



25 September 2019

Svetlana Malivuk
Overseas Investment Office
Land Information New Zealand
155 The Terrace
PO Box 5501
Wellington

By email to: OIOmonitoring@linz.govt.nz; SMalivuk@linz.govt.nz

Dear Svetlana,

RE: Annual Report for Xindongyue Group NZ Limited (Case 201420003)

We represent Xindongyue Group NZ Limited (“the Company”). We are writing on behalf of the Company to provide the Overseas Investment Office (“OIO”) information sought in its letter dated 28 August 2019 and for annual reporting purpose as per condition 8 of the consent.

Background

The Company obtained consent from the OIO on 14 November 2014 to acquire the freehold interest in approximately 8.1091 hectares of land at 35c Wallace Drive, Clarks Beach, Waiau Pa, Auckland (“the Property”). The Company’s primary goal of the acquisition was to redevelop and commercialise the Karaka Point Vineyard (“the Vineyard”) within the Property, to produce and export the Vineyard’s premium wine products to China.

Since the acquisition, the Company has been in compliance with the Overseas Investment Act 2005, the Overseas Investment Regulations Act 2005 and other applicable New Zealand legislations. However, despite the Company’s best efforts, its investment in the acquisition did not result in a positive return, but instead has suffered significant financial losses resulting from factors beyond its control.

Implementation of Marketing Plan

We first address OIO’s enquiries relating to condition 5 in the Company’s Business Plan. We summarise below, by way of timeline, significant steps the Company has taken in respect to its marketing plan since acquiring the Property.

Date	Marketing Efforts
Sept 2015	Entered exclusive sale agency agreement with Taian Da Xin Company (China-based distributor company) (“Taian”). In the agreement, Taian undertook to solicit a minimum order of ¥500,000 RMB (equivalent to approx. \$106,000 NZD) worth of wine products from the



	Company within a three-month timeframe. The Agreement was terminated in late 2015 due to non-compliance by Taian. ¹
Late 2015	Entered distributorship agreement with Qingdao Yuantong Supply Chain Management Co. Limited (“Yuantong”). Yuantong is a China-based distributor that specialises in distributing overseas wines in China. ²
2015-2016	Engaged Refresh Renovations (NZ-based renovation company) to create design plans for the renovation of the Property’s function room. ³
Late 2016	Promoted its on-site guest accommodation facilities. The marketing and promotion of the Vineyard’s accommodation lodge was carried out via online platforms including Airbnb, Booking.com and Trade Me.
Mar 2018	Partnered with Pastel Moments (NZ-based wedding planner company). Hosted the first wedding event at the Vineyard. ⁴ The Company confirms that it holds the necessary liquor license to supply alcohol for events held at the Property. Any requirements for food are outsourced to registered caterers and suppliers.
Late 2018	Listed its wine products on maya1618.com, a China-based e-Commerce platform owned by the Tiens Group in China that provides sales channel on a B2B and B2C level for high-end foreign products. ⁵ Enclosed and Annexed A is a copy of the promotional information about the Company’s vineyard and wine products that can be found on Maya June.
Nov 2018	Employed Mr Mingnan Liang, a dedicated China-based marketing manager.
Early 2019	The Property was hired out for the filming of a music video called “Greensmoke” by a young aspiring Korean music artist called Imugi. The music video has achieved over 10,000 views to date.

1 Taian’s primary business activity was focused on selling Chinese liquor, they lacked sufficient sales professionals that specialised in the selling and promoting of overseas wines, particularly New Zealand’s

2 The Company initially exported a range of high quality red wine produced by other NZ wineries along with its own wine products to Yuantong. The sale turnout was unsatisfactory and therefore this business model did not continue. The Company then exported its own lower priced wine products to Yuantong. However, feedback from Yuantong was that the price of the Company’s wine was still unable to compete with those from France and Chile

3 Due to the Company’s financial performance, the Company did not have sufficient funds to carry out further renovations

4 The Company has attempted to negotiate with Pastel Moments to explore the possibility of further engagements, but agreement discussions did not eventuate due to personal circumstances of the manager of Pastel Moment who had fallen pregnant and decided to take time off her business

5 This sales channel did not generate much sales volume for the Company. To date, the Company has only generated a total sales volume of ¥9,080 RMB through Maya June



May 2019	Mr Liang began communication with the Chief Executive Officer of Mr Wine (Beijing) e-Commerce Company Limited (“Mr Wine”), a large-sized distributor of overseas wine in China. Mr Liang also represented the Company and attended the Shanghai International Wine and Fine Food Fair as an exhibitor in association with Mr Wine. ⁶
Sept 2019	Entered into negotiations with ABC Signature Studios for the filming of an adult drama called “The Wilds”. ⁷ Enclosed and Annexed B is a copy of the email from the location scouter [s 9(2)(a)] confirming a visit to the Vineyard and the Property.

The main purpose for working with established distribution agencies in China was that the Company could leverage on the existing marketing and sales resources the distribution agencies had already acquired. The partnership with such distributors meant that the distributors were responsible for the marketing and selling of the Company’s products to the existing Chinese market through their current sales channels. Given such cooperation, the Company did not see it necessary to expend further costs in having and maintaining its own website in China.

The Company’s Current Employment

Name	Position	Location	Avg weekly hours
[s 9(2)]	<p><u>General Manager</u></p> <p>Responsible for determining and implementing strategies and objectives for the Company’s business and overlooking the day-to-day operations of the Vineyard, function space and accommodation business.</p> <p>Responsible for selecting and managing senior staff.</p> <p>Provide training to staff in relation to the accommodation and the Vineyard business.</p> <p>Represent the Company in official occasions.</p> <p><i>Full job description in the employment agreement provided to OIO in the 2015 annual report.</i></p>	NZ	45 hours
[s 9(2)(a)]	<u>New Zealand Marketing and Sales Manager</u>	NZ	45 hours

⁶ The Company is currently negotiating a distributorship agreement with Mr Wine

⁷ “The Wilds” is an adult drama series produced by [s 9(2)(a)] and ABC Signature Studios, part of the Disney Television Studios Representatives of the production team including the producer and director were given a tour of the vineyard and its facilities recently in September 20 9 Whether the Vineyard will be selected as the filming location is yet to be finalised



	<p>Responsible for preparing and implementing marketing and business plans in New Zealand.</p> <p>Assist with overseeing the operations of the accommodation and the Vineyard businesses.</p> <p>Responsible for liaising with potential clients in New Zealand.</p> <p>Point of contact for existing clients in New Zealand.</p> <p><i>Full job description in the employment agreement provided to OIO in the 2015 annual report.</i></p>		
[s 9(2) (a)]	<p><u>China Marketing and Sales Manager</u></p> <p>Direct the development and implementation of marketing and business plans.</p> <p>Handle all sales enquiries/complaints and communications in China with existing distributors and clients.</p> <p>Establish and develop business relationships with new distributors and clients.</p> <p>Create business profiles for existing and potential distributors and clients.</p> <p>Attend relevant exhibitions promoting the Company's wine to increase market exposure.</p> <p>Enclosed and Annexed C is a copy of [s 9(2)(a)] employment agreement.</p>	China	45 hours
[s 9(2) (a)]	<p><u>Gardener (Contractor Agreement)</u></p> <p>Responsible for upkeep and maintaining the garden at the Property.</p>	NZ	18 Hours

The Company's Sales Forecast

The Company acknowledges the OIO's enquiry regarding projected export receipts. Various factors have contributed to the overall unsatisfactory sales volume of the Company compared to the original forecast set out in condition 8(c) of the Consent.

One of the key factors that had resulted in the export receipts being unable to meet the predicted forecast was due to the state of the Vineyard and its inability to produce sufficient yields for the first two years since



acquisition. As explained in the 2016 annual report, some parts of the Vineyard was in an inhabitable state for the production of grapes due to its poor maintenance prior to the Company's takeover.

Challenges in Entering China Market

The other main factor that affected the Company's wine product sales volume was the challenge of penetrating into the China market. As indicated in the original business plan, the Company intended to distribute its wine products via Taian (agreement previously provided to OIO in the 2015 report). Taian undertook to solicit a minimum sales of ¥500,000 RMB of the wine products of the Company within 2015 but that did not eventuate. The Company's agreement with Taian was hence terminated.

The Company then entered a distribution agreement with Yuantong. Yuantong was one of the leading foreign wine distributors in China. Their main product lines consist of French and Chilean wines.

The Company's products, however, were not able to gain popularity in the Chinese market. Yuantong advised that this was due to the price levels of the Company's wine products. The Company's products were unable to compete with those from France and Chile, which were well received in the Chinese market due to their lower price setting and their existing market share. The orders from Yuantong gradually declined and the Company did not receive further orders of wine from Yuantong since 2018.

Ongoing Attempt to Seek Other Distribution Channels

The Company attempted to liaise with other potential distributors in China. However, this has proven to be a challenge. The costs of logistics and the small scale of production have inevitably caused unfavourable price settings of the Company's wine products.

[s 9(2)(a)], the Company's newly appointed China-based Sales and Marketing Manager, is currently negotiating with Mr Wine, a large-sized wine distributor with a registered capital of ¥10 million RMB, to explore additional sales channels. Mr Wine distributes a large collection of French and Australian wines in China. Mr Wine has shown substantial interest and intent to distribute the Company's wine products. The Company is currently arranging wine sample inspections for Mr Wine and arranging the CEO of Mr Wine to inspect the Vineyard physically.

The Company has been actively seeking to cooperate with other suitable distributors in China.

Sale of Water Products

Chinese customers have a large demand for New Zealand water. In early 2016, Yuantong sought the Company's assistance to export New Zealand water to China. In order to increase export and revenue in any way possible, the Company sourced and exported bottled water from Aquazeal Limited to Yuantong from 2016. Enclosed and **Annexed D** is a copy of the most recent invoice to Yuantong for the order of water.

The Company currently does not have specific plans in regards to the exporting of water to China. Its main focus remains operating the Vineyard and the sale of its wine products. However, as the request from



Yuantong for New Zealand water has been consistent, the Company is agreeable to continue providing such supplies.

The Company's Plans Going Forward

The Company has experienced substantial setbacks in not being able to establish market influence in China despite working with well-established wine distributors in China. The Company does not have any fixed or exclusive agreements with Yuantong (its current distributor). As discussed above, the Company did not receive any order from Yuantong since 2018. The Company is currently in discussion to work with Mr Wine and is in the process of following up with potential business opportunities obtained through the Shanghai Expo.

The Company currently holds about 10,000 bottles of wine in its inventory. Given the quantity of unsold wine, the Company has not increased its development of grapes. The Company will focus on selling the bottled wines and at the same time allow the planted grapevines to mature before further harvesting and processing.

Sale of Vineyard

Despite the Company's investment and efforts in the past five years, the results have not been satisfactory. The cooperation of large distribution agencies in China has not been able to achieve the Company's expectations nor does it justifiably reflect the value of the Company's investments. Therefore, the Company has made a difficult but necessary decision to sell the Property. The Company had, prior to receiving OIO's letter, spoken with Sotheby's International Realty, a premium luxury real estate agency to help market and sell the Property. Enclosed and **Annexed E** is a copy of the signed agency agreement.

The Company will update the OIO if the sale eventuates.

Please let us know if you have any questions about the information contained in this report.

Yours faithfully,

PRESTIGE LAWYERS LIMITED

Royal Reed

Principal

Email: royal@prestigelawyers.co.nz

ANNEX A

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KARAKA POINT VINEYARD



新西兰风情 品味天然

得天独厚

葡萄品种

长相思白葡萄 Sauvignon Blanc



在新西兰，长相思形成了自己独特的风格，尤为芳香。果香比卢瓦尔的长相思更明显，略带汽油和青苹果味，有时还带有醋栗或芦笋的味道。

长相思最显著的特征是其十足的酸度，其次是其易于辨认的浓郁香气。在温和、尤其是凉爽的气候地区，长相思的表现最为出色，展现出浓郁、典型的绿色草本香气，还经常伴有西番莲或接骨木花味。这一较早成熟的葡萄品种生命力尤为旺盛，因此需要在贫瘠的土壤上种植，并选择在低活力的砧木上，以控制其长势。

产品展示

原产国：新西兰
葡萄品种：长相思
酒精度：13%
净含量：750ml
储藏方式：醒瓶，阴凉处储存，5-25℃
配料：葡萄汁、二氧化硫
产品特点：
口感：这款酒在瓶中几乎呈现出水的颜色。它呈现出一点黄杨木和番茄汁的味道，但这些都是成熟油桃所反馈出来的。在多饮的口感中会期待年轻的长相思而且口感会一直持续。发酵过程的管理和整体证明这是一个充满活力和吸引力的年轻葡萄酒。
试饮温度：12-14℃



酒庄介绍

Karaka Point酒庄是坐落在新西兰奥克兰市南部Karakara地区的一家花园式酒庄。成立于1994年，由意大利马丁夫妇花费三十年时间亲手打造的华丽庄园。2015年被国内集团公司并购，与马丁夫妇联手打造花园奢华酒庄。主要经营范围以酒庄餐饮管理、葡萄酒种植、葡萄酒酿造及销售为主。

Karaka Point酒庄占地128亩，内部分为三个部分：葡萄种植区、花园别墅区及婚礼会议商务区。

葡萄种植主要在奥克兰及霍克斯湾地区种植，聘请新西兰排名前十的酿酒师酿酒。

花园别墅区由5个卧室、3个卫生间、3个阳光玻璃房、厨房、餐厅、健身房和室内恒温游泳池组成。别墅占地面积480平方米，坐落在花园及果园中心位置，与三个生态湖遥相呼应。

婚礼会议商务区及果园区占地59亩，可以承接大型婚礼、商业活动及音乐节。承接婚礼餐饮、化妆、摄影及婚礼策划等相关业务；同时承接国内精品旅行社、负责旅行团专车接机、直升机接送、私人订制旅游、出海私人游艇垂钓、高尔夫及潜水等各项业务。

www.karakapointvineyard.co.nz



酒庄实景拍摄

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酒庄简介

Karaka Point酒庄是坐落在新西兰奥克兰市南部Karaka地区的一家花园式酒庄，成立于1994年，由意大利艺术家马丁夫妇花费三十年时间亲手打造。Karaka Point酒庄是奥克兰当地唯一一家花园式酒庄。酒庄内布满了上千株花卉及树木，一年四季鲜花盛开。作为新西兰奥克兰当地有着举足轻重地位的知名酒庄，在2015年被国内集团公司并购，与马丁夫妇联手打造花园奢华酒庄。

Karaka Point酒庄在奥克兰市占地128亩，在最古老、历史最悠久葡萄酒产区霍克斯湾区拥有种植区20公顷。酒庄主要构成为三部分：葡萄种植区、花园别墅区及婚礼会议商务区。

酒庄葡萄种植主要在奥克兰及霍克斯湾地区，聘请新西兰排名前十的酿酒师酿制葡萄酒。每年酿造白葡萄酒7600瓶，红葡萄酒39800瓶。酒庄严格确保红酒品质，采用橡木桶承载加以恒温酒窖，使葡萄酒口感顺滑醇香的味道。

花园别墅区由5个卧室、3个卫生间、3个阳光玻璃房、厨房、餐厅、健身房和室内恒温游泳池组成。别墅占地面积480平方米，坐落在花园及果园中心位置，与三个生态湖遥相辉映。

婚礼会议商务区及果园区承接大型婚礼、商业活动及音乐节，同时接待国内精品旅行团，负责旅行团专车接机、直升机接送、私人订制旅游、出海私人游艇垂钓、高尔夫及潜水等各项业务。

Karaka Point酒庄主要经营范围以酒庄餐饮管理、葡萄树种植、葡萄酒酿制及销售为主。主要经营葡萄酒范围有希拉、黑皮诺、莎当妮及长相思等著名葡萄酒品种。



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PROPERTY OF KARAKA POINT VINEYARD

西拉干红葡萄酒

原产国：新西兰

葡萄品种：西拉

酒精度：12.0%

净含量：750ml

储藏方式：卧放，阴凉处储存，5-25℃

配料：葡萄汁、二氧化硫

产品特征：

香气：紫罗兰、巧克力的香气

口感：香料及巧克力的香气。丰富的单宁支撑着丰富的水果味，在品尝后半段会感触到隐藏的松果味道。

试饮温度：12-14℃



喜迎国庆

为祖国 70 周年干杯

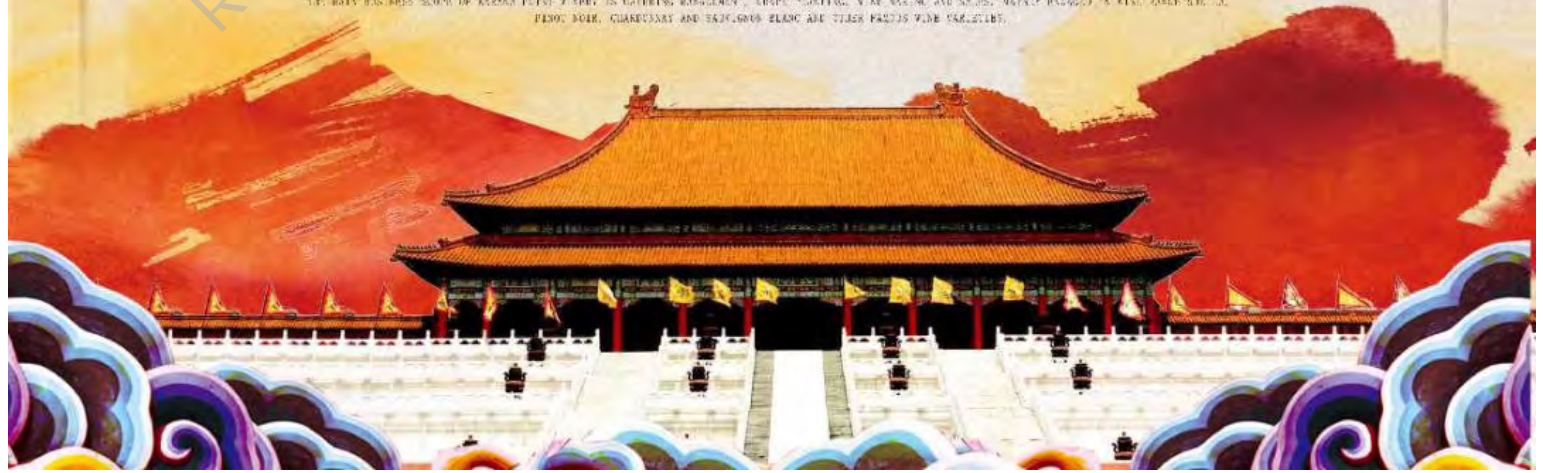


新西兰博恩酒庄

来自新西兰的诱惑 体验别样风情

新西兰博恩酒庄 | 联系 / 电话 / 18453852022
KARAKA POINT VINEYARD | 公司地址：新西兰奥克兰市南部

KARAKA POINT IS A SOUTH ISLAND VINEYARD, LOCATED IN KARAKA, NORTH OF AUCKLAND, NEW ZEALAND. FOUNDED IN 1994, IT IS THE ONLY SOUTH ISLAND VINEYARD
 THE VINEYARD IS COVERED WITH THOUSANDS OF TREES AND TREES THAT BLOOM ALL YEAR ROUND.
 COVERING AN AREA OF 128 HECTARES, THE VINEYARD HAS 29 HECTARES OF PLANTATION AREA IN THE NORTH EAST AREA, THE OLDEST AND OLDEST VINE REGION
 THE VINEYARD IS GROWN MAINLY IN AUCKLAND AND BAY OF PLYMOUTH THE TOP THE VINEYARDERS IN NEW ZEALAND TO PRODUCE WINE.
 IT PRODUCES 7,000 BOTTLES OF WHITE WINE AND 25,000 BOTTLES OF RED WINE ANNUALLY. WINE VOLENTARY SECURES THE QUALITY OF RED WINE
 THE GARDEN HILLS AREA, CONSISTS OF 3 BEDROOMS, 3 BATHROOMS, 1 SUN CLASS ROOMS, KITCHEN, DINING ROOM, GYM AND THROUGH HEATED SKIING FACIL.
 THE CELLAR STORES AN AREA OF 400 SQUARE METERS AND IS LOCATED IN THE LEFT OF THE GARDEN HILLS AREA. IN THE GARDEN HILLS AREA, THERE
 VISITING CONFIDENT BUSINESS DISTRICT AND FRUIT GARDEN THROUGH LARGE SCALE VISITING, COMMERCIAL ACTIVITIES AND MUSIC FESTIVAL,
 AND RECEIVE DOMESTIC QUALITY TOUR GROUP. RESPONSIBLE FOR TOUR GROUP CAN PICK UP, HELICOPTER PICK UP, PRIVATE CUSTOMER TOUR, PRIVATE SAKEI FISHING
 THE MAIN BUSINESS ROOM OF KARAKA POINT VINEYARD IS CATERING MANAGEMENT, GROUP MEETING, WINE TASTING AND SALES. MAINLY PROVIDED TO VISIT GARDEN HILLS
 FISH, BOAT, GARDENWAY AND SAKEI-GROUP ZHANG AND OTHER PARTS WINE VOLENTARY.



新西兰博恩酒庄

人有悲欢离合
月有阴晴圆缺
此事古难全
但愿人长久
千里共婵娟

中秋博恩

MID AUTUMN FESTIVAL

月 圆 人 圆

浓情好时刻 情系新西兰

新西兰原瓶
进口葡萄酒



- 西拉干红葡萄酒
- 梅洛干红葡萄酒
- 长相思干白葡萄酒

详情咨询: **184 5385 2022** (同微信)

新西兰风情 品味天然

——· 得天独厚 ·——

电话：184 5385 2022



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ANNEX B

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From: [s 9(2)(a)]

Date: 2019-09-10 21:07

To: info

CC: [s 9(2)(a)]

Subject: Visit, 11 am Thursday - regarding 'The Wilds' location scout.

Hi [s 9(2)],

Great to chat to you today.

I'm emailing to confirm my visit to you at Karaka Point Vineyard, at 11am this Thursday morning. I look forward to meeting you and viewing the location.

Ngā Mihi,

[s 9(2)]
()]

ABC 'THE WILDS' 2019/20

[s 9(2)(a)]

Location Scout & Manager

[s 9(2)(a)]

[s 9(2)(a)] m



ANNEX C

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INDIVIDUAL EMPLOYMENT AGREEMENT

XINDONGYUE GROUP NZ LIMITED

EMPLOYER

AND

[s 9(2)(a)]

EMPLOYEE

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INDIVIDUAL EMPLOYMENT AGREEMENT

This is an Individual Employment Agreement made in accordance with the Employment Relations Act 2000 and amendments.

BETWEEN: XINDONGYUE GROUP NZ LIMITED (the "Employer")

AND: [s 9(2)(a)] (the "Employee")

[s 9(2)(a)]



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[s. 9(2)(g)]

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[s 9(2)(a)]

Released under the Official Information Act 1982

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

Released under the Official Information Act 1982

[s 9(2)(a)]

30.

30.1

30.2

31.

31.1

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[s 9(2)(a)]

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APPENDIX 1 – JOB DESCRIPTION

1. Title and reporting:

The Sales and Marketing Manager is required to report to the General Manager of the Karaka Point Vineyard at all times.

2. Qualifications/experience required:

Relevant qualifications or work experience in similar roles.

3. Overall responsibilities:

Under the direction of the General Manager of the Karaka Point Vineyard and the Employer (at all times), the Sales and Marketing Manager is required to accomplish business development objectives by directing and controlling the marketing opportunities, business relationships and advertisements of the business. The Sales and Marketing Manager is responsible for relationship management, budgeting, establishment and management of business networks and the eventual management of the sales team.

4. Description of duties:

- a. Direct the development and implementation of marketing and business development plans and projects for new and existing products, targeting new and existing customers.
- b. Direct the establishment of working relationship with referrals and business associates to increase cooperation and market reach.
- c. Oversee the business development aspects of the wider team to keep them informed and educated with the company's business development activities to ensure all teams maintain and promote our company brand.
- d. Lead and establish the procedures and guidance for training and coaching marketing staff.
- e. Be responsible to ensure all business development and client relationship management is conducted in a meaningful way to maximise profit while maintain brand reputation.
- f. Direct and lead the sales, marketing and human resource objectives by recruiting, selecting, orienting, training, assigning, scheduling, coaching, counselling and disciplining employees.
- g. Oversee the communication of job expectations and performance of the sales team.
- h. Plan and be responsible for sales and marketing financial objectives by overseeing the forecasting requirements, preparing an annual budget, scheduling expenditures; analysing variances and initiating corrective actions.
- i. Determines annual and gross-profit plans by forecasting and developing annual sales quotas for regions; projecting expected sales volume and profit for existing and new products; analysing trends and results; establishing pricing strategies; recommending selling prices; monitoring costs, competition, supply, and demand;
- j. Direct the formulation of sales and marketing objectives by overseeing the planning, developing, implementing, and evaluating advertising, merchandising, and trade promotion programs; developing field sales action plans.
- k. Direct the development of market shares by overseeing the tasks of identifying consumer requirements; defining market, competitor's share, and competitor's strengths and weaknesses; forecasting projected business; establishing targeted market share.
- l. Direct the improvement of product marketability and profitability strategies by leading and overseeing the team's researching, identifying, and capitalizing on market opportunities; improving product packaging; coordinating new product development.

m. Any other duties and tasks as requested by the Employer.

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ANNEX D

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XINDONGYUE GROUP NZ LTD



T/A KARAKA POINT VINEYARD

GST NO:114 431 370

Phone:09 2320025

35C WALLACE Drive

Invoice No:W20190001

R D 4 PUKEKOHE

EMAIL:info@karakapointvineyard.co.nz

4 Sep, 2019

Tax Invoice

To: Qingdao Yuantong Supply Chain Management Co., Ltd
Room 2101, Unit 1, Building 8, No. 98 Ali shan Road,
Huangdao District, Qingdao, Shandong, China

Description	Qty (Carton s)	Price (NZD)	Total
Spring Fresh Water500ml	200.00	22.58	4516.00
Spring Fresh Water10L	200.00	12.25	2936.00



Sub Total	7452.00
GST Amount	0.00
Total	7452.00

THANK YOU. WE APPRECIATE YOUR BUSINESS PAYMENTS MAY BE PAID BY DIRECT CREDIT TO

COMPANY NAME:XINDONGYUE GROUP NZ LTD

BENEFICAIRY BANK: ANZ BANK New Zealand LTD

ACCOUNT NUMBER: 06 0230 0217424 00.

BANK SWIFE CODE: ANZBNZ22

BANK ADDRESS:187 193 BOARDWAY, NEWMARKET, AUCKLAND, NEW ZEALAND

ANNEX E

Released under the Official Information Act 1982

Residential Property

1.0 Appointment

Xindongyue Group NZ Limited ("The Client") appoints Browns Real Estate Limited, Trading As New Zealand Sotheby's International Realty, a licensed real estate agent, REAA 2008 ("the Agent") as the Client's real estate agent for the sale of the property at 35C Wallace Drive, Clarks Beach described in the attached Property Description ("the Property"). Pursuant to this appointment, the Agent is authorised to market the Property, conduct negotiations and to prepare any Sale and Purchase Agreements, Auction or Tender documents and do all other things as may be necessary or required to give effect to a sale of the Property. Such work may be conducted by the Agent or through a Branch Manager or Salesperson of the Agent and those persons conducting such work are referred to as Licensees in this agreement.

Licensee: **Scarlett Wood and Sharene Temple**

Office Address: **295 Parnell Road, Parnell
Auckland, 1052**

2.0 Agency (Choose either Exclusive Agency or General Agency – delete one)

2.1 Exclusive Agency

The Client appoints the Agent as sole agent.

The agency commences on 15th Aug 2019 ("Commencement Date")

and continues until midnight on 15th Feb 2020

or, if no end date is provided, 90 days from the Commencement Date.

This sole agency may be terminated by the Client, by written notice to the Agent by 5 pm on the first working day after the day on which a copy of this agreement is given to the Client.

Note: Any party to a sole agency agreement that relates to residential property and is for a term longer than 90 days may, at any time after the expiry of the period of 90 days after the agreement is signed, cancel the agreement by written notice to the other party or parties.

OR

2.2 General Agency

The Client appoints the Agent as general agent.

The agency commences on (Type the Commencement Date here)

and continues until midnight on (Type the Expiry Date here) unless cancelled prior by either party giving seven (7) days written notice to the other party; or, if no end date is provided, until cancelled by either party by giving seven (7) days written notice to the other party.

3.0 Prior Agency (delete 3.1 or 3.2)

3.1 The Client has not appointed any other real estate agent to sell the Property prior to signing this agreement.

OR

3.2 The Client has appointed the following real estate agent/s prior to signing this agreement

Name of Agency Ray White

Period of Agency 2019.1 - 2019.4

Name of Agency _____

Period of Agency _____

Name of Agency _____

Period of Agency _____

Note: If a sale is affected by or through the instrumentality of any other real estate agent authorised by the Client, then the Client may be liable to pay full commission to more than one agent.

4.0 Additional Authorities – Sale Method

If the Client does not complete these Additional Authorities then these Additional Authorities do not apply to this agreement.

4.1 Auction Authority

The Client appoints the Agent to offer the Property for sale by public auction on the Auction Date (/ /). If the Property for sale by auction is subject to a reserve price, this must be notified to the Agent in writing prior to the auction. If the Property is sold by public auction the Client authorises the Agent to sign on its behalf the agreement that forms part of the particulars and conditions of sale used by the Agent for conducting the sale by auction.

4.2 Tender Authority:

The Client appoints the Agent to offer the Property for sale by public tender with the public tender closing on the Tender Date (/ /) or as otherwise agreed.

Note: The method of sale chosen may impact on the individual benefits that the Licensees may receive.

9.0 Indemnity

- 9.1 The Client (and if more than one, jointly and severally) indemnifies the Agent, the Licensees and any of their respective employees, agents or contractors against losses, damages, claims or other liability arising from any inaccurate information provided by the Client or any material omissions by the Client in this agreement.

10.0 Disclosure of Information

- 10.1 The Client acknowledges that the Agent is required under the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012 to disclose known defects to purchasers or potential purchasers and not to withhold information that should by law or in fairness be provided to purchasers or potential purchasers. The Client also acknowledges that where it would appear likely that the Property may be subject to hidden or underlying defects, then the Agent is required to either:
- 10.1.1 obtain confirmation from the Client, supported by evidence or expert advice, that the Property is not subject to defect; or
- 10.1.2 ensure that purchasers or potential purchasers are informed of any significant potential risk so that they can seek expert advice if they so choose.
- 10.2 If the Agent is unable to obtain confirmation under clause 10.1.1, the Agent will inform purchasers or potential purchasers of any significant potential risk identified by the Agent consistent with rule 10.7(b) of the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012.
- 10.3 If at any time during the term of the agency the Client directs the Agent not to disclose to purchasers or potential purchasers any known defects or any significant potential risks for hidden or underlying defects identified by the Agent contrary to the terms of this agreement or to the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012, the Agent may then cancel this agreement by written notice.

11.0 Data Collection

- 11.1 The details of any agreement for the sale and purchase of the Property may be passed to the Real Estate Institute of New Zealand and CoreLogic NZ Limited, upon such agreement becoming unconditional, for the purposes of collecting sales statistics. To that extent but not otherwise, the Client waives any right the Client may have under the Privacy Act 1993 in respect of such information.

12.0 Use of Materials

- 12.1 Any photographs or display material may be obtained, displayed or used for promotional purposes by the Agent as necessary and be subsequently used by the Agent for promotional purposes unless otherwise instructed.

13.0 Confidentiality

- 13.1 Except as otherwise provided in this agreement or as agreed between the parties, neither party may disclose any information containing in this agreement to a third party other than
- 13.1.1 as required by law;
- 13.1.2 in good faith and in proper furtherance of the objects of this agreement;
- 13.1.3 to those of its employees, officers, professional or financial advisers and bankers as reasonably necessary but only on a strictly confidential basis.
- 13.1.4 to enforce a party's rights or to defend any claim or action under this agreement, or
- 13.1.5 where the information is already in the public domain.

14.0 Notices

- 14.1 Any notices given under or relating to this agreement may be served or given by hand, mail, fax or email. If there is more than one set of contact details for the Client, then a copy of this agreement and any notices may be sent to any one of them and notice to any person that is listed as a Client will be notice to all of them. Notices to the Client may also be sent to the Client's lawyer unless otherwise instructed.
- 14.2 This agreement and notices under it will be deemed to have been received:
- 14.2.1 when delivered in person, at the time of delivery;
- 14.2.2 if sent by mail, 3 working days after being mailed;
- 14.2.3 if sent by fax, when the sender receives a transmission report showing the transmission has been satisfactorily completed; or
- 14.2.4 if sent by email, when the email enters the recipient's information system.

15.0 General

- 15.1 The termination of this agreement for any reason is without prejudice to any rights, powers, authorities or remedies of the parties including the Agent's right to commission and reimbursement of the agreed marketing costs and/or expenses.
- 15.2 Any reference to "working day" will have the meaning ascribed to it under the Interpretation Act 1999.

17.0 Anti-Money Laundering and Countering Financing of Terrorism Act 2009

17.1 Client Due Diligence

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (AML/CFT Act) applies to the Agent (Browns Real Estate Limited, Trading As New Zealand Sotheby's International Realty, a Licensed Real Estate Agent REAA 2008) and all other New Zealand Real Estate Agents.

The AML/CFT Act requires the Agent to assess the money laundering and terrorist financing risk that the Agent may face in its business and to identify and report potentially suspicious activity. In order to make that assessment, the Agent is required to carry out Customer Due Diligence if the Client has not engaged the Agent previously. In certain circumstances the Agent may be required to carry out Customer Due Diligence even if the Client has previously engaged the Agent.

The Client acknowledges and agrees that:

- 17.1.1 The Agent may collect information about the Client to undertake Customer Due Diligence and take any other steps that may be necessary to comply with the AML/CFT Act;
- 17.1.2 The Agent may use Customer Due Diligence services (including electronic based services from a third party) to verify the Client's identity and conduct Customer Due Diligence under the AML/CFT Act. The Agent currently has a service provider contract with First AML Limited (First AML) and it complies with the New Zealand Privacy Act 1993. Our Simplified & Enhanced – Customer Due Diligence will be out sourced to First AML and the costs associated are outlined below.
- 17.1.3 If the Client does not provide the necessary information or documents required to complete customer due diligence or the Agent at any stage suspects that the business relationship or transaction is unusual or otherwise breaches the AML/CFT Act, the Agent may:
 - a. refuse to proceed with this agreement, suspend its obligations under this agreement, or terminate this agreement;
 - b. delay, block, or refuse to process a transaction; and
 - c. report a transaction.

17.1.4 The costs associated with – Customer Due Diligence are as follows:

Refer to the "Appendix" for the combination of approved identification options

Standard – Customer Due Diligence

- a. Should the Agent conduct Standard – Customer Due Diligence then the costs associated with ID&V (Identity & Verification) Code of Practice 2013 of the AML / CFT Act will be met by the Agent.

Simplified & Enhanced – Customer Due Diligence

- b. New Zealand Trusts
\$75.00 Inclusive of GST for each Individual Trustee plus for each Individual Beneficiary of the Trust that has a vested interest of at least 25% in the Trust.
\$149.00 Inclusive of GST for a Source of Wealth Fee per NZ Trust.
- c. New Zealand Registered Companies of a Complex Nature
\$75.00 Inclusive of GST for each Individual Director plus for each Individual Shareholder that has a vested interest of at least 25% in the Company.
- d. Overseas Trusts
\$150.00 Inclusive of GST for each Individual Trustee plus for each Individual Beneficiary of the Trust that has a vested interest of at least 25% in the Trust.
\$298.00 Inclusive of GST for a Source of Wealth Fee per Overseas Trust.
- e. Overseas Registered Companies
\$150.00 Inclusive of GST for each Individual Director plus for each Individual Shareholder that has a vested interest of at least 25% in the Company.

17.1.5 We / us hereby further acknowledge and agree that our property will not be released to the market until such time that Browns Real Estate Limited, Trading as New Zealand Sotheby's International Realty receives confirmation that our Trust / Company meets the requirements of the identification and verification in terms of the ID&V (Identity & Verification) Code of Practice 2013 of the AML / CFT Act from the Agents approved AML / CFT provider.

18.0 A Politically Exposed Person (PEP)

Refer to the "Appendix" for the definition of a Politically Exposed Person (PEP)

- 18.1 A politically exposed person (PEP) is defined by the Financial Action Task Force (FATF) as an individual who is or has been entrusted with a prominent public function, in terms of the AML / CFT Act.
- 18.2 We / us confirm that the following Individual, Trustee, Beneficiary, Director or Shareholder that holds an interest in the property is a politically exposed person (PEP) or is related to such a person.

Name(s) LIN LI

INITIALLED  

Tick boxes that apply ✓

STYLE

House Townhouse
 Apartment Unit
 Coastal – Waterfront Section
 Home and Income Lifestyle Bareland
 Studio Lifestyle with Dwelling

AGE

Under Construction Year Built: 1979
 Less than 1 year

CAR PARK

Garage _____ (spaces) Carport _____ (spaces)
 Off-street _____ (spaces) None
 Single More than two
 Double Tandem
 Internal Access Lockup
 Boat Park

BEDROOMS (Specify how many)

Double 2
 Single 2

	Wardrobe					
	Dbl	Sgle	Built-in	Walk-in	En-suite	Patio/Balcony
1) <u>4</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BATHROOMS/TOILETS (Specify how many)

Bathrooms (exc. En-suites) 3
 En-suites _____
 Sep. Toilet _____
 Bath - Spa Bath – Normal
 Shower Over Bath Sep. Shower
 Steam Shower Sauna
 Heater Fan
 Bidet Heated Towel Rail

KITCHEN

Style:
 Designer Contemporary
 Modern Standard
 Farm House

Type of Benchttop _____
 Features _____

DINING

Open Plan Combined Lounge
 Combined Kitchen Separate

FEATURES - INTERNAL

Pot Belly Stove Polished Floors
 Walk-in wardrobe Pantry
 Wine Cellar Butler's Pantry
 Elevator Integrated Sound System
 Other (specify) _____

LOCALITY/AMENITIES

Close to schools _____
 Close to shops _____
 Public Transport Gas in Street

FEATURES - EXTERNAL

Pool Spa
 Balcony BBQ Area
 Pergola Deck/Patio
 Tennis Court Verandah

Garden:
 Landscaped Matured
 Low Maintenance

Trees:
 Native Protected
 Fruit

Irrigation:
 Electric/Battery Pop-ups
 Sprays Timer

Outdoor Lighting/Power (specify where) _____
 Other (specify) _____

INSULATION (Specify Type)

Ceiling _____ Walls _____
 Floor _____ None

WATER HEATING

Gas Heating – bottled Electric
 Gas Heating – reticulated Solar
 Other (specify) _____

HEATING

Air-conditioning Heat Pump
 Gas Heating – bottled Gas Fire
 Gas Heating – reticulated Open Fire
 Closed Combustion Fire Woodburner
 Central Heating (specify type) _____
 Solar (specify type) _____
 Diesel Underfloor (specify type) _____
 Electric Underfloor (specify where) _____
 Ceiling fans Ventilation (HRV/DVS)
 Radiator (specify type) _____
 Other (specify) _____

VIEWS

City Bush
 Local Rural
 Private Park
 Water Waterfront
 Lake None
 Other (specify) _____

ASPECT

North East
 South West

Ground Lease Details (complete if applicable)

Name of Lessor: Lease No:
Contact person/company for the Firm:
Phone: Day Mobile Fax Email

Lawyer for the Lessor

Contact: City:
Firm Name:
Phone: Day Mobile Fax Email

Note: Agent may need to seek information from the Client's lawyer where there is Ground Lease

Body Corporate Details (complete if applicable)

Body Corporate Levies \$ per annum.
Body Corporate Manager/Chairperson
Phone Number: Address:
Fax: Email:
Body Corporate Notes or documents available
Vendor arrangements for obtaining Pre-Contract Disclosure (specify how this will be arranged and collected)
.....
.....

Consent to the Agent to approach and obtain documents from the Body Corporate

Unit Titles

If the property being sold is a 'Unit Title' property, as specified on the property Certificate of Title, the client has provided under S146 of the Unit Titles Act 2010 a pre-contract disclosure statement (Form 18).

Tenant Details

Names:
Contact Details:
Name of Property Manager (if applicable):
Rent \$ Fixed or Periodic: Bond \$ End Date
Viewing instructions:
Other Comments:
.....
.....

Any Additional Notes

.....
.....
.....

Insulation Loan from Your Local Council

Have you obtained an insulation loan from your local council?
 No Yes – please provide full details

Work Done/Any Pending Works

Is there any work done to the property by Client and/or any pending works:
 No Yes – please provide full details

Health and Safety at Work Act 2015

Have any potential hazard(s) been identified by or notified to the client?
 No Yes – please provide full details

COMPLAINTS AND DISPUTE RESOLUTION PROCEDURES

In accordance with Rule 12 of the Real Estate Agents Act
(Professional Conduct and Client Care Rules) 2012

All licensed Real Estate Agents are required to have a written in-house complaints and dispute resolution procedure. Our procedure is set out below.

In-house Complaints and Dispute Resolution Procedures

Our complaints and dispute resolution procedures are designed to provide a simple and personalised process for resolving any complaint you might have about the service you have received from New Zealand Sotheby's International Realty.

STEP 1: Call us or arrange a meeting to speak to our National Compliance Manager.

Designate Details:

Lyn Beere – National Compliance Manager
m +64 21 981 367
t +64 9 360 7771
complaints@nzsir.com

Including the following offices:

- North Island
 - Takapuna
 - Auckland Central
 - Waiheke
 - Wellington
- South Island
 - Nelson
 - Marlborough
 - Wanaka
 - Arrowtown
 - Queenstown

Advise the National Compliance Manager who you are complaining about, what you are complaining about and outline your concerns. Let the National Compliance Manager know what you would like him to do about your complaint.

STEP 2: The National Compliance Manager will ask you to put your complaint in writing so that he can investigate it thoroughly and raise it with the Agent. The Agent will need a brief period of time to talk to any team members involved and will come back to you as soon as possible with a response to your complaint. As part of that response we might ask you to meet with members of our team to discuss the complaint and agree to a resolution.

STEP 3: If we are unable to come to an agreed resolution through Step 2 then we will provide you with a written proposal to resolve your complaint. If you do not accept our proposal please advise us in writing within 5 working days of the date of the proposal.

STEP 4: If the complaint still remains unresolved through the actions taken in the previous steps, we will access a mediation service for all parties involved. If we don't settle the complaint at mediation, or we do not agree to mediate the dispute, then any other possibilities for resolution will be explored.

You can still make a complaint to the Real Estate Authority in the first instance, and even if you use these procedures you can make a complaint to the Real Estate Authority at any time.

The Real Estate Authority
PO Box 25-371, Wellington 6146, New Zealand
Phone 0800 for REA or 0800 367 7322

OPTION THREE:

Please provide a **New Zealand Drivers Licence** and, in addition, **one form** the following documents for each individual client:

1. Confirmation that the information presented on the Driver Licence is consistent with records held in the "National Register" of Driver Licences e.g. through NZTA (NZ Transport Agency), Veda or Baycorp
2. A document issued by a "Registered Bank" that contains the person's name and signature, for example a Credit Card, Debit Card or EFTPOS Card or a bank statement issued by a "Registered Bank" to the person in the 12 months immediately preceding the date of the application.
3. A document issued by a "Government Agency" that contains the person's name and signature, for example a SuperGold Card.
4. A statement issued by a "Government Agency" to the person in the 12 months immediately preceding the date of the application, for example, a statement from the Inland Revenue.

PLUS: One form of a PROOF OF ADDRESS for each individual client

Evidence of your current residential address must be dated within the last twelve months and may not be a document addressed to a PO Box. Proof may be provided using one of the following:

1. Bank statement or correspondence from a financial institution
2. Utility bill e.g. local authority rates demand, power bill
3. New Zealand Valid Driver Licence (if Address is on Licence)
4. Insurance policy document
5. Tenancy agreement or unexpired rental agreement
6. Correspondence from a Government Agency e.g. IRD, WINZ, NZTA, Electoral Commission
7. Property Sale & Purchase Agreement
8. NZ registered superannuation / KiwiSaver scheme

Proof of address documents must:

- a) include your name
- b) be issued in the preceding 12 months of presentation to us
- c) include a unique reference such as IRD number, customer number, registered membership number, tenancy bond reference.
- d) include your current residential address (*note – this may not be a PO Box*)

OPTION FOUR:

OVERSEAS CERTIFIED ID DOCUMENTATION:

Should you wish to provide us with approved overseas certified ID (Identification Documentation) please send an email request to our Compliance Manager, email address compliance@nzsir.com and we will provide you with:

- the relative Terms & Conditions,
- a list of the approved ID documentation that is acceptable, and
- associated costs that may apply.

Politically Exposed Person (PEP) – Definition

The definition of a Politically Exposed Person (PEP) means:

- a) an individual who holds, or has held at any time in the preceding 12 months, in any overseas country the prominent public function of—
 - i. Head of State or head of a country or government; or
 - ii. government minister or equivalent senior politician; or
 - iii. Supreme Court Judge or equivalent senior Judge; or
 - iv. governor of a central bank or any other position that has comparable influence to the Governor of the Reserve Bank of New Zealand; or
 - v. senior foreign representative, ambassador, or high commissioner; or
 - vi. high-ranking member of the armed forces; or
 - vii. board chair, chief executive, or chief financial officer of, or any other position that has comparable influence in, any State enterprise; and
- b) an immediate family member of a person referred to in paragraph (a), including—
 - i. a spouse; or
 - ii. a partner, being a person who is considered by the relevant national law as equivalent to a spouse; or
 - iii. a child and a child's spouse or partner; or
 - iv. a parent; and
- c) having regard to information that is public or readily available,—
 - i. any individual who is known to have joint beneficial ownership of a legal entity or legal arrangement, or any other close relationship, with a person referred to in paragraph (a); or
 - ii. any individual who has sole beneficial ownership of a legal entity or legal arrangement that is known to exist for the benefit of a person described in paragraph (a)