

13 July 2021

Max Gander-Cooper
Senior Policy Analyst | Kaitātari Kaupapa Here Matua
Fast-track Consenting
Ministry for the Environment | Manatū Mō Te Taiao

By email:

s 9(2)(a) | mfe.govt.nz

Dear Max

HND TS LTD, HND MK LTD, HND CB LTD - TAKAPUNA PROJECT

Introduction

1. My name is Yaxun Zhang, and I am the one of the directors of the following companies:
 - (a) HND TS Limited (8085269);
 - (b) HND MK Limited (8181618); and
 - (c) HND CB Limited (7956296).
2. Together, these companies are working together to develop the following sites:
 - (a) 6-10 The Strand:
 - (i) Lot 12 DP 4872;
 - (ii) Lot 13 DP 4872;
 - (iii) Lot 14 DP 4872;
 - (iv) Pt Lot 15 DP 4872; and
 - (v) Lot 16 DP 4872.
 - (b) 21 Hurstmere Road: Lot 1 DP 208645;
 - (c) 31 Hurstmere Road: Pt Lot 4 DP 4872; and
 - (d) 33-45 Hurstmere Road:
 - (i) Pt Lot 4 DP 4872;
 - (ii) Lot 5 DP 4872; and
 - (iii) Pt Lot 4 DP 4872.

3. In broad terms, the Takapuna Project is a mixed-use development comprising approximately 300 apartments, commercial and retail space, four levels of basement carparking and ancillary activities.
4. HND TS is a company which has been set up to obtain all of the necessary consents for the development and is the entity which is applying for consent under the Covid-19 Recovery (Fast-track Consenting) Act 2020. HND MK and HND CB have both entered into management / service agreements with HND TS in this regard and the Takapuna Project referred to in those contracts is what I describe in this letter.

Funding

5. In my capacity as one of the directors of all three applicant companies, I believe that we can access sufficient funding available to undertake the proposed development.
6. The HND companies are all related and have substantial funding available. s 9(2)(b)(ii)
[REDACTED]
7. For this project, in terms of land acquisition:
- (a) We have completed the purchase of 6-10 the Strand and 21 Hurstmere Road.
 - (b) 31 Hurstmere Road is due to be completed by the end of July 2021.
 - (c) 33-45 Hurstmere Road is due to settle in early 2021. That site will not be redeveloped as part of this project, but it is part of the overall package of land being purchased.
8. In addition to the land acquisition costs, HND CB has funds available of over (NZ\$ s 9(2)(b)(ii)) allocated to this project. A copy of the statement is **attached** to this letter as **Appendix 1**. This is a commercially sensitive document and should not be released. HND reserves its right to temporarily use these funds for short term investments until they are needed.
9. HND's longer-term intention is to self-fund this project as the HND related companies and parent companies have substantial resources which they can draw on, as demonstrated by our acquisition of other land and available funds.
10. I am confident that our existing capital is sufficient to fund this project initially, and in the unlikely event that HND cannot self-fund this project, it could look to bank funding to assist.
11. I hope that this is sufficient information. If not, please let me know what further information you might need.

Compliance and enforcement action

12. While I have experience in development and construction overseas, the three companies of which I am a director of do not have any track record of development or construction in New Zealand. As such there have been no compliance and/or enforcement actions taken against the applicant by a local authority under the Resource Management Act 1991.
13. In order to proactively address any concerns about a potential perceived lack of NZ experience, I have been asked to outline more details about our project team.
14. HND has engaged many qualified consultants and local expertise to assist us with our fast track consent application. A list of the design consultants is set out in the fast-track application, which I do not repeat here.

