



Decision Summary

Case: 200820037

Decision	Consent declined Section 12(b) Overseas Investment Act 2005 Section 13(1)(a) Overseas Investment Act 2005
Decision Date	18 December 2008
Investment	<p>An overseas investment in sensitive land, being the Applicant's acquisition of rights or interests in 100.0% of the shares of New Zealand Steel Mining Limited which owns or controls:</p> <ul style="list-style-type: none">– a leasehold interest in 1391.7340 hectares of land at Taharoa Road, South Auckland; and– a freehold interest in 1.1506 hectares of land at Tahuri Street and Te Waitere Road. <p>An overseas investment in significant business assets, being the Applicant's acquisition of rights or interests in 100.0% of the shares of New Zealand Steel Mining Limited, the consideration of which exceeds \$100m.</p>
Consideration	\$250,000,000
Applicant	Cheung Kong Infrastructure Holdings Limited and Ironsands Investments Limited (CKI) Hong Kong (Special Administrative Region) (84.4785%), Various (15.5215%)
Vendor	BlueScope Steel Limited Australia (100.0%)
Background	<p>CKI has three core businesses – materials, energy and transportation. The acquisition of the securities of NZSM provides CKI with a presence in New Zealand which will enable CKI to extend its material business beyond its current operations in Asia. The plan to invest in the Taharoa mine was a logical expansion.</p> <p>Blue Scope Steel Limited (Blue Scope) owns New Zealand Steel Mining Limited (NZSM) which operates a titanomagnetite (ironsand) mine on the west coast of the North Island. Ironsand is used as a raw material in iron making. The land currently being mined is leased from local landowners (Lease). The Lease is a long term lease under which the landowner receives a tonnage based royalty.</p> <p>New Zealand has always represented an attractive investment option for CKI due to its stable regulatory regime and business culture being similar to other common law countries in which CKI already holds significant investments. This proposed Investment signals further the Applicant's commitment to New Zealand.</p> <p>Originally CKI intended to carry out an expansion of the Business through its proposed investment in NZSM. However, given the reduced demand for the product produced by</p>

the NZSM mine and the deteriorating global economic conditions CKI has come to the decision that plans to expand the Business are no longer viable.

The overseas investment transaction has not satisfied the criteria in sections 16 and 18 of the Overseas Investment Act 2005.

More information

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