group), B C Chalmers Investments Limited and Hornby Enterprises Limited.

The Company and its controlled entities are limited liability companies incorporated and domiciled in New Zealand and are registered under the New Zealand Companies Act 1993.

The Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the financial statements have been prepared in accordance with that Act as well as the Companies Act 1993.

The registered office of the Company is Level Four, 123 Victoria Street, Christchurch 8013.

The Company and Group's principal activity is property investment and management.

The financial statements were authorised for issue by the Directors on the sign off date stated on the Statement of Financial Position.

2 ACCOUNTING POLICIES

The material accounting policies applied in the preparation of the financial statements are set out below. Accounting policies for specific contents are identified in the relevant note. These policies have been consistently applied by all members of the Group to all years presented, unless otherwise stated.

A BASIS OF PREPARATION

Statement of Compliance

The financial statements for the Group have been prepared in accordance with the Financial Reporting Act 2013, the Companies Act 1993, New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), International Financial Reporting Standards ("IFRS") and the New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

Preparation of Financial Statements

The financial statements have been prepared on the historical cost basis except for investment properties and derivatives which are measured at fair value, as set out below.

The New Zealand dollar is the functional currency of the Parent and each subsidiary.
All financial information is presented in New Zealand dollars, rounded to the nearest dollar.

New standards and amendments to existing standards effective after 1 March 2025

There were no new standards or amendments to existing standards that came into effect from 1 March 2025 that had a material impact on the Group.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

Standards and amendments to existing standards not yet in effect and not early adopted

At the date of authorisation of the financial statements for the Group for the year ended 28 February 2026, the following standards and interpretations were in issue but not yet effective:

Standards/ Interpretations		Effective Date (Annual periods commencing on or after)
NZ IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The Group is still assessing the impact of NZ IFRS 18 *Presentation and Disclosure in Financial Statements, which was* issued in May 2024. Even though it will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant impact on the presentation and disclosure of certain items in the financial statements. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

There are a number of standards, amendments and interpretations which have been issued by the NZASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning on or after 1 January 2026:

Amendments to to the Classification and Measurement of Financial Instruments

(Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7)

B **BASIS OF CONSOLIDATION**

(i) ***Subsidiaries***

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) ***Transactions eliminated on consolidation***

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

C **OPERATING CONTRIBUTIONS**

Operating Contributions are the Parent's share of the Mall's operating expenses that cannot be charged to tenants. The Parent's share of the operating expenses covers charges for non-lettable areas and vacant tenancies.

D **FINANCE INCOME AND FINANCE COSTS**

Interest income comprises interest receivable on funds invested and is recognised as it accrues in the profit or loss using the effective interest method.

Interest expense and bank fees comprise interest and bank fees payable on funds borrowed, convertible notes, derivative financial instruments and leases.
Interest expense is recognised as it accrues in the profit or loss, using the effective interest method.

Interest expense is recognised in the profit or loss.

E **GOODS AND SERVICES TAX**

These financial statements have been prepared on a goods and services tax (GST) exclusive basis except for the accounts receivable and accounts payable balances which are stated inclusive of GST.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

F FINANCIAL INSTRUMENTS

i ***Non derivative financial instruments***

The Group's accounting policy for its financial assets at amortised cost and recorded at fair value through profit or loss is as follows:

At Amortised Cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for expected credit losses.

Expected credit losses for current and non-current trade receivables are recognised based on the simplified approach within NZ IFRS 9 using a provision matrix in the determination of the expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating expenses in the consolidated statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand and deposits held on call with banks.

Fair Value Through Profit or Loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial Liabilities" section for out-of-money derivatives classified as liabilities). They are recognised in the Consolidated Statement of Financial Position.
Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss. Fair value movements hereon are recognised through profit or loss.

The Group's accounting policy for its financial liabilities amortised at cost and recorded at fair value through profit or loss is as follows:

Amortised at Cost

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes the interest payable while the liability is outstanding.

Trade payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

F **FINANCIAL INSTRUMENTS (continued)**

ii ***De-recognition of financial instruments***

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group de-recognises financial liabilities when the Group's obligations are discharged, cancelled or they expire.

G **IMPAIRMENT**

i ***Non financial assets***

The carrying amounts of the Group's non financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

H **LEASES - as Lessee**

The accounting policy for leases as Lessor are stipulated in Note 10.

All leases are accounted for by recognising a right-of-use asset and a lease liability, except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

BDO Christchurch

2 ACCOUNTING POLICIES (continued)

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Nature of leasing activities (in the capacity as lessee)

The Group leases a number of properties in the jurisdiction from which it operates. Of the two leases, one provides payments to increase every two years by inflation, and the other to be reset periodically to market rental rates.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the reporting date to lease payments that are variable.

2026 Year	Group			
	Lease Contracts Number	Fixed Payments %	Variable Payments %	Sensitivity +/- $
Property leases with payments linked to inflation	1	-	50	170,454
Property leases with periodic uplifts to market rentals	1	-	50	99,621
	2	-	100	270,075
2025 Year				
Property leases with payments linked to inflation	1	-	50	171,605
Property leases with periodic uplifts to market rentals	1	-	50	102,013
	2	-	100	273,618

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would exposes the Group to excessive risk.
Typically factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the group.

At 28 February 2026 the carrying amounts of lease liabilities are not reduced because the leases do not contain any break clauses (2025: no reduction to lease liabilities).

BDO Christchurch

3 MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Group's accounting policies, the Board and Management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group.

All judgements, estimates and assumptions are believed to be reasonable based on the current set of circumstances available to the Board. Actual results may differ from the judgements, estimates and assumptions made by the Board.

The material judgements, estimates and assumptions made in the preparation of these financial statements are detailed in the following notes:

- Investment Properties (refer Note 6)
- Deferred Taxation (refer Note 15)

4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk, and liquidity risk. The Group's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on the Group's financial well being.

The Group's principal financial instruments comprise borrowings. The main purpose of these borrowings is to raise finance for the Group. The Group uses derivative financial instruments, principally interest rate swaps, to mitigate its exposure to interest rate risk.

The Group has various other financial assets and liabilities, such as accounts receivable, accounts payable, related party balances and cash and cash equivalents, which arise directly from its operations.

The main risks arising from the Group's financial instruments are market risk (interest rate risk), credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks.

Details of the significant accounting policies, including the basis of measurement and recognition in respect of each class of financial instrument, financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

A summary of financial instruments by category can be found in note 28 to the financial statements. A summary of financial instruments by items of income, expense, gains or losses is disclosed in Profit or Loss.

A Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk arises from interest rate risk alone, as the Group has no significant exposure to currency risk or other price risk.

The Group's exposure to the risk of changes in interest rates relates primarily to the Group's term loan obligations with a floating interest rate.

With the Group's borrowings currently on floating interest rates, the Directors regularly review the interest rates to determine whether a band of the Group's borrowings need to be fixed.

The Group uses derivative financial instruments, principally interest rate swaps, to exchange its floating short term interest rate exposure for fixed long term interest rate exposure in accordance with its policy bands.
As the Group holds derivative financial instruments, there is a risk that their fair value will fluctuate because of underlying changes in market interest rates. This is accepted as a product of the Group's interest rate economic hedging policy.
The value of derivative financial instruments is disclosed in the Statement of Financial Position.

BDO Christchurch

4 FINANCIAL RISK MANAGEMENT (Continued)

A Market Risk (Continued)

The sensitivity analysis following has been determined based on the exposure to interest rates for both derivative and non derivative instruments at the year end. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the year end was outstanding for the whole year. A 100 basis point increase or decrease (2025: 100 basis point) is used when reporting interest rate risk internally and represents the Boards's assessment of the reasonably possible changes in interest rates.

Non Derivative Instruments	Group						
	28th Feb 2026	Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%	28th Feb 2025		Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%
Financial Assets							
Cash and Cash Equivalents	2,804,148	28,041	(28,041)	2,018,577		20,186	(20,186)
	2,804,148	28,041	(28,041)	2,018,577		20,186	(20,186)
Financial Liabilities							
ASB Loan*	59,714,311	597,143	(597,143)	60,464,311		604,643	(604,643)
	59,714,311	597,143	(597,143)	60,464,311		604,643	(604,643)

*The sensitivity analysis for the ASB Loan of 100 basis points (2025: 100) is applied to the interest rate of 4.71% (2025: 6.57%) and this derives the resulting impact on the Group.

The impact on equity of the Group of the + / - 1.00% movement would be $409,753 [$569,102 less 28%] (2025: +/-1.00% $420,809 [$584,457 less 28%])

Derivative Instruments	Group						
	28th Feb 2026	Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%	28th Feb 2025		Gain / (Loss) increase of plus 1.00%	Gain / (Loss) decrease of plus 1.00%
Financial Assets							
Derivative Financial Instrument	-	-	-	-		-	-
	-	-	-	-		-	-
Financial Liabilities							
Derivative Financial Instrument	399,461	3,995	(3,995)	389,691		3,897	(3,897)
	399,461	3,995	(3,995)	389,691		3,897	(3,897)

The impact on equity of the Group of the + / - 1.00% movement would be $2,876 [$3,995 less 28%] (2025: +/-1.00% $2,806 [$3,897 less 28%])

B Credit Risk

Credit risk represents the risk that the counterparty to a financial instrument will fail to discharge its obligations and the Group will suffer financial loss as a result. Financial instruments which potentially subject the Group to credit risk consist of cash and cash equivalents, Colliers Trust Account, accounts receivable, other receivables and loans to subsidiaries.

With respect to the credit risk arising from cash and cash equivalents, there is limited credit risk as cash is deposited with the ASB Bank, a registered bank in New Zealand. The credit rating of this bank is AA- (Standard and Poors) (2025 credit rating: AA- (Standard and Poors))

With respect to the credit risk arising from accounts receivable, the Group only enters into lease arrangements over its investment properties with creditworthy third parties. It is the Group's policy to subject all potential tenants to credit verification procedures. In addition accounts receivable balances are monitored on an ongoing basis and overdue accounts followed up rigorously. Amounts which are past due are not considered impaired when payment is expected shortly.

BDO Christchurch

4 FINANCIAL RISK MANAGEMENT (Continued)

B Credit Risk (continued)

With respect to the credit risk arising from interest rate swap arrangements, there is limited credit risk as the counterparty is a registered counterparty and is a registered bank in New Zealand. The credit rating for the bank is AA- (Standard and Poors).

Further details of the Group's accounts receivable, including details of the Group's impairment allowances, are disclosed in note 18 to the financial statements.

C Liquidity Risk

Liquidity risk is the risk that the Group will have difficulty realising assets and raising sufficient funds to satisfy commitments associated with financial liabilities.

The maturities of the Group's accounts payable, accruals and other liabilities are detailed in the table below. The amounts stated below are undiscounted.

The maturities of the Group's borrowings based on the remaining period is more than one year (2025: more than one year), with all borrowings due later than one year (2025: more than one year).

Further details of the Group's borrowings, including the maturities of the Group's borrowings, are disclosed in note 8 to the financial statements. Details of the renegotiated finance facility are detailed in Note 29.

The table below analyses the Group's financial liabilities (principal and interest) by the relevant contracted maturity groupings based on the remaining period as at 28 February 2026 and 28 February 2025.

2026 Year	Group					
	Carrying Amount	Total Contractual cash flows	0-1 year	1-2 years	2-5 years	> 5 years
Financial Liabilities						
Accounts Payable	170,758	170,758	170,758	-	-	-
ASB Loan	59,714,311	64,383,407	3,562,544	60,820,863	-	-
Total as at 28 February 2026	59,885,069	64,554,165	3,733,302	60,820,863	-	-

2025 Year	Group					
	Carrying Amount	Total Contractual cash flows	0-1 year	1-2 years	2-5 years	> 5 years
Financial Liabilities						
Accounts Payable	161,506	161,506	161,506	-	-	-
ASB Loan	60,464,311	70,949,759	4,722,505	4,673,230	61,554,024	-
Total as at 28 February 2025	60,625,817	71,111,265	4,884,011	4,673,230	61,554,024	-

The maturity analysis of the Group's liquidity risk is based on the Group's maturity dates set out in its term loan facilities. All loan facilities are committed facilities with a reputable, independently rated, first tier trading bank. Banking covenants are monitored quarterly and reported to the lenders each quarter to ensure the Group is in compliance. The Group was in compliance during the current year, but not the prior year.

BDO Christchurch

5 SHARE CAPITAL AND RESERVES

	Share Numbers	Group $
Authorised and issued share capital at 1 March 2024	68,907,243	73,374,286
Authorised and Issued share capital at 28 February 2025	68,907,243	73,374,286
Authorised and issued share capital at 1 March 2025	68,907,243	73,374,286
Authorised and Issued share capital at 28 February 2026	68,907,243	73,374,286

All ordinary shares on issue are fully paid, carry equal voting rights, share equally in dividends and have no par value.

Accumulated Losses Attribution Reserve

	Group	
	2026	2025
As at 1 March	(4,847,303)	(8,662,279)
Transfer from Accumulated Losses	1,320,627	3,814,976
As at 28 February	(3,526,676)	(4,847,303)

The Accumulated Losses Attribution Reserve consists of the fair value adjustments recorded against the investment properties.

International Financial Reporting Standards and the New Zealand equivalents to the International Financial Reporting Standards require fair value adjustments to be recorded through the Profit or Loss.
In the 2021 reporting year and for all future years, the Directors decided to identify the total fair value adjustments recorded against investment properties separately from Accumulated Losses within the Statement of Changes in Equity to clearly identify the split between the two different accounts. This is achieved via a transfer from Accumulated Losses to the Attribution Reserve.

There are no restrictions on this reserve and transfers can be made back to Accumulated Losses.

BDO Christchurch

	Group	
	2026	2025
6 INVESTMENT PROPERTIES		
As at 1 March	126,500,000	126,000,000
Additions - Other Capital Items	179,373	43,480
Disposal	-	(4,868,948)
	126,679,373	121,174,532
Fair Value Adjustment	1,320,627	3,814,976
Realised Gain / (Loss) on Disposal	-	1,510,491
	1,320,627	5,325,467
As at 28 February	**128,000,000**	**126,500,000**
These totals comprise		
Main Complex known as the Hornby Hub	128,000,000	126,500,000
	128,000,000	126,500,000

The property is secured against the borrowings from ASB. Details of the borrowings and security are included in note 8.

ACCOUNTING POLICIES

Investment properties are held to both earn rental income and for long term capital appreciation, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

After initial recognition at cost including directly attributable transaction costs, investment properties are stated at fair value, on the basis of current market valuations made by registered public valuers on an annual basis. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

Gains or losses on the disposal on investment properties are recognised in the profit or loss in the period in which the risks and rewards of the investment property have been fully transferred to the purchaser.

The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of the current market conditions. The fair value also reflects, on a similar basis, the cash outflows that could be expected in respect of the property. The fair value also reflects, on a similar basis, the highest and best use of the property.

No depreciation or amortisation is provided for on investment properties. However, for tax purposes, depreciation is claimed on building fit out and a deferred tax liability is recognised where the building components of the registered valuation exceeds the tax book value of the building.

Fair value adjustments of the investment properties recognised in Profit or Loss and then transferred to the Accumulated Losses Attribution Reserve are detailed in Note 5.

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6 INVESTMENT PROPERTIES (Continued)

MATERIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Registered public valuers have been used to determine the fair value of investment properties. The fair value was determined using a combination of both direct capitalisation and discounted cash flow approaches. The discounted cash flow method is used to cross check against the value against the primary method, being the direct capitalisation method.

Using a direct capitalisation approach the subject property rental is divided by a market derived capitalisation rate to assess the market value of the asset. Further adjustments are then made to the market value to reflect under or over renting, additional revenue and required capital expenditure.

Discounted cash flow projections are based on estimates of future cash flows, supported by the terms of any existing lease and other contracts and by external evidence such as current (at the date of the statement of financial position) market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

NOTES

Fair value reflects the highest and best use of the investment property at the end of the reporting period. Investment property measurements are categorised as level 3 in the fair value hierarchy. During the year, there were no transfers of investment properties between levels of the fair value hierarchy.

The contents of the Fair Value hierarchy table are included within this note.

DSA Report prepared by Structex, dated 28 February 2022

On 28 February 2022, Structex issued a Detailed Seismic Assessment (DSA) report to the Group identifying that the seismic strengthening work completed throughout the Mall has resulted in the main building structure achieving a seismic rating of at least 67% NBS (Importance Level 3). Higher seismic ratings have been achieved in other areas such as the Banking Precinct and Farmers areas.
The Importance Level 3 is a higher standard than for stand alone buildings as it is for buildings that contains large crowds and may pose a risk to large numbers of people in close proximity.

Valuation

The properties were valued as at the 28 February 2026 by Kane Sweetman and Jacqueline Frost, independent registered valuers of the firm CVAS (NZ) Limited trading as Colliers. Both are members of the Property Institute of New Zealand (MPINZ).
(2025: Kane Sweetman and Jacqueline Frost of CVAS (NZ) Limited trading as Colliers.)

The valuation methodology adopted is the market income valuation approach which takes into account the current market rental income from rents received, and allowances for vacancies can be made.
The valuation methodology adopted is consistent with the prior year.

At the date of the valuation report, there remains volatility in domestic and foreign markets, in particular fluctuating long-term sovereign bond yields as inflation has eased and global central bank interest rates have been through an easing cycle over the past 12 months. There is a degree of uncertainty for the global economy moving forward; however, stock markets, trading patterns, and inflation pressures are particularly uncertain following the US-Iran conflict and impact on fuel and therefore shipping and transport costs, with US tariff policy also impacting global growth patterns.

Although thus far it appears that New Zealand markets have weathered the changes relatively well, supported by the rapid reduction in central bank interest rates across late 2024-2025 with the data for Q3-Q4 2025 indicating an economic recovery and high business confidence, the recent geopolitical events have likely dampened this. A slower recovery is expected for the manufacturing and construction sectors which have fared the worst through the 2023-2024 downturn.

Economic commentators generally consider the OCR to be at its cyclical low, with expectations centred around a rate of 2.25% through early 2026, with upside OCR movement risk now becoming a threat in late 2026, noting the primary sector continues to perform well. Nevertheless, as an export-driven nation, New Zealand remains sensitive to shifts in global demand, trade patterns, and investor sentiment which remains volatile and uncertain due to geo-political tensions. The current challenges in the global macro-economy pose an elevated threat to domestic economic stability.

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6 INVESTMENT PROPERTIES (Continued)

Valuation (continued)

In light of the above factors, Colliers consider that there is increased uncertainty surrounding property values. The timing and pace of the New Zealand economic recovery, OCR adjustments, exchange rate fluctuations and global GDP growth and geopolitical events will play key factors in market sentiment and New Zealand's appeal to offshore investors. A shift in risk appetite and capital investment profile across the APAC region remains a plausible potential outcome in 2026.

Considering these conditions, Colliers strongly recommend that the valuation of all property be kept under frequent review as valuation advice could become outdated in a shorter timeframe than is normally the case. Colliers reiterate, in accordance with the accepted definition, that the market value is concluded "as at the valuation date" and is based on their interpretation of events, evidence (such as it is) and sentiment up to that date. It is the value on that day.

A capitalisation rate of 7.875% was adopted under the market income valuation approach, with turnover and casual rent being capitalised at 9.625% and power recoveries and commissions income being capitalised at 9.625% to produce a market value of $128,000,000. As part of the valuation assessment, the discounted cashflow investment valuation approach was considered whilst adopting a discount rate of 9.625% to cross check the market income valuation.

In 2025, a capitalisation rate of 8.00% was adopted under the market income valuation approach, with turnover and casual rent being capitalised at 9.75% and power recoveries and commissions income being capitalised at 9.75% to produce a market value of $126,500,000. As part of the valuation assessment, the discounted cashflow investment valuation approach was considered whilst adopting a discount rate of 9.75% to cross check the market income valuation.

There are no other material changes to the approach in the valuation methodology.

The basis and assumptions Colliers have used in determining the value of the investment properties are as follows:

1 Colliers were instructed to assess the market value for financial reporting purposes on the basis that the lessee's interest in the property at 21 Carmen Road is excluded. Colliers have completed the financial reporting valuation on this basis.
2 Colliers were instructed to assess the market value for mortgage security purposes including the lessee's interest in the property at 21 Carmen Road is included. Colliers have completed the mortgage security valuation on this basis.
3 Colliers Real Estate Management Limited has provided financial data in relation to tenancy schedules, operating expenses summaries and budgets. Colliers have relied upon this information in completing the valuations.
4 Colliers' valuations have been completed on the assumption that the building(s) and associated site development can be adequately covered by normal full reinstatement insurance, including earthquake cover both now and in the future. Should this not be the case or should the situation change in the future, Colliers reserve the right to amend the valuation accordingly.
5 One tenant has in principal agreed to an early renewal of their leave and Colliers have been provided with unsigned lease documentation confirming this. Colliers have adopted this renewal within the valuation.
6 Another tenant has in principal agreed to an early renewal and variation of their lease whereby a new term of 12 years and four months has been agreed with a rent free incentive provided from the beginning of the new lease term. Colliers have been provided email correspondence between tenant and landlord representatives confirming this and Colliers have included this transaction within the valuation.
7 The rent review for the Working Men's Club carparks (ground rental) is still outstanding, however Colliers have been provided documentation of the market review which was not contested within the required timeframes and has therefore been deemed to have been accepted. This rental/ground rental has been adopted within the valuation for the mortgage security valuation.

The above assumptions (1 to 4) were also applied in the 2025 year.

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6 INVESTMENT PROPERTIES (Continued)

The table below explains the key inputs used to measure fair value for investment properties.

Valuation Techniques	
Capitalisation Approach	A valuation technique which determines fair value by assessing the current market rental for the property, and capitalising at an appropriate yield. Adjustments can then be made for vacancies and other capital adjustments (i.e. difference in contract rent) where appropriate.
Discounted Cash Flow Investment Valuation Approach	A valuation technique which requires explicit assumptions to be made regarding the prospective income and expenses of a property over an assumed holding period, typically ten years. The assessed cash flows are discounted to present value at an appropriate, market-derived discount rate to determine fair value.

Unobservable Inputs within the Market Income (MI) Valuation Approach

Gross Market Rent		The annual amount for which a tenancy within a property is expected to achieve under a new arm's length leasing transaction, including a fair share of property operating expenses.
2026	$ 9,833,171	
2025	$ 9,746,715	
Core Capitalisation Rate		The rate of return, determined through analysis of comparable, market-related sales transactions, which is applied to a property's sustainable net income to derive value.
2026	7.875% - 9.625%	
2025	8.00% - 9.75%	

Unobservable Inputs within the Discounted Cash Flow (DCF) Investment Valuation Approach

Discount Rate		The rate, determined through analysis of comparable, market-related sales transactions, which is applied to a property's future net cash flows to convert those cash flows into a present value.
2026	9.625%	
2025	9.75%	
Terminal Capitalisation Rate		The rate which is applied to a property's sustainable net income at the end of an assumed holding period to derive an estimated future market value.
2026	8.375%	
2025	8.50%	

Sensitivity Analysis

The following table shows the impact on the fair value of a change in a significant unobservable input:

Significant Inputs	Methodology	**Fair Value Measurement Sensitivity to Increase in Input**	**Fair Value Measurement Sensitivity to Decrease in Input**
Gross Market Rent	MI, DCF	Increase	Decrease
Core Capitalisation Rate	MI	Decrease	Increase
Discount Rate	DCF	Decrease	Increase
Terminal Capitalisation Rate	DCF	Decrease	Increase

Due to the number of variables that go into the valuation of the investment property, the financial impact on the fair value cannot be reliably determined.

The variables used within the valuer relying on estimates and making assumptions around capitalisation rates, the market rent and anticipated growth based on available market data and transactions.

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7 CAPITAL WORKS IN PROGRESS

		Group	
		2026	2025
As at 1 March		-	-
Additions - Other Works	6	179,373	43,480
		179,373	43,480
Less			
Transfer to Investment Properties	6	(179,373)	(43,480)
		(179,373)	(43,480)
As at 28 February		-	-

NOTES

Additions of $179,373 include no capitalised interest for the year ending 28 February 2026 (2025: $43,480 / $0).

Capital Works in Progress are initially carried at cost. The value of Capital Works in Progress is assessed annually by the Directors. Where there is evidence that costs previously capitalised no longer meet the criteria, or are no longer relevant, they are written off.

8 BORROWINGS

	Group	
Balance of ASB Term Loan at 28 February:	2026	2025
Current	750,000	750,000
Non-Current	58,964,311	59,714,311
	59,714,311	60,464,311

ACCOUNTING POLICIES

Borrowings are recognised initially at fair value, plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

i *Maturities*

The maturities of the Group's borrowings are disclosed in Note 4(C - Liquidity Risk). The values identified within this disclosure are undiscounted and reflect both the principal repayments and expected interest payments.

NOTES

ii *Facility*

	Amount	Matures		Reset Maturity Date	Floating
The Group has facilities with the ASB Bank for $59,714,311 facility (fully drawn)	59,714,311	30/10/2027		3/03/2026	

iii *Security*

The facilities are secured by way of a registered mortgage security over the land and buildings, which comprises the investment property. In addition, a general security deed is in place. The Bank is also secured by a deed of assignment of lease between the Company and the Mutual School of Art Inc (The Hornby WMC Inc) over 212 car parks situated on the leasehold property at 39 Carmen Road owned by the subsidiary Hornby Enterprises Ltd.

The value of the property is detailed in note 6.

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8 BORROWINGS (Continued)

iv *Other*

	2026	2025
The floating interest rate, subject to the interest swap rates (see Note 9) on the term loan facility of $59,714,311 (2025: $60,464,311) at reporting date was:	4.71%	6.57%

The borrowings are subject to monthly principal payments of $62,500 and interest until the maturity date.
No borrowing costs were capitalised to investment properties during the year (2025: $0) - Note 6.

The covenants on all borrowings require a loan to value ratio of not more than 55% (2025: 55%) and an interest cover ratio (that is, the ratio of earnings before interest to interest) of not less than 1.5:1 (2025: 1.5:1).
The Group complied with these covenants during the current and prior year.
As at and for the year ended 28 February 2026 the Group had a loan to value ratio of 47.58% (2025: 48.76%), an interest cover ratio of 2.22 (2025:1.79) and registered mortgage security of $59,714,311 (2025: $60,464,311)

9 DERIVATIVE FINANCIAL INSTRUMENTS

	Group	
	2026	2025
Fair value of fixed interest rate swaps with start dates that have commenced	(399,461)	(389,691)
At 28 February	(399,461)	(389,691)

The fair value of of the interest rate derivative is determined from valuations prepared by ASB Bank using valuation techniques classified as Level 2 in the fair value hierarchy (2025: Level 2). These are based on the present value of estimated future cash flows based on the term and maturity of the contract and the current market interest rate at reporting date.

i *Maturities*

The Group had derivative financial instruments in place being fixed interest swaps totalling $30,000,000 (2025: $30,000,000)
Interest rates of 3.24% - 4.59% (2025: 3.70% - 4.85%).
The maturity dates are 3 February 2027 ($10,000,000), 3 February 2028 ($10,000,000) and 3 February 2028 ($10,000,000).
The monthly swap charge is calculated as follows; interest at the floating rate is charged on the full amount of the loan, the swap additional charge is then calculated at the fixed rate less the BBR-FRA rate. As at balance date the swap rate, after the necessary calculations, equates to 2.46% (2025: 4.22%).

ii *Unrealised net change in fair value of derivative financial instruments:*

The unrealised net change in fair value of derivative financial instruments was a loss of $9,770 (2025: loss of $790,314)

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10 LEASES

Right-of-Use Assets - Land	Group 2026	Group 2025
At 1 March	4,423,582	4,223,905
Depreciation	(132,700)	(132,700)
Effect of modification to lease terms	-	332,377
At 28 February	4,290,882	4,423,582

Lease Liabilities - Land	Group 2026	Group 2025
At 1 March	5,472,357	5,206,010
Effect of modification to lease terms	-	332,377
Interest Expense	270,882	274,150
Lease Payments	(341,734)	(340,180)
	5,401,505	5,472,357

Lease Liabilities Due (Undiscounted)	Group 2026	Group 2025
Up to 3 months	85,434	85,434
Between 3 and 12 months	256,301	256,301
Between 1 and 2 years	341,734	341,734
Between 2 and 5 years	1,025,203	1,025,203
More than 5 years	9,838,553	10,180,287
	11,547,224	11,888,958

The lease liabilities due are not discounted, and are the current contractual cash commitments over the term of the leases.

The weighted average incremental borrowing rate applied to lease liabilities on 1 March 2025 was 4.95% (2025: 4.95%).

Lease Commitments

At reporting date, the Group as lessee had lease commitments to:

Lessor	Description	Lease Commencement	Lease Expiry
Hornby Working Mens' Club	212 car parks	1 September 2013	30 August 2048
S R Halliwell	23 Carmen Road	1 April 2010	31 March 2035 (Right of Renewal)

The lease with S R Halliwell contains three rights of renewals, being 31 March 2035, 31 August 2048 and 31 August 2058.

The final expiry date of the lease is 31 August 2068.

Lease payments made:	Group 2026	Group 2025
Hornby Working Mens' Club	148,824	148,824
S R Halliwell	192,910	191,356
	341,734	340,180

11 RENT RECEIVED

	Group 2026	Group 2025
Base Rent	9,520,686	8,768,240
Percentage Rent	118,042	947,677
Casual Leases Rent	217,543	114,941
Car Park - Hornby Working Mens' Club	90,272	78,624
Sign	205,141	186,759
Sundry	199,697	175,938
	10,351,380	10,272,179

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11 RENT RECEIVED (continued)

The contractual future minimum property base rent income to be received on property owned by the Group at balance date is as follows:

	Group	
	2026	2025
Within one year	7,491,846	8,859,709
One year or later and not later than five years	17,241,191	17,813,012
Later than five years	14,689,214	1,920,996
	39,422,251	28,593,717

The weighted average lease duration by rental income is 4.62 years (2025: 3.43 years).

ACCOUNTING POLICIES

The Group enters into retail leases with tenants on its investment property. The Group has determined that it retains all significant risks and rewards of ownership and has therefore classified the leases as operating leases.

Rental income from investment properties is recognised in the profit or loss on a straight line basis over the term of the lease. Where lease incentives are offered, they will be capitalised within the Statement of Financial Position and amortised on a straight line basis only over the length of the lease to which they relate (see Note 19). Contingent rents associated with leases entered into with tenants are recognised in revenue when the factors triggering contingent rents occur.

12 AUDIT FEES

Audit fees include payments to BDO Christchurch Audit Limited for the following:

	Group	
	2026	2025
Audit of the financial statements	15,000	51,800
Audit of the financial statements (accrued)	35,800	39,250
Total fees paid to auditors	50,800	91,050

13 OTHER EXPENSES

		Group	
		2026	2025
Accounting Fees		133,810	140,469
Bad Debts Written Off		1,024	72,354
Consultant's Fees		38,349	13,248
Credit Losses Allowance		60,888	(105,185)
Depreciation - Right-of-Use Assets	**10**	132,700	132,700
Electricity		52,952	47,536
Insurance / Rates / Body Corp Fees		39,296	29,266
Lease Incentives - Amortised	**19**	94,600	119,600
Leasing Fees - Amortised	**19**	87,695	85,831
Leasing Fees		-	1,501
Legal Fees		53,180	70,866
Listing Fees (USX)		17,335	16,944
Non Deductible Expenses		1,402	6,081
Registry Services (Computershare)		15,369	16,242
Repairs - General		323,899	276,498
Valuation Fees		46,452	34,360
Other Operating Expenses		90,460	47,554
		1,189,411	1,005,865

Throughout the year fees have been paid to Colliers for:

Leasing Fees	*Colliers Real Estate Management Limited*	**23**	29,736	44,267
Valuations	*CVAS (NZ) Limited*		46,452	34,360
			76,188	78,627

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	Group	
	2026	2025
14 TAXATION		
Reconciliation of income tax (expense) / benefit and accounting profit multiplied by statutory tax rate:		
Profit / (Loss) before taxation	**5,608,296**	**8,128,140**
Prima facie income tax calculated at the statutory income tax rate of 28% (2025: 28%)	(1,570,323)	(2,275,879)
Plus tax effect of		
Realised gain/(loss) on disposal of investment properties	369,776	422,937
Unrealised net change in value of investment properties	-	1,068,193
Depreciation	361,580	384,810
Depreciation - Right-of-Use Assets	(37,156)	(37,156)
Expected Credit Losses	(17,049)	29,452
Interest - Lease Liabilities	(75,847)	(76,762)
Leasing Fees - Deductible in Year Incurred	8,326	12,395
Leasing Fees - Amortised	(24,555)	(24,033)
Losses on Disposal	-	3,997
Non Deductible Expenses	(392)	(1,702)
Operating Leases Payments	95,686	95,250
	(889,954)	(398,498)
Losses brought forward	-	159,900
(Taxation Due) / Losses available to be carried forward	(889,954)	(238,598)
Deferred Taxation (refer Note 15)		
Depreciation Recoverable	(361,580)	(133,333)
Expected Credit Losses	17,049	(29,451)
Lease Incentives Paid	(26,488)	(33,488)
Lease Liabilities	(19,839)	74,577
Losses Utilised	-	(159,900)
Right-of-Use Assets	37,156	(55,910)
	(353,702)	(337,505)
Income tax benefit (expense) reported in Profit or Loss	(1,243,656)	(576,103)
Tax Paid in Advance		
Provisional Tax Paid	847,388	487,277
Resident Withholding Tax Paid	5,910	14,485
	853,298	501,762
Less Provision for Taxation	(889,954)	(238,598)
Less Tax Refund	(14,508)	(18,468)
	(904,462)	(257,066)
Total Tax Paid in Advance / (Income Tax Payable)	(51,164)	244,696

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15 DEFERRED TAXATION

	Deferred Tax Liabilities		Deferred Tax Assets		Net Deferred Tax	
	2026	2025	2026	2025	2026	2025
Group						
Depreciation Recoverable	(10,378,666)	(10,017,086)	-	-	(10,378,666)	(10,017,086)
Expected Credit Losses	-	-	17,379	330	17,379	330
Lease Liabilities	-	-	1,512,421	1,532,260	1,512,421	1,532,260
Lease Incentives Paid	-	-	30,891	57,379	30,891	57,379
Losses	-	-	-	-	-	-
Right-of-Use Assets	(1,201,447)	(1,238,603)	-	-	(1,201,447)	(1,238,603)
	(11,580,113)	(11,255,689)	1,560,691	1,589,969	(10,019,422)	(9,665,720)

Movement in temporary differences during the year	Opening Balance	Recognised in Profit or Loss **(Note 14)**	Recognised in Equity	Closing Balance
Group: 2026 Year				
Depreciation	(10,017,086)	(361,580)	-	(10,378,666)
Expected Credit Losses	330	17,049	-	17,379
Lease Liabilities	1,532,260	(19,839)	-	1,512,421
Lease Incentives Paid	57,379	(26,488)	-	30,891
Losses	-	-		-
Right-of-Use Assets	(1,238,603)	37,156	-	(1,201,447)
	(9,665,720)	(353,702)	-	(10,019,422)
Group: 2025 Year				
Depreciation	(9,883,753)	(133,333)	-	(10,017,086)
Expected Credit Losses	29,781	(29,451)	-	330
Lease Liabilities	1,457,683	74,577	-	1,532,260
Lease Incentives Paid	90,867	(33,488)	-	57,379
Liability Component of Convertible Notes	159,900	(159,900)	-	-
Right-of-Use Assets	(1,182,693)	(55,910)	-	(1,238,603)
	(9,328,215)	(337,505)	-	(9,665,720)

ACCOUNTING POLICIES

No material uncertain tax positions exist as at reporting date. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax expense in the period in which such determination is made.

KEY JUDGEMENT

Deferred tax is provided for on depreciation of investment properties as it is assumed that the carrying amount will be recovered when they are sold.

Deferred tax is recognised on lease liabilities and right-of-use assets due to the difference in financial reporting purposes and the amounts used for taxation.

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	Group	
	2026	2025
16 IMPUTATION CREDIT ACCOUNT		
Opening Imputation credit balance	14,485	18,467
Taxation Paid (Income Tax)	602,691	-
Taxation Paid (RWT deducted)	5,910	14,485
	623,086	32,952
Less Refunds	(14,508)	(18,467)
Less Imputation Credits Attached	(301,469)	
	(315,977)	(18,467)
Closing imputation credit balance	**307,109**	**14,485**

		Group	
		2026	2025
17 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents comprise	Interest Rate		
Cash at Bank	0.00%	17,131	164,519
ASB Maintenance Reserve Fund	0.05%	1,415	338,703
ASB Savings Account	0.10%	2,785,602	1,515,355
		2,804,148	2,018,577

All funds held are held in either a chequing or savings account. No funds were held on term deposit at 28 February 2026.

	Group	
18 ACCOUNTS RECEIVABLE	2026	2025
Rentals due	197,093	1,042,240
Power Commissions & Recoverables Due	13,320	12,156
Other Receivables	280,886	11,147
	491,299	1,065,543
Provision for Expected Credit Losses	(62,065)	(1,177)
Total	429,234	1,064,366
Due less than 30 days (current)	429,234	1,064,366

All receivables are considered collectable as they are trading within current terms.

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using an expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on a similar credit risk.

	Group	
Provision for Expected Credit Losses	2026	2025
Opening Provision at 1 March	(1,177)	(106,362)
Bad Debts Written Off	1,024	72,354
Release or (Additional) Expected Credit Losses Provision	(61,912)	32,831
Closing Provision at 28 February	(62,065)	(1,177)

Due to a lack of useful historical data on which to base receivable impairment analysis, the Group has assessed its expected credit losses for each individual debtor applying judgement using the property managers experience, customer knowledge and interactions and expected economic factors. This has resulted in a increase in the expected credit losses provision to $62,065 (2025: $1,177). This credit loss provision reflects the uncertainty associated with the collection of certain outstanding debts at year end.

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19 LEASING COSTS

		Group	
		2026	2025
Leasing costs consist of the following:			
Leasing Fees			
Opening Balance		213,739	255,303
Incurred during the year		29,735	44,267
Amortised	**13**	(87,695)	(85,831)
Closing Balance		155,779	213,739
Lease Incentives			
Opening Balance		204,925	324,525
Amortised	**13**	(94,600)	(119,600)
Closing Balance		110,325	204,925
Total Leasing Costs		266,104	418,664

ACCOUNTING POLICIES

Where lease incentives are offered, and leasing fees paid, these will be capitalised within the Statement of Financial Position and amortised on a straight line basis only over the length of the lease to which they relate.

20 ACCOUNTS PAYABLE

	Group	
	2026	2025
Other accounts payable, accruals and other liabilities	170,758	161,506
Total	170,758	161,506
Due less than 30 days (current)	170,758	161,506

21 PROVISION FOR GOC REFUND

Provision for rent refund due to tenants	Group	
	2026	2025
Opening Provision at 1 March	173,382	660,261
Additional Provision during the year	14,025	97,926
Refunds to tenants	(164,699)	(584,805)
Closing Provision at 28 February	22,708	173,382

The Provision for GOC (Gross Occupancy Cap) Refund identifies the estimated rent that is to be refunded to tenants. A Gross Occupancy Cap limits a tenants occupancy expense (rent paid) to a percentage (as per the lease agreement) of their turnover. Therefore, if their calculated occupancy expense is less than the rent paid to the Group then they will receive a refund for the overpaid rent.

The Provision for GOC Refund recognised during the year is calculated based on the turnover provided by tenants to Colliers (the Property Manager). However, it is not paid out until certified turnover figures have been provided to the Group.

BDO Christchurch

22 GROUP COMPANIES

As at the 28 February 2026 Shopping Centre Investments Limited held shareholdings in the following subsidiaries:

Subsidiary	Balance Date	Incorporated in NZ	Domiciled	Shareholding 2026	Shareholding 2025
BC Chalmers Investments Ltd	28/02/2026	23/08/2005	New Zealand	100.00%	100.00%
Hornby Enterprises Ltd	28/02/2026	8/08/2008	New Zealand	100.00%	100.00%

Hornby Enterprises Ltd — This company has a long term leasehold interest in a property at 23 Carmen Road. A sealed car park has been constructed on this leasehold land comprising 112 car parks which is leased long term to the Hornby Working Men's Club. 212 carparks are in turn leased from that entity.

B C Chalmers Investments Limited — This company previously held property and leased property along Chalmers Street. In the year ended 29 February 2012, the property held was transferred to the Parent.

There have been advances by the parent company to the various subsidiaries, these are interest free and repayable on demand. Though impaired these have not been written off.

23 RELATED PARTY DISCLOSURES

The parent entity is Shopping Centre Investments Limited. Shopping Centre Investments Limited has control over B C Chalmers Investments Limited and Hornby Enterprises Limited.

Key management personnel within the group is any person or persons having the authority and responsibility for planning, directing and controlling the activities of the Company and group, directly or indirectly, including any director. Key management personnel within the Company and Group are detailed below. There are no other key management personnel apart from directors.

Directors within the Company and Group for the year ending 28 February 2026 were:

Director		Entity		Directors Fees Paid 2026	Directors Fees Paid 2025
Nigel Atherfold		Shopping Centre Investments Limited	A: 25/07/2022	45,000	45,000
Michael Keyse	Chairman	Shopping Centre Investments Limited	A: 19/08/2013	85,000	85,000
Sarah Ott		Shopping Centre Investments Limited	A: 30/03/2021	47,500	46,500
David Rankin		Shopping Centre Investments Limited	A: 15/07/2014	47,500	46,500
(Key: A = Appointed and R = Retired)				225,000	223,000

Michael Keyse, in addition to his Director role, also carries out further duties as there is no appointment of a determined CEO. The fee paid to him takes into account these additional demands.

No Directors Fees were payable at 28 February 2026 (2025: nil)

From time to time directors of the Group or their related entities provide services to the Company and Group.

Jane Jackman is a Partner at Nexia Christchurch Limited which provides accounting services to the Company and the Group. Jane Jackman has a beneficial interest in the P M & J Jackman Family Trust which holds 49,592 shares at 28 February 2026. (2025: Held 49,592 shares)

49 Below Limited, of which Jane Jackman is a Director of and the P M & J Jackman Family Trust has a 50% shareholding in, holds 217,509 shares at 28 February 2026. (2025: Held 217,509 shares)

Michael Keyse, a director of Shopping Centre Investments Limited, has a beneficial interest in the Sherwood Family Trust which holds 555,304 shares at 28 February 2026. (2025: Held 555,304 shares)

Michael Keyse holds 110,910 shares of Shopping Centre Investments Limited in his own name (2025: Held 110,910 shares).

Michael Keyse is an executor of the Estate of Mostyn Stewart Elms which was a shareholder of C S Elms Limited until 19 March 2025 that holds 450,000 shares at 28 February 2026 (2024: 450,000 shares).

BDO Christchurch

23 RELATED PARTY DISCLOSURES (continued)

David Rankin, a director of Shopping Centre Investments Limited, has a beneficial interest in the D H Rankin Children's Trust which holds 648,000 shares as at 28 February 2026. David Rankin is also a director of Livingstone First Realty Limited which holds 10,000 shares at 28 February 2026.
(2025: D H Rankin Childrens Trust held 608,000 shares.)
(2025: Livingstone First Realty Limited held 50,000 shares.)

David Rankin is also a Trustee of the Rotary Club of Cashmere Charitable Trust which held 10,000 shares at 28 February 2026.
(2025: Held 10,000 shares.)

David Rankin is also a Trustee of a shareholder in Amicus, who as insurance brokers co-ordinate the Directors' and Officers Liability insurance for the Group. The insurance premiums paid to Amicus during the year were $27,629 (2025: $17,625).

Colliers Real Estate Management Limited are the managers of the shopping centre.

Evan Harris, the National Retail Property Consultant of Colliers Real Estate Management Limited and oversees leasing for Shopping Centre Investments Limited, has a beneficial interest in the E E Harris Family Trust which holds 247,960 shares at 28 February 2026 (2025: Held 247,960 shares).

Joanna Koster, an Associate Director - Retail of Colliers Real Estate Management Limited, until February 2025, who oversaw leasing and property management of Shopping Centre Investments Limited, holds 86,786 shares as at 28 February 2026
(2025: Held 86,786 shares).

Jason Marsden, employed by Colliers Real Estate Management Limited and is the Mall Manager at The Hub, holds 97,003 shares as at 28 February 2026 (2025: Held 97,003 shares).

Kiri Thomson, employed by Colliers International Real Estate Management Limited and is the Operations Manager at The Hub, jointly holds 20,000 shares as at 28 February 2026 (2025: Held 20,000 shares).

Details in respect of these related party transactions is set out below:

	Group	
	2026	2025
Accounting, secretarial and administrative support:		
Nexia Christchurch Limited	133,810	140,469
Insurance:		
Amicus	27,629	17,625
Leasing:		
Colliers Real Estate Management Limited	29,736	44,267
Total value of transactions with related parties	**191,175**	**202,361**

BDO Christchurch

23 RELATED PARTY DISCLOSURES (continued)

The Company and Group had the following trade payables and trade receivables outstanding with related parties:

	2026		2025	
	Trade receivable	Trade payable	Trade receivable	Trade payable
Colliers Real Estate Management Limited	-	479	-	-
Nexia Christchurch Limited	-	9,588	-	11,174
Total	-	**10,067**	**-**	**11,174**

The terms and conditions of the above balances are unsecured creditors with terms of payment to be made within 14 days of the invoice date.

The parent company has provided intercompany advances to it's subsidiary companies B C Chalmers Investments Limited and Hornby Enterprises Limited.

The advances to the subsidiaries have been impaired by the Directors as the subsidiaries have insufficient assets to repay the advances. These balances are eliminated on consolidation.

The terms and conditions of these advances are that they are interest free and repayable on demand.

24 CAPITAL COMMITMENTS

2026 Year:
As at 28 February 2026, the Group has no capital commitments.

2025 Year:
As at 28 February 2025, the group had no capital commitments.

The subsidiaries have no capital commitments relating to any matters.

25 CONTINGENT LIABILITIES

As at 28 February 2026 the Group had no contingent liabilities (2025: nil)

26 SUBSEQUENT EVENTS

2026 Year:
On 13 March 2026, the Board passed a resolution approving a dividend of 1.000 cents per share to be paid 31 March 2026 and to be fully imputed. The dividend paid was $689,072.

On 1 May 2026, the Board signed the Term Sheet agreeing to a $2,500,000 revolving credit facility with ASB.

BDO Christchurch

27 RECONCILIATION OF REPORTED INCOME / (LOSS) WITH CASH FLOWS from Operating Activities

	Group	
	2026	2025
Net Income	**4,364,640**	**7,552,037**
Non cash and non operating items		
Realised (Gain) / Loss on Disposal of Investment Property	-	(1,510,491)
Unrealised net change in value of investment property	(1,320,627)	(3,814,976)
Unrealised net change in value of derivative financial instruments	9,770	790,314
Bad Debts	1,024	72,354
Depreciation	136,418	136,643
Insurance Proceeds	-	(52,559)
Interest on Lease Liabilities	270,882	274,150
Tax Expense	889,954	238,598
Deferred tax	353,702	337,505
	341,123	(3,528,462)
Cash flow from operations before working capital changes	4,705,763	4,023,575
Movements in Working Capital		
Increase / (Decrease) in Accounts Payable	58,132	132,828
Increase / (Decrease) in Interest Accrued (Loans)	(82,625)	(89,420)
Increase / (Decrease) in Bonds	(25,268)	(111,629)
Increase / (Decrease) in Credit Losses Allowance	59,864	(177,539)
Increase / (Decrease) in GST Payable	(28,974)	(73,362)
(Increase) / Decrease in Interest Accrued	2,872	(915)
(Increase) / Decrease in Leasing Fees	57,960	41,565
(Increase) / Decrease in Lease Incentives	94,600	119,600
Increase / (Decrease) in Provision for GOC Refund	(150,674)	(499,328)
(Increase) / Decrease in Accounts Receivable	463,418	516,755
(Increase) / Decrease in Prepayments	8,063	7,222
(Increase) / Decrease Future Tax Benefits	(594,094)	3,984
	(136,726)	(130,239)
Net Cash Flows from Operating Activities	**4,569,037**	**3,893,336**

BDO Christchurch

27 RECONCILIATION OF REPORTED INCOME / (LOSS) WITH CASH FLOWS from Operating Activities (continued)

ACCOUNTING POLICIES

The following is the definition of the terms used in the Statement of Cash Flows:

i ***Cash and cash equivalents*** means cash, demand deposits and other highly liquid (being those with original maturities of three months or less) investments in which the group has invested as part of its day to day cash management. Cash includes current liabilities such as negative cash balances in the form of overnight bank overdrafts. Cash does not include receivables or payables or any borrowing that forms part of a term liability.

ii ***Operating activities*** include all transactions and other events that are neither investing nor financing activities.

iii ***Investing activities*** include those relating to the addition, acquisition, and disposal of investment properties and any addition and reduction of subsidiary investment and loans.

iv ***Financing activities*** are those activities that result in changes in the size and composition of the capital structure of the Group, including dividends paid.

Cash Flows from Financing Activities

			Non-Cash Changes	
2026	2025	Cash Flows	Reclassification Between Short and Long Term	2026
Long-term borrowings				
Lease Liabilities	5,401,505	(270,883)	196,523	5,327,145
Term Loans - ASB	59,714,311	-	(750,000)	58,964,311
	65,115,816	(270,883)	(553,477)	64,291,456
Short-term borrowings				
Lease Liabilities	70,852	(70,852)	74,360	74,360
Term Loans - ASB	750,000	(750,000)	750,000	750,000
	820,852	(820,852)	824,360	824,360
	65,936,668	(1,091,735)	270,883	65,115,816

2025	2024	Cash Flows	Reclassification Between Short and Long Term	2025
Long-term borrowings				
Lease Liabilities	5,140,620	(274,792)	535,677	5,401,505
Term Loans - ASB	65,312,500	(4,848,189)	(750,000)	59,714,311
	70,453,120	(5,122,981)	(214,323)	65,115,816
Short-term borrowings				
Lease Liabilities	65,390	(65,390)	70,852	70,852
Term Loans - ASB	750,000	(750,000)	750,000	750,000
	815,390	(815,390)	820,852	820,852
	71,268,510	(5,938,371)	606,529	65,936,668

BDO Christchurch

28 FINANCIAL INSTRUMENTS - BY CATEGORY

The Group has the following Financial Instruments:

2026 Year

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Assets				
Cash and cash equivalents	2,804,148	-	-	2,804,148
Colliers Trust Account	103,303	-	-	103,303
Accounts Receivable	429,234	-	-	429,234
Total as at 28 February 2026	3,336,685	-	-	3,336,685

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Liabilities				
Accounts payable,accruals & other liabilities	-	170,758	-	170,758
ASB Loan	-	59,714,311	-	59,714,311
Derivative Financial Instruments	-	-	399,461	399,461
Total as at 28 February 2026	-	59,885,069	399,461	60,284,530

2025 Year

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Assets				
Cash and cash equivalents	2,018,577	-	-	2,018,577
Colliers Trust Account	261,100	-	-	261,100
Accounts Receivable	1,064,366	-	-	1,064,366
Derivative Financial Instruments	-	-	-	-
Total as at 28 February 2025	3,344,043	-	-	3,344,043

	Group			
	Assets at amortised cost	Liabilities at amortised cost	Assets at fair value through Profit or Loss	Total carrying amount
Financial Liabilities				
Accounts payable,accruals & other liabilities	-	161,506	-	161,506
ASB Loan	-	60,464,311	-	60,464,311
Derivative Financial Instruments	-	-	389,691	389,691
Total as at 28 February 2025	-	60,625,817	389,691	61,015,508

ASB Loan

The ASB Loan is a financial instrument that is recorded at amortised cost.
However, due to worsening credit spreads the fair value of the ASB Loan at 28 February 2026 has been calculated using the Fair Value Hierarchy Level 2 with discount rates of 4.68% to 4.71% (2025: 6.22% to 6.57%).
The worsening credit spreads lead to the use of Fair Value Hierarchy Level 2 as the calculation relies upon the RBNZ 90 day BKBM rate, which is a quoted rate available as at and post reporting date.