15. In terms of the commercial aspect of the Takapuna Project, we have a number of in-house consultants and trusted advisors who are assisting us by providing local knowledge and New Zealand based expertise in development:

- (a) Yaxun Zhang – has had major project experience, including leading a project of over 20 stories building in Zhengzhou, Henan, China.
- (b) Mr Sky Cai of Kvest Investment Partners Group Limited ("KIPG") has experience in the construction and development industry in New Zealand, and I attach a copy of his CV outlining his recent experience and completed projects as **Appendix 2**. Further information around KIPG's expertise and experience can be found on their website: <http://www.kipg.co.nz/>
- (c) Si Feng Liu (Leo) is a site manager with 20 years' experience and has supervised many mid-size residential land developments. Through his companies Sunrise Management Limited and Oak Tree Construction Limited, he oversees approximately 11 employees and has been involved in developing the following sites:
 - (i) 160 Greenhithe Road which was an 18 lot subdivision / housing development (16 new lots (land and house) plus 2 existing lots) that will be completed in mid 2022;
 - (ii) 12 Kelwyn Road, Kelston, which was a 11 lot subdivision / housing development that was completed in May 2021; and
 - (iii) 72 Alfriston Road, Manurewa, which was a 17 lot subdivision / housing development that will be completed in September 2021.
- (d) Kingstons have been engaged to manage this project. A list of their recent experience in apartment development projects specifically is attached to this letter as **Appendix 3**. Notably, they have experience in both project management and as engineers to the contract, so have a good understanding of what is needed to ensure that consenting and construction is undertaken and completed promptly. Further information on Kingstons experience can be found on their website: <http://kingstons.co.nz/>
- (e) Rider Levett Bucknall (RLB) has been appointed as quantity surveyor. RLB is a global independent construction, property and management consultancy, with a team of 500 people across Australia and New Zealand working together to shape the future of the built environment. In NZ, RLB was established in 1957, servicing the top half of the North Island. RLB has a proud history of having been involved on most major developments in Auckland. These include the iconic Sky Tower, SkyCity Casino and Hotel, the Auckland War Memorial & Museum redevelopment, Fonterra Precinct Wynyard Quarter, The University of Auckland City Campus redevelopment, AUT Sir Paul Reeves Building and ASB's new head office on Wynyard Quarter – North Wharf.

16. Although the applicant companies do not have a track record for compliance and enforcement action, we have endeavoured to engage high calibre and experienced consultants to ensure we have sufficient guidance with relevant expertise to ensure this project is managed efficiently and to a high standard.

17. Thank you for your consideration.

Yours sincerely,


Yaxun Zhang
Director

Appendix 1

Bank Statement HND CB Limited

Released under the provision of
the Official Information Act 1982



中國銀行 奧克蘭分行

BANK OF CHINA LIMITED, AUCKLAND BRANCH

Account Balance Sheet

s 9(2)(b)(ii)

Released under the provision of
the Official Information Act 1982

Appendix 2

Sky Cai CV

Released under the provision of
the Official Information Act 1982

Sky Cai

Director, Kvest Investment Partners Group Ltd

Sky is the director of Kvest Investment Partners Group Ltd. He is an experienced development professional with proven success in subdivisions, apartment developments, residential and commercial construction, and assets and equity management.

Sky has an affable personality which enables him to build an excellent rapport with stakeholders. He very much enjoys networking which he undertakes with great skill, and he is passionate about charity work as a trustee of Second Nature Charitable Trust and a member of The North Harbour Club and Charitable Trust

Completed Projects

- **Library Lane Apartment Stage 1, Albany**
130 Units apartments, completed, sold, and settled in 2018.
- **Jack Hawken Lane Stage 1 to 3, Silverdale**
77 lots subdivision, completed in 2018. All sold and settled.

Ongoing Projects

- **Library Lane Apartment Stage 2, Albany**
While Library Lane Stage 1 completed and settled successfully. Sky as the developer is working on the Stage2 development of 126 Units Apartment. Construction contract value: s 9(2)(b)(ii)
- **Jack Hawken Lane Stage 4, Silverdale**
After completion of 77 lots with Stage 1 to 3, Sky as the developer is working on Stage 4, a 14 lots subdivision. Construction contract value: s 9(2)(b)(ii)
- **132-140 Fred Taylor Drive, Westgate**
Sky is also the developer of this project. It current proposed for 356 single house lots and two super lots for terrace houses and apartment. