



To: Michael Appleyard, Manager Overseas Investment Office

ASSESSMENT REPORT: Pine Plantations Private Limited – Happy Valley Road

Date	8 March 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202100772	Deadline	17 June 2021

Purpose

We seek your decision on an application to acquire an interest in sensitive land under the special test relating to forestry activities in the Overseas Investment Act 2005 (**Act**).

This decision has been delegated to the OIO.¹

Action sought

1. Review this report.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 2.

Key information

Applicant	Pine Plantations Private Limited (Malaysia 100%)
Vendor	Boundary Creek Limited (NZ 100%)
Land	approximately 264ha of land located at 563 Happy Valley Road, Southland
Consideration	\$2,000,000
Application type	Sensitive land – special forestry test (one-off)
Relevant tests	Investor test: s 16(1)(a) and s 18A Benefit to NZ test – special test relating to forestry activities: s 16A(4) Farm land offer test: s 16(1)(f) National interest test: s 16(1)(g)

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 55 days. This application is currently on day 52.

¹ One-off consent decisions under the special forestry test are delegated to the OIO under Table A, row C, item 8 of the Designation and Delegation letter dated 24 November 2021.

A. Decision

Investor test

5. I determine that:

5.1 The '**relevant overseas person**' (**ROP**) is (collectively):

ROP	Role
Pine Plantations Private Limited (PP)	Applicant and acquiring entity
Eng Guan Chan Sdn. Berhad (EB)	100% parent of PP

5.2 the '**individuals with control of the relevant overseas person**' (**IWC**) are:

IWC	Role
Dr Soon Leong Neoh	Managing Director of PP and EB
Peter Allan Keach	NZ Resident Director of PP
Joo Lee Khoo	PP Director and Board Member. Director of EB
Jiun Yih Neoh	PP Director and Board Member. Director of EB
Dr Soon Bin Neoh	PP Director. Director of EB

5.3 None of the ROP and IWC have established any of the factors contained in section 18A(4) of the Act.

6. I am satisfied that the investor test in section 18A has been met.

Special forestry test

7. I am satisfied that:

7.1 the Land is likely to be used exclusively or nearly exclusively for forestry activities;

7.2 the Land does not include residential land;

7.3 the Land is not likely to be used or held for future use for any residential purposes except forestry worker accommodation permitted under section 16A(4)(c) of the Act;

7.4 the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 are likely to be met (being requirements to continue existing arrangements, comply with existing conditions of consent, and comply with existing log supply obligations);

7.5 whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested;

Farm land

8. I am satisfied, in relation to farm land advertising, that the criteria have been met.

National interest

9. I note that the overseas investment in sensitive land is **not** a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act..

Decision

10. I am satisfied that the criteria for consent have been met (set out above). I grant consent to the Investment in the form of the Proposed Decision in **Attachment 1**.



Michael Appleyard

Manager (Overseas Investment Office)

Date: 09 / 03 / 2022

Released under the Official Information Act 1982

B. Background and proposed transaction

11. The Applicant is **Pine Plantations Private Limited (PP)**.
12. PP is seeking to acquire farm land at Happy Valley Road in Southland (**the Land**).
13. The Land is located next to PP's existing Gully Road forestry plantation which was acquired following a successful recent application (see below).
14. PP intends to convert the Land into a commercial forestry block using the expertise of PF Olsen Limited which will then manage the new forest.
15. No special resource consent is required to enable the forestry conversion.

Transaction

Vendor

16. The Vendor is **Boundary Creek Limited**.
17. The Vendor is a NZ owned company beneficially owned by New Zealanders which farms the Land (approximately 2,500 – 2,800 stock units) in conjunction with other land as part of its farming business.
18. The underlying owners of the Vendor now intend to use the proceeds of the sale to purchase flat land with a residential dwelling.

Purchase agreement

19. The Land was advertised for sale and the parties entered into an agreement for sale and purchase (**ASP**) on 20 August 2021. This followed PP being selected as the preferred purchaser in an open-market competitive sale process.
20. Consideration for the purchase was \$2 million.
21. As well as being conditional upon OIO consent, the Vendor has retained the right to graze the Land pending planting (this temporary grazing right until 31 December 2024 will be permitted by **special condition 5**).