The fair value of the ASB Loan at 28 February 2026 is $60,888,297 (2025: $61,612,319)

BDO Christchurch

29 CAPITAL MANAGEMENT POLICIES

The Company and Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern whilst maximising the return to shareholders through maintaining an optimal balance of debt and equity.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the loan to value ratio. The ratio is calculated as borrowings divided by investment properties.
During the year ended 28 February 2026, the Group's strategy was to maintain a loan to value ratio of no more than 55%.

The covenants on all borrowings require a loan to value ratio of not more than 55% (2025: 55%) and an interest cover ratio (that is, the ratio of earnings before interest to interest) of not less than 1.5:1 (2025: 1.5:1).
The Group complied with these covenants during the current and prior year.

As at and for the year ended 28 February 2026, the Group had a loan to value ratio of 47.58% (2025: 48.76%).
The Group had an interest cover ratio of 2.22 (2025: 1.79) and registered mortgage securities of $59,714,311
As at 28 February 2026 the funds drawn totalled $59,714,311 (2025: $60,464,311)

The Company's capital management objectives are:

- The Director's assess the cash flow requirements and the covenants before resolving to declare a dividend. Subject to these conditions being met, dividends are generally paid on a quarterly basis.

- The Director's assess the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage.

- At 28 February 2026, the Company had met its covenants.
  On an annual basis, the Board advises the ASB in regards to whether or not the covenant obligations have been met.

- Additional bank covenants, not listed above, on all borrowings require:
  * Undertake seismic strengthening work to ensure all land and buildings secured meet no less than 67% of the New Building Standards.

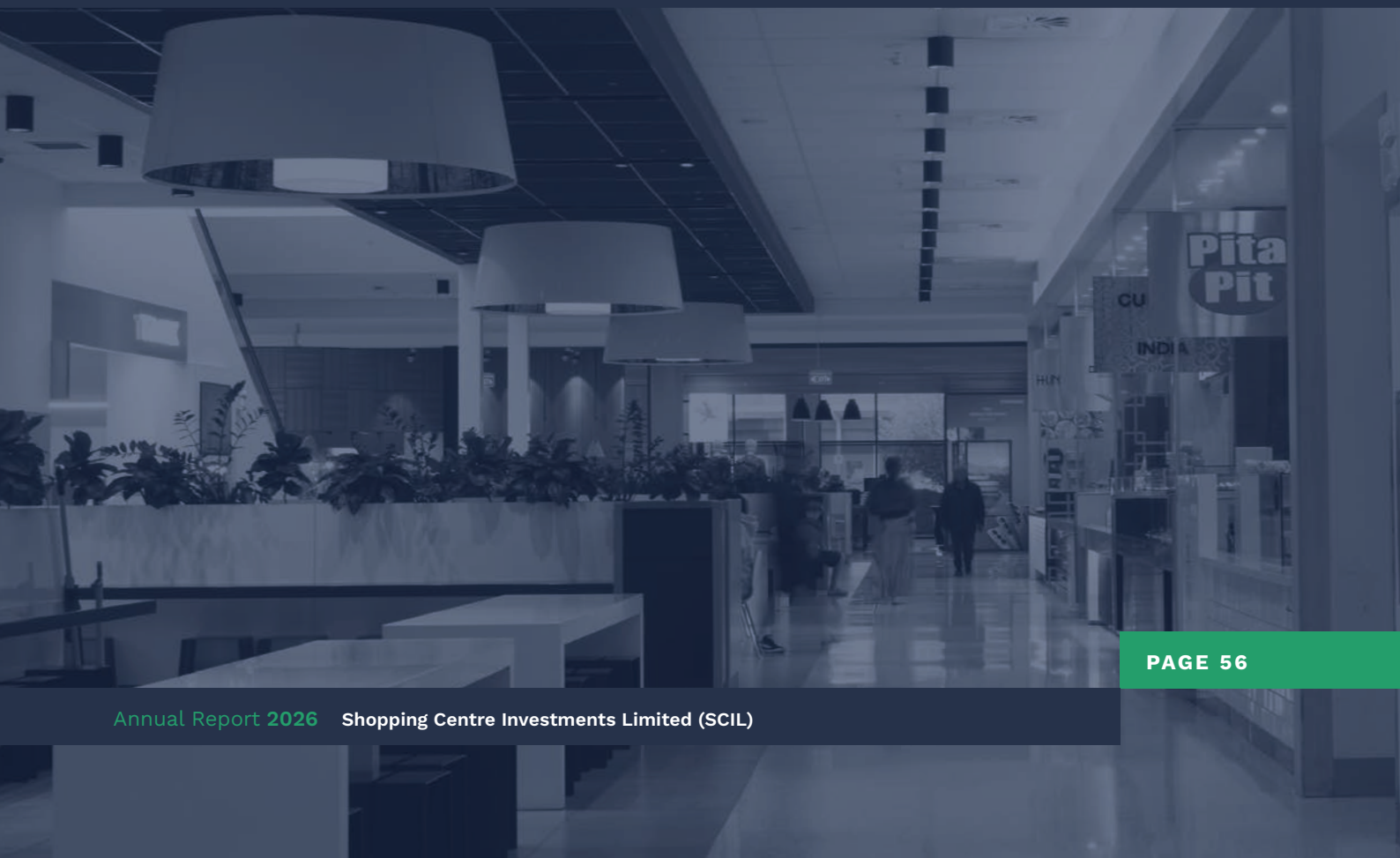
30 Dividend Payout Ratio

	Group	
	2026	2025
Cash Flows from Operations	**4,569,037**	**3,893,336**
Less amount retained	1,898,880	1,912,252
Cash Dividend	**2,670,157**	**1,981,084**
Payout Ratio	58%	51%
Cash Dividend (cents per share)	3.8750	2.8750

	2026			2025		
Dividends paid as follows	Date	Rate (cps)	Gross	Date	Rate (cps)	Gross
	28/03/2025	0.75000	516,804	28/03/2024	0.62500	430,670
	30/06/2025	1.00000	689,072	27/06/2024	0.62500	430,670
	30/09/2025	1.00000	689,072	30/09/2024	0.62500	430,670
	22/12/2025	1.12500	775,206	20/12/2024	1.00000	689,072
			2,670,157			**1,981,084**

SUMMARY OF FINANCIAL RESULTS FOR THE FIVE YEAR PERIOD 2022 TO 2026

Five Year Financial Summary



Summary of Financial Results for the Five Year Period 2022 to 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2022	2023	2024	2025	2026
Rent Received	9,624,413	9,994,988	9,941,557	10,272,179	10,351,380
Insurance Recoveries	425,644	467,720	140,577	52,559	-
Interest Received	8,952	27,570	39,882	46,337	29,507
Sundry Income	162,247	184,148	187,019	177,425	138,849
	10,221,256	$10,674,426	10,309,035	10,548,500	10,519,736
DIRECT EXPENSES					
Management Contributions	89,288	83,629	85,016	87,737	61,246
Operating Contributions	587,492	552,720	673,627	696,966	838,103
	676,780	636,349	758,643	784,703	899,349
Gross Profit	**9,544,476**	**10,038,077**	**9,550,392**	**9,763,797**	**9,620,387**
OVERHEAD EXPENSES					
Audit Fees	40,500	41,500	44,825	91,050	50,800
Directors Fees	205,579	203,000	203,000	223,000	225,000
Interest	2,074,136	3,652,659	4,981,724	4,540,609	3,586,855
Interest Expense on Conv Notes	21,105	-	-	-	-
Interest Expense on Lease Liabilities	253,953	263,667	260,781	274,150	270,882
Other Operating Expenses	1,047,923	1,558,277	1,579,057	1,042,001	1,189,411
	3,643,196	5,719,103	7,069,387	6,170,810	5,322,948
Net Operating Income	**5,901,280**	**4,318,974**	**2,481,005**	**3,592,987**	**4,297,439**
Unrealised net change investment properties	1,882,161	(9,800,959)	4,503,692	3,814,976	1,320,627
Derivative Financial Instruments	175,271	518,309	(292,957)	(790,314)	(9,770)
Realised Gain on Investment Properties	-	-	-	1,510,491	-
	7,958,712	(4,963,676)	6,691,740	8,128,140	5,608,296
Income and Deferred Tax	(1,616,020)	(1,164,219)	(584,572)	(576,103)	(1,243,656)
Net Income	**6,342,692**	**(6,127,895)**	**6,107,168**	**7,552,037**	**4,364,640**
Equity Opening	54,142,786	57,470,785	47,811,393	51,937,477	57,508,430
Net Income	6,342,692	(6,127,895)	6,107,168	7,552,037	4,364,640
Distributions	(3,014,693)	(3,531,497)	(1,981,084)	(1,981,084)	(2,670,156)
Equity Closing	**57,470,785**	**47,811,393**	**51,937,477**	**57,508,430**	**59,202,914**