Land

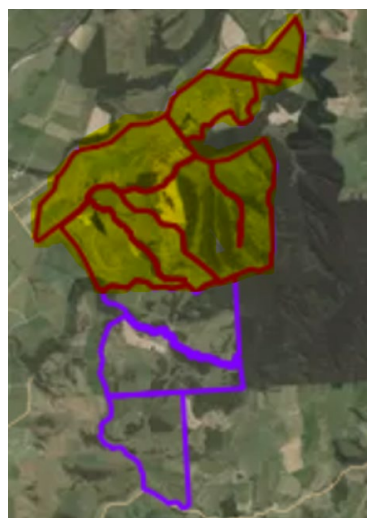
22. The Land is approximately 264ha currently used for sheep, beef and deer farming.
23. Approximately 160ha of the Land is developed pasture, the balance being mostly pockets of native bush.
24. The Land does not include residential land and there are no residential dwellings on the Land, and no special land or fresh or sea water areas.
25. One of the parcels is intersected by Boundary Creek, which has old mining strips reserved on either side – as a result, the bed and riparian margins of the Creek are already owned by the Crown and do not form part of the Land.
26. The Land is outlined in purple on the following aerial photo:



27. A NZ location map appears in **Attachment 4**.

Prior Application – 202000760 – Gully Road

- 28. PP owns adjoining land (approximately 457ha) at Gully Road, which it successfully applied for under the special forestry test in 2021. Consent was granted to this acquisition in April 2021. The Gully Road land was also farm land which is being converted into commercial forestry.
- 29. The adjoining Gully Road land is outlined in red and hashed in yellow on the following aerial photograph:



C. Application of the Act

30. The Land is sensitive because it is non-urban land over 5ha in size and adjoins land held for conservation purposes under the Conservation Act over 0.4ha in size,² so consent is required.³ Because the Land is likely to be used almost exclusively for forestry activities, the following criteria for an investment in sensitive land apply to this application:⁴
- 30.1 The investor test must be met.⁵
 - 30.2 The benefit to New Zealand test must be met under the special test relating to forestry activities.⁶
 - 30.3 The farm land must have been offered for sale on the open market.⁷
 - 30.4 You must also note whether the investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the investment is contrary to New Zealand's national interest.⁸
31. In order to satisfy the special test relating to forestry activities, the decision-maker must be satisfied that:⁹
- 31.1 **Use of land:** The Land—
 - a) is likely to be used (nearly) exclusively for forestry activities – the Land will be converted to a commercial forestry plantation;
 - b) is not exclusively residential land - the Land does **not** include residential land;
 - c) is not likely to be used for any residential purposes, other than forestry worker accommodation – there are **no** dwellings on the Land.
 - 31.2 **Requirements:** The following requirements are likely to be met—¹⁰
 - a) existing arrangements are maintained - we have not identified any existing arrangements;
 - b) existing conditions of consent are complied with - there are no existing conditions of consent;
 - c) logs continue to be supplied under existing supply obligations - there are no existing supply obligations;
 - d) whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested - the Applicant is committed to replanting all trees harvested upon the Land.
32. We assess the investor test in Part D, the special test relating to forestry activities in Part E, the farm land offer test in Part F, and discuss national interest matters in Part G.

² Table 1, Part 1, Schedule 1 of the Act.

³ Under sections 10(1)(a) and 12(a)(i) of the Act.

⁴ Set out in section 16(1) of the Act.

⁵ Section 16(1)(a) and 18A of the Act.

⁶ Section 16(1)(c)(ii) and s16A(4) of the Act.

⁷ Section 16(1)(f) of the Act.

⁸ Section 16(1)(g) of the Act.

⁹ Section 16A(4)(a)-(f) of the Act.

¹⁰ As set out in clause 29(2) of the Overseas Investment Regulations 2005, and s 16A(4)(e) of the Act.

D. Applicant and investor test

Description of the Applicant

- 33. The Applicant is PP (CN 6257507).
- 34. This is PP's second application under the Act.
- 35. PP is a NZ company incorporated in March 2017. It is an overseas person under the Act as it is ultimately entirely owned and controlled by overseas individuals.

Who owns the Applicant

- 36. PP is a 100% subsidiary of a Malaysian Domiciled Company - **Eng Guan Chan Sdn. Berhad (EB)**.
- 37. The only investment that EB holds in NZ is its shares in PP.
- 38. EB is ultimately beneficially owned by various Malaysian individuals associated with the Neoh family, none holding more than 25% (the largest holds just over 21%).
- 39. No foreign government entity has any interest in PP.
- 40. An ownership structure diagram is included as **Attachment 2**.
- 41. It is noted that this ownership structure has not changed since the Prior Application.

Who controls the Applicant

- 42. The directors of PP are set out in the table of IWC below.
- 43. PP has five directors, four of whom are also directors of EB. The managing director of both PP and EB is **Dr Soon Leong Neoh**, who has the required authority to acquire the Land and make decisions on behalf of PP and EB in relation to it. EB has no separate control over the decision-making powers of PP.
- 44. PP's directors approved the acquisition of this investment and could approve its divestment, without approval or reference to EB. They will also approve significant capital and operating expenditure, without approval or reference to EB.
- 45. PP Managing Director Dr Soon Leong Neoh and NZ resident director Peter Keach will make day to day decisions on behalf of PP if the proposed forestry investment goes ahead.
- 46. Peter Keach has significant business experience relevant to forestry acquisition, investment and management. Until he retired, he was the Chief Operating Officer of PF Olsen, and has experience in converting farm land to forestry due to his previous work at PF Olsen.
- 47. Dr Soon Leong Neoh holds a Bachelor of Science (Honours) in Soil Science and Plant Nutrition and was subsequently awarded a PhD in the same field from the University of Western Australia. He is in charge of the equity (shares) and bond investments of publicly listed companies in several parts of the world for EB (in NZ under the guidance of JBWere).
- 48. We note that this structure has not changed since the Prior Application.

Relevant Overseas Person and Individuals with Control

- 49. Having regard to the above and the nature of the transaction, we consider the ROP to be (collectively):

ROP	Role
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Pine Plantations Private Limited (PP)	Applicant and acquiring entity
Eng Guan Chan Sdn. Berhad (EB)	100% parent of PP

50. Having regard to the above and the nature of the transaction, we consider the IWC to be (collectively):

IWC	Role
Dr Soon Leong Neoh	Managing Director of PP and EB
Peter Allan Keach	NZ Resident Director of PP
Joo Lee Khoo	PP Director and Board Member. Director of EB
Jiun Yih Neoh	PP Director and Board Member. Director of EB
Dr Soon Bin Neoh	PP Director. Director of EB

51. These were the same ROP entities and IWC as were selected in the Prior Application.

Business Activities

52. PP invests in forestry and publicly listed companies in NZ and Australia.
53. As stated above, PP acquired the adjoining Gully Road Land in May 2021. Prior to that acquisition, the only investments PP had in NZ were shares in publicly listed companies, which it has acquired with the assistance of wealth management company JBWere.
54. EB was founded in 1956. Since the 1990s, it has evolved into a company specialising in investing in publicly listed companies situated in the USA, Western Europe, Japan, Singapore and Malaysia. Currently, it only invests in shares in well-known publicly listed companies, share (equity) funds, bonds, private equities and hedge funds.

Summary of investor test

55. The ROP and IWC established none of the factors contained in section 18A(4) of the Act.
56. For the reasons set out above, our conclusion is that **the investor test has been met.**

E. Investment plan and special forestry test

57. This section describes the proposed investment and our assessment of whether it is likely to meet the special forestry test criteria in the Act.

Investment

58. The Applicant intends to convert the Land into a commercial forest. No resource consents will be required in order to convert the Land.
59. The new forest will be established and managed by PF Olsen Limited, a very experienced forestry company.

60. The following Land Use Capability (**LUC**) class information¹¹ provides general context as to the productive capacity and physical limitations of the land:

60.1 LUC 4 (2ha);

60.2 LUC 6 (264ha);

61. **Attachment 3** provides further details relating to the Land's land use capability.

Use of land

62. This section considers whether the Land—

62.1 is likely to be used (nearly) exclusively for forestry activities

62.2 is not exclusively residential land and

62.3 is not likely to be used for any residential purposes, other than forestry worker accommodation.

Used for forestry activities

63. The Land will be used nearly exclusively for forestry activities.

64. The current and proposed use of the Land is set out in the following table:

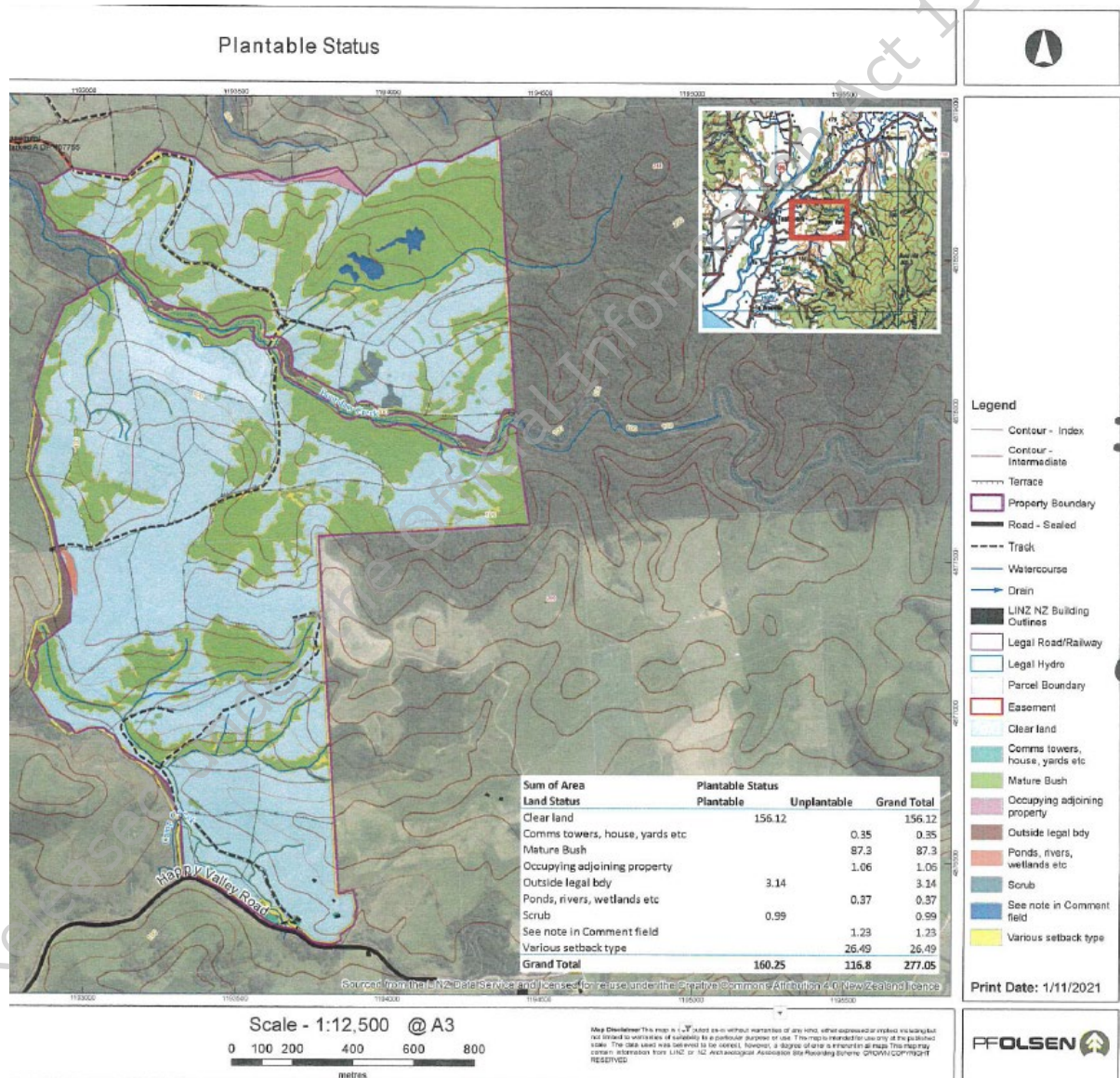
563 Happy Valley Road, Tuatapere – Approximately 264.9235 hectares		
Land use	Current (ha)	Proposed (ha)
Forestry (total)	0 ha	160 ha
Unplanted (<i>other than farm land</i>) (total)	116 ha	116 ha
Farm land (total)	160 ha	0 ha
Total land use	276 ha	276 ha
Forestry (total ha)		
Existing plantation	0 ha	0 ha
New planting / afforestation – <i>at X stems per ha</i>	0 ha	160 ha
Unplanted (total ha)		
Native bush (including scrub)	87.3 ha	87.3 ha
Unplantable – ridges, gullies, steep land	0 ha	0 ha
Infrastructure – roads, tracks	.35 ha	.35 ha
Buffer land, set-backs, riparian planting	28.09 ha	28.09 ha
Farm land (total ha)		
Pasture (2,800 stock units, beef, sheep, deer)	160 ha	0 ha

Nb - Note that the areas given in the above table are approximates only. The total area of the Land as set out in the Record of Titles is 264ha.

¹¹ The LUC classification system is a system in which land is categorised into eight classes based on a broad assessment of the land's capability and versatility for different types of agricultural production. Generally speaking, lower numbered classes (classes 1-5) are more productive and lend themselves to a broader range of activities (e.g. quality and versatile soils for farming), whereas classes 6-8 have greater limitations on what they can support and may be more appropriate for forestry.

Establishment of the new forest

65. Approximately 58% of the Land will be planted in commercial forest. The remainder is predominantly native bush which will remain in its current condition.
66. Conversion of the Land to a commercial forest does not require a Resource Consent from the local territorial authority.
67. PP plans to plant approximately 160ha in *pinus radiata*. The planting will be split approximately 50ha in 2022, and the remaining 110ha planted in 2023. The trees will be planted at approximately 833 stems/ha.
68. The Applicant has provided the following map showing plantable areas (light blue) on the Land:



69. The forest will be managed under a structural regime with a thinning-to-waste operation at aged 10 years and then harvested at a range of 25-30 years. Once harvested, the trees will be sold to a combination of domestic and export markets. The split of volume between these two markets will depend on the opportunities available at the time, and which of those generate the best return on investment.
70. PP and PF Olsen will manage the native bush in accordance with its obligations under the Forest Accord, Regional and District Council rules together with the *National*

Environmental Standards for Plantation Forestry. These essentially entail not damaging the native bush and managing pest numbers.

71. Key elements in protecting the native bush will include felling away from the native during harvesting, keeping engineering away and maintaining buffers during aerial spraying. For pest control, PP will maintain a series of possum traps on the property.
72. Note that proposed **Special Conditions 1 and 2** meet the requirement for a condition that the Land to be used for forestry activities.¹² (See the proposed decision in **Attachment 1**). Note that we have permitted an additional year for establishment of the forest to build in some flexibility for Covid 19 delays etc. Planting will be required to be completed by 31 December 2024.

Transitional grazing right

73. As stated above, the Vendor will retain the right to graze the land until 15 May 2023. We consider that this is a permissible transitional land use which does not preclude a finding that the Land will be used nearly exclusively for forestry activities. **Special Condition 5** will permit this grazing until 31 December 2024.

Not exclusively residential land

74. The Land does **not** include residential land. None of the Land has a property category of residential or lifestyle in the relevant district valuation roll.

Unlikely to be used for residential purposes

75. The Land will **not** be used for residential purposes. There are no dwellings on the Land.
76. Note that proposed **Special Condition 4** meets the requirement for a condition that the Land not be used for residential purposes.¹³ (See the proposed decision in **Attachment 1**.)

Requirements

77. This section considers whether the following requirements will be met—
 - 77.1 maintain existing arrangements (**none** identified);
 - 77.2 comply with existing consent conditions (**no** existing conditions);
 - 77.3 supply logs (**no** log supply agreements): and
 - 77.4 replace harvested crops.

Maintain existing arrangements

78. We have identified **no** existing arrangements that need to be maintained.
79. PP has undertaken the following checks to identify existing arrangements for specified purposes as defined in Regulation 29(2)(a):
 - 79.1 PP has made enquires with the Vendor;
 - 79.2 PP's solicitors have reviewed the records of title and the land information memorandum for the Land;
 - 79.3 PF Olsen has reviewed the Land;
 - 79.4 the Heritage NZ List and website has been checked.

¹² This condition is required by s 16C(4) of the Act.

¹³ This condition is required by s 16C(4) of the Act.

80. Furthermore, **special condition 6** will require that any unidentified existing arrangements for specified purposes will continue to be implemented and maintained. (See the proposed decision in **Attachment 1.**)

Comply with existing consent conditions

81. There are no existing consent conditions to comply with (the Vendor is a NZ incorporated and owned entity).

Supply logs

82. The Vendor has confirmed that there are no existing log supply obligations in relation to the Land (the Land is currently farm land) and there are no commercial trees growing on the Land.

Replant harvested crops

83. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the Land to replace the crop that is harvested. PP confirms that the Land will be replanted after areas are harvested. The replanting will commence in 2048 and be completed by 2050 once the first rotation of trees is harvested.
84. Note that proposed **Special Condition 3** meets the requirement for a condition that each crop of trees be replaced.¹⁴ (See the proposed decision in **Attachment 1.**) Note that we have granted three years to replant the Land upon harvest to allow for unforeseen delays.

F. Farm land offer advertising

85. Because the Land is farm land,¹⁵ we note that it was advertised for sale on the open market as required by the Regulations. We note that prior farm land advertising provisions apply in this case as the ASP was entered into in August 2021 (the new provisions taking effect in November 2021 do not apply to transactions entered into prior to 24 November).
86. The Land was extensively advertised by Country & Co (in partnership with Bayleys Invercargill). It was first advertised on 24 July 2021 for a period of 20 working days prior to the ASP being entered into on 20 August 2021. Advertising included being published three times in the "*Southland Times*" and a "*Country & Co*" property brochure. It was also advertised on four different websites¹⁶. The Land was also advertised through signage on the Land itself.
87. The Land was therefore advertised in the required format, using the required advertising medium, for the required minimum 20 working days (within 12 months of the date of the application being made)¹⁷. We note that the ASP also had an appropriate "better offer" clause which allowed the Vendor to accept an offer from an alternative NZ purchaser during the required advertising period.

¹⁴ This condition is required by s 16C(4) of the Act.

¹⁵ Currently being used primarily for sheep, beef and deer farming (see the definition of farm land in s 6 of the Act).

¹⁶ www.countryandco.co.nz, www.realestate.co.nz, www.trademe.co.nz and www.oneroof.co.nz. By November 2021, the websites alone had been viewed 4,676 times, resulting in 10 enquiries. The listing on trademe included a 6 week premium listing and one week super feature. The listing on realestate included 8 weeks of Showcase listing

¹⁷ Note that the 20 day period applies (rather than the new 30 day period) as the ASP was entered into prior to 24 November 2021.

88. **We are therefore satisfied** the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.¹⁸

G. Not a transaction of national interest

89. The investment does not involve a transaction of national interest under the mandatory criteria of the Act.¹⁹ This is because the investment does **not** involve a non-NZ government investor, nor an investment in a strategically important business (as defined in the Act).
90. We have not referred this transaction to the Minister of Finance for him to call it in for a national interest assessment on a discretionary basis.²⁰ He has therefore not declined consent to the transaction.
91. We are directed²¹ that the starting point is the assumption that overseas investment is in NZ's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:
- could pose risks to NZ's national security or public order;
 - would grant an investor significant market power within an industry or result in vertical integration of a supply chain;
 - has foreign government or associated involvement that was below the 25% threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive NZ assets; or
 - would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives.
92. We do not consider that this investment engages any of these risk factors.

Submissions

93. No third-party submissions were sought or received in relation to this application.

Conclusion and recommendation

94. We recommend you grant consent to the Investment as we consider all of the relevant criteria have been met.
95. The conditions we recommend are set out in the Proposed Decision (**Attachment 1**). These conditions include all required mandatory conditions and additional discretionary conditions.



Phillip Anderson
Senior Advisor
Overseas Investment Office
Date: 8/3/2022

¹⁸ Overseas Investment Regulations 2005, regulations 5 to 10.

¹⁹ Under s 20A of the Act.

²⁰ Section 20B of the Act

²¹ Supplementary Ministerial Directive Letter (8 June 2020).

H. List of Attachments

1. Proposed Decision and Conditions
2. Intended ownership structure
3. Land use capability
4. Map

Released under the Official Information Act 1982

Attachment 1: Proposed Decision

Consent for Overseas Person to Acquire Sensitive New Zealand Land

Read this consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of the land and/or be subject to fines or other penalties.

Consent

Decision date:

The following people have been given the following consent:

Case	202100772
Consent	The Consent holder may acquire the Land subject to the Conditions set out below.
Consent holder	Pine Plantations Private Limited (Company Number 6257507) We will also refer to the Consent holder as you .
Land	A Freehold Interest in approximately 264.9235 hectares of land located at 563 Happy Valley Road, Southland, contained in Records of Title SL157/125 and SL7D/996 (Southland).
Timeframe	You have until 28 February 2023 to acquire the Land.

Conditions

Your Consent is subject to the Special conditions, Standard conditions and Reporting conditions (Conditions) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

In the Consent and the conditions, we refer to the Overseas Investment Office as OIO, us or we.

Special conditions

You must comply with the following **special conditions**. These apply specifically to this Consent and include conditions that we must impose under the Act:

Definitions

Act means the Overseas Investment Act 2005.

Crop of commercial Trees means *Pinus Radiata* planted at approximately 833 stems per hectare.

Forestry Activities has the same meaning as in the Act and for the avoidance of doubt excludes permanent forestry.

Forestry Land means the Land which you intend to use exclusively, or nearly exclusively, for forestry activities (which, for the avoidance of doubt, may include areas of native bush, and reasonable allowances for roads, set-backs, buffer area, riparian planting and other land reasonably deemed "non-productive").

Regulations means the Overseas Investment Regulations 2005.

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this consent has the same meaning as in the Act or Regulations.

Details	Required date
Special condition 1: Forestry Land must be planted with trees	
You must complete planting a Crop of Commercial Trees on the Land. The Crop of Commercial Trees must cover an area of at least 120 hectares. If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	By 31 December 2024.
Special condition 2: land must be used for forestry activities	
The Land must be used exclusively, or nearly exclusively, for forestry activities except as otherwise permitted by these Conditions.	At all times.

<p>Forestry activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	
Special condition 3: trees must be replanted after harvest	
<p>You must replace each crop of trees you harvest with a new crop of trees (Replant). You may Replant on a like-for-like basis or on any similar basis.</p> <p>This condition does not require you to:</p> <ol style="list-style-type: none"> 1. Replant the Land with the same species of tree or use the same silvicultural regime; or 2. do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law. <p>This condition does not limit Special Conditions 2.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>Within three years of harvest (or as otherwise permitted by this condition).</p>
Special condition 4: residential use restrictions	
<p>The Land must not be used, or held for future use, for any residential purposes except for:</p> <ol style="list-style-type: none"> 1. forestry worker accommodation in accordance with section 16A(4)(c) of the Act; or 2. as otherwise permitted by these Conditions. <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>At all times.</p>
Special condition 5: permitted temporary transitional activities	
<p>The Land may be grazed prior to being planted with a crop of trees in accordance with Special Condition 1.</p>	<p>Until 31 December 2024.</p>
Special condition 6: existing arrangements	
<p>You must implement and maintain any existing arrangements in respect of the Land that are for a specified purpose as set out in Regulation 29 of the Regulations (Arrangements).</p> <p>You must implement and maintain all Arrangements, including Arrangements you did not identify in your application for consent.</p>	<p>At all times.</p>

If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	
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Standard conditions

You must also comply with the **standard conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand land, including you:

Details	Required date
Standard condition 1: acquire the Land	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and using the acquisition, ownership, and control structure you described in your application. <p>Note, only you – the named Consent holder – may acquire the Land, not your subsidiary, trust, or other entity.</p>	As stated in the Consent
Standard condition 2: tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"> the date you acquired the Land (Settlement), consideration paid (plus GST if any), the structure by which the acquisition was made and who acquired the Land, and copies of any transfer documents and Settlement statements. 	As soon as you can, and no later than two months after Settlement
Standard condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions. We will give you at least two weeks' written notice if we want to do this. You must then:</p> <ol style="list-style-type: none"> Allow a person we appoint (Inspector) to: 	At all times

<ul style="list-style-type: none"> (a) enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection), (b) remain there as long as is reasonably required to conduct the inspection, (c) gather information, (d) conduct surveys, inquiries, tests, and measurements, (e) take photographs and video records, and (f) do all other things reasonably necessary to carry out the Inspection. <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <ul style="list-style-type: none"> (a) directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection, (b) being available, or requiring your employees, agents, tenants, or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required. <p>3. During an Inspection:</p> <ul style="list-style-type: none"> (a) we will not compel you and your employees, agents, tenants, or other occupiers to answer our questions or to let us look at, copy, or take away documents, (b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection. 	
Standard condition 4: remain not unsuitable	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> (a) are members of your governing body, (b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	<p>At all times</p>

Standard condition 5: tell us about changes that affect you, the people who control you, or people you control

You must tell us in writing if any of the following events happens to any of the Consent holders:

1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act.
2. You cease to be an overseas person or dispose of all or any part of the Land.
3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you.

Within 20 working days after the change

Standard condition 6: dispose of the Land if you do not comply with key special conditions

Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those Special conditions in a material way we may require you to dispose of the Land.

If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.

We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:

Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.

Within six weeks of the date of our notice.

Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.

Within six weeks of the date of our notice.

Dispose of the Land: dispose of the Land to a third party who is not your associate.

Within six months of our notice.

Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.

Within nine months of our notice.

<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

Released under the Official Information Act 1982

Reporting conditions

We need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Settlement reporting (as set out in Standard Condition 2), you must provide the OIO with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) or sent to oiomonitoring@linz.govt.nz by these dates:
 - (a) year one - 28 March 2023
 - (b) year two - 28 March 2024
 - (c) year three - 28 March 2025
2. contain information about:
 - (a) your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions), and
 - (b) your most current forecast or schedule for harvesting and replanting of various areas of the Land (including maps indicating the particular areas and likely schedules).
3. follow the format of the template annual report published on our website

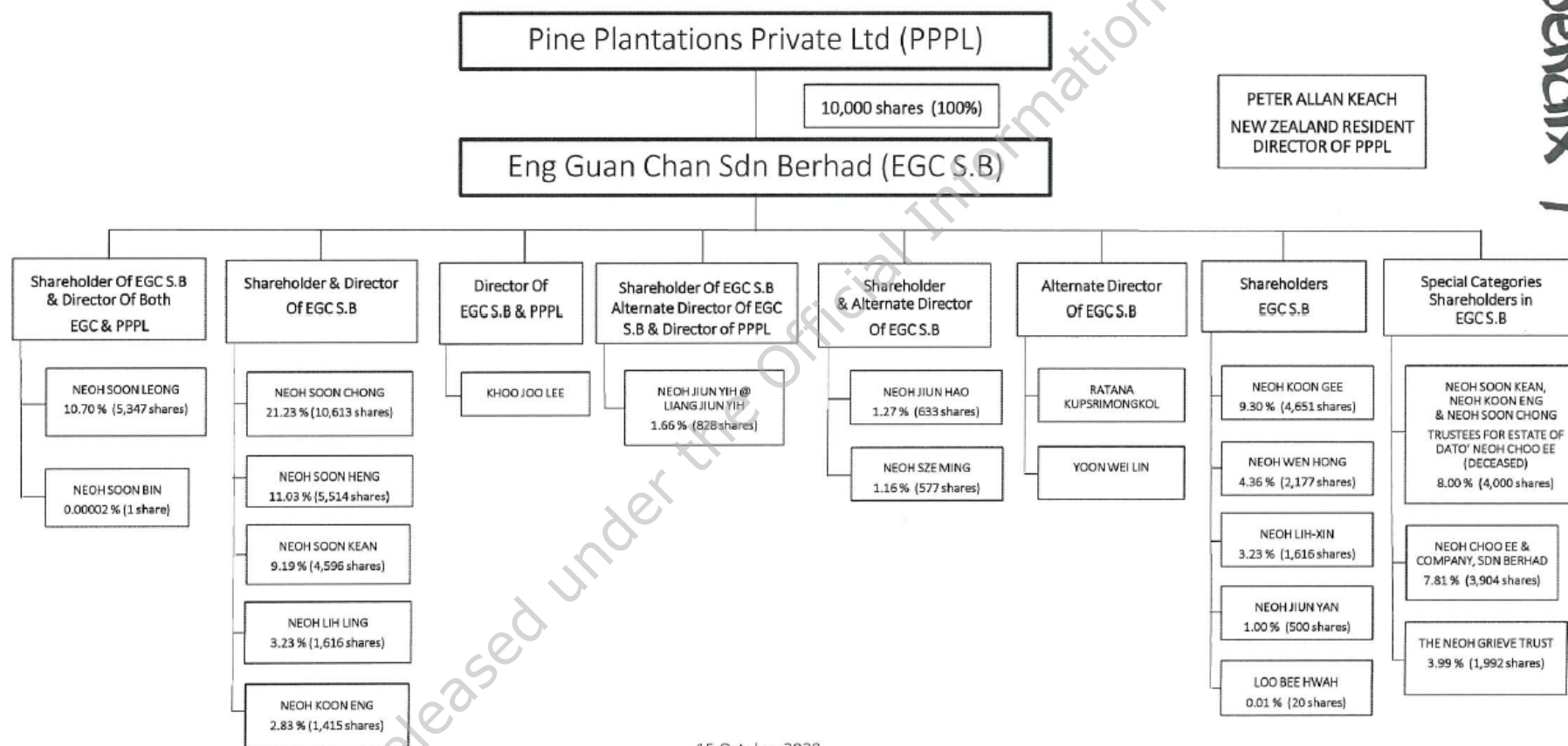
If requested in writing by the OIO, the Consent Holder(s) must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- (a) the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the Consent was granted, or
- (b) the conditions of this Consent.