Summary of Financial Results for the Five Year Period 2022 to 2026 CONTINUED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2022	2023	2024	2025	2026
SHAREHOLDER EQUITY					
Share Capital	73,374,286	73,374,286	73,374,286	73,374,286	73,374,286
Accumulated Losses	(12,538,489)	(12,396,922)	(12,774,530)	(11,018,553)	(10,644,696)
Accumulated Losses Attribution Reserve	(3,365,012)	(13,165,971)	(8,662,279)	(4,847,303)	(3,526,676)
	57,470,785	47,811,393	51,937,477	57,508,430	59,202,914
CURRENT LIABILITIES					
Accounts Payable	532,536	523,262	654,188	643,815	681,843
Derivative Financial Instrument	-	-	-	389,691	399,461
Income Received in Advance	-	84,305	158,406	301,218	166,383
Income Tax Payable	-	-	-	-	51,164
Interest Accrued	169,905	341,714	372,394	282,973	200,346
GST Payable	170,258	164,487	200,722	181,953	186,270
Provision for Deferred Maintenance	12,449	12,449	12,449	-	-
Provision for GOC Cap refunds	347,419	475,388	660,261	173,382	22,708
Term Loan Current Portion	-	66,812,500	750,000	750,000	750,000
	1,232,567	68,414,105	2,808,420	2,723,032	2,458,175
TERM LIABILITIES					
Term Loan	67,000,000	-	65,312,500	59,714,311	58,964,311
Lease Liabilities	5,016,359	5,206,010	5,140,620	5,401,505	5,327,145
Deferred Tax Liability	8,234,172	8,743,643	9,328,215	9,665,720	10,019,422
	80,250,531	13,949,653	79,781,335	74,781,536	74,310,878
Total Equity and Liabilities	**138,953,883**	**130,175,151**	**134,527,232**	**135,012,998**	**135,971,967**
CURRENT ASSETS					
Cash and Cash Equivalents	1,968,071	1,616,877	1,445,507	2,279,677	2,907,451
Accounts Receivable	700,459	981,038	1,304,136	1,064,366	429,234
Derivative Financial Instrument	175,271	693,580	400,623	-	-
Tax Paid in Advance	-	-	-	-	-
	2,843,801	3,291,495	3,150,266	3,344,043	3,336,685
NON CURRENT ASSETS					
Investment Properties	129,000,000	121,280,000	126,000,000	126,500,000	128,000,000
Capital Works in Progress	457,236	-	-	-	-
Capital Repairs subject Insurance Claim	456,871	-	-	-	-
Leasehold Asset	94,602	90,146	85,956	82,013	78,295
Leasing Costs	752,139	686,399	579,829	418,664	266,104
Right of Use of Assets	4,222,662	4,349,217	4,223,904	4,423,582	4,290,883
Tax Paid in Advance	1,126,572	477,894	487,277	244,696	-
	136,110,082	126,883,656	131,376,966	131,668,955	132,635,282
Total Assets	**138,953,883**	**130,175,151**	**134,527,232**	**135,012,998**	**135,971,967**

Additional Information

Corporate Governance

The governance policies, practices and processes are defined within the Statement of Board Governance and Board Charter.

The Statement of Board Governance comprises 8 principles based on the contents of publications by the Institute of Directors, the handbook for Directors published by the FMA (Financial Marketing Authority) and though not a member of the NZX Exchange the "NZX Corporate Governance Code has been referred to.

These principles are detailed within the Company website, the headings of which are:

1. Code of Ethical Behaviour
2. Board Composition and Performance
3. Board Committees
4. Reporting and Disclosure
5. Remuneration
6. Risk Management
7. Auditors
8. Shareholder Rights and Relations

The Board Charter

The role of the Charter is to define the Company's direction and to set operational goals.

The goals of the company are:

1. To provide a Mall of Regional stature with at least two anchor tenants in place.
2. To put in place a suitable divergence and quality of tenants to attract maximum rental returns and provide an interesting and eclectic range of products and services to attract shoppers at maximum levels. With such goals it would be anticipated that the Company would maximise its income producing potential and that returns satisfactory to the stakeholders would be achieved.
3. To maximise the asset value of the investment, aim for a diversification of asset holdings and to improve the liquidity of the shareholder investment.
4. To identify that the entity has responsibilities to its community base, to promote an environment of well-being and sustainability.

Board of Directors

MICHAEL KEYSE
Board Chair

Michael is a Fellow of, Chartered Accountants Australia New Zealand, and previously a Senior Partner of Hilson Fagerlund Keyse, Chartered Accountants, Christchurch. Michael, before retiring from public practice, was an advisor to a diverse range of clients and was instrumental in establishing a number of successful property syndications.

His experience in Public Practice has allowed him to forge positive relationships with other professional advisors including bankers, valuers, lawyers, project managers, property management professionals, architects, structural engineers, and financial advisors.

Michael has acted as an accountant for a public company and is experienced in prospectus construction and audit. He has overseen various trusteeships and executive positions for several charitable bodies, the largest of which bestowed upon him a life membership in recognition of his professional stewardship. Michael holds Directorships in a varied number of private companies.

SARAH OTT
Independent Director

Sarah joined the board of SCIL in March 2021 and is an experienced Chartered Accountant with a broad commercial background having held a range of public practice roles, both commercial and corporate. Sarah has significant experience in the governance of investment entities, including a directorship of a property syndicate manager for ten years, seeing it through the cycle of acquisition, development and sale. She also chairs the board of a significant family investment company and is a trustee and advisor to a number of family investment entities.

Having worked in financial, operational and investment management, Sarah has significant experience in governance and management of property based investments.

Sarah is currently the independent Chair of Halland Investments Limited, and has previously been the Director of Ocean Partners Property Management and an Executive Director at Ernst Young.

Board of Directors CONTINUED

DAVID RANKIN
Director

Appointed Director July 2014. David is a Director of Livingstone Realty Limited having formerly been Principal Officer and Director of H G Livingstone Ltd when it was managing 27 Shopping Centres throughout New Zealand. With over 30 years of experience in the real estate industry, he is a Life Member and former Director of The Real Estate Institute of New Zealand, Chartered Member of the Institute of Directors, is qualified in valuation and has been a Registered Valuer.

David is a former Chairman of Addington Raceway Ltd, and former Chairman of NZ Metropolitan Properties Ltd and was Chairman of a Co-operative Company for several years.

Due to his senior position and experience David has project managed and sat on the development boards for commercial developments which included overseeing construction contracts, leasing and rent reviews

NIGEL ATHERFOLD
Independent Director

Nigel joined the board in July 2022. He is an experienced director. In the last 15 years he has served on boards that have covered the spectrum from farming to manufacturing to consumer-branded goods, from start-ups to rapid growth to mature companies.

He is currently on the boards of Landcorp Farming Limited (deputy chair), Rural Equities Limited, Melody Dairies GP Limited, Spring Sheep Dairy NZ Management Limited, and Terracostosa Limited.

The early part of his career was spent in the property finance and corporate banking areas of New Zealand's major banks before spending five years in the treasury division of New Zealand Dairy Board. He has been self-employed since 2006 and is part-owner of an economics and treasury risk management advisory firm TDB Advisory Limited.

He has a bachelors degree in economics degree and a masters degree in corporate finance.

Directory

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DIRECTORS

Chair: **Michael Keyse**
Independent Directors: **Sarah Ott, Nigel Atherfold**
Non-Executive Director: **David Rankin**

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