Attachment 2: Ownership Structure

ORGANISATION CHART – Shareholders, Directors and Alternate Directors

Eng Guan Chan Sdn Berhad and Pine Plantations Private Limited

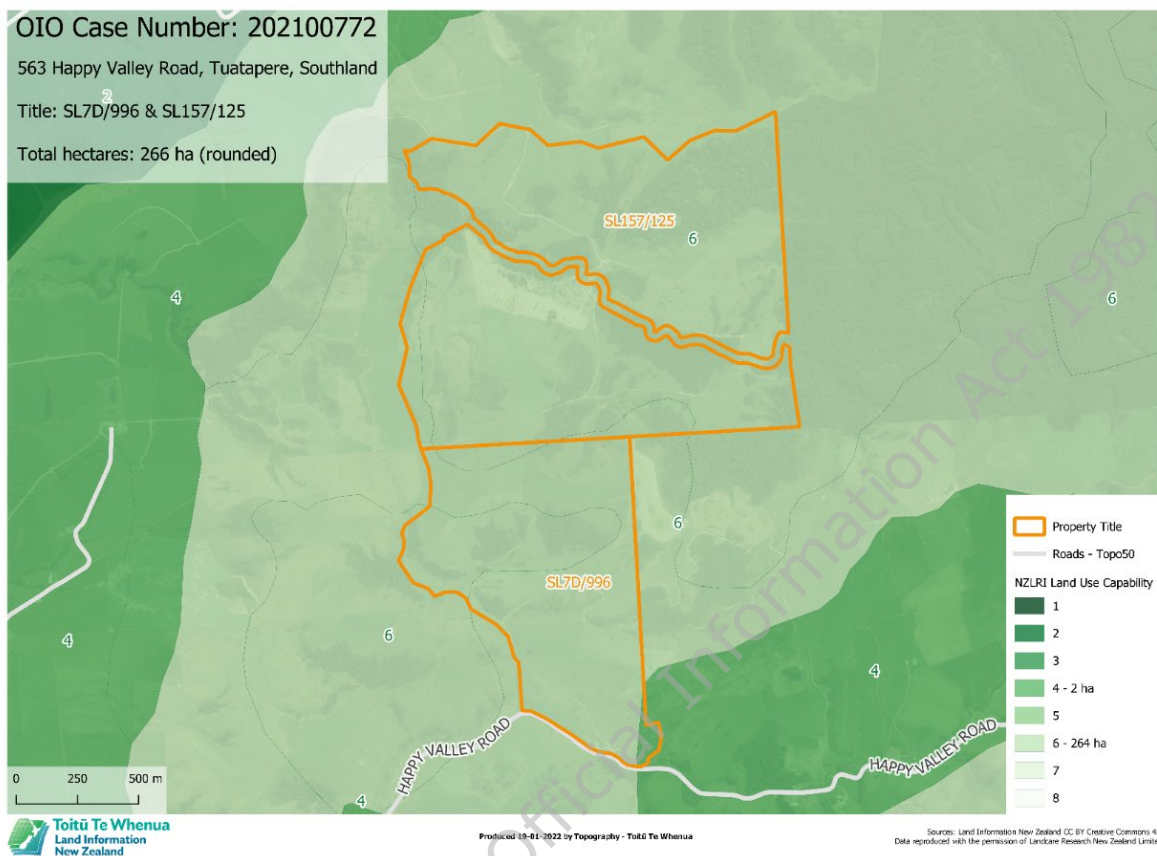


15 October 2020

Appendix 7

Attachment 3: Land use capability

Map showing the Land Use Capability (LUC) classes on the Land



<i>LUC Class code</i>	<i>Description</i>
1	Land with virtually no limitations for arable use and suitable for cultivated crops, pasture or forestry
2	Land with slight limitations for arable use and suitable for cultivated crops, pasture or forestry
3	Land with moderate limitations for arable use, but suitable for cultivated crops, pasture or forestry
4	Land with moderate limitations for arable use, but suitable for occasional cropping, pasture or forestry
5	High producing land unsuitable for arable use, but only slight limitations for pastoral or forestry use
6	Non-arable land with moderate limitations for use under perennial vegetation such as pasture or forest
7	Non-arable land with severe limitations to use under perennial vegetation such as pasture or forest
8	Land with very severe to extreme limitations or hazards that make it unsuitable for cropping, pasture or forestry

Attachment 4: Map

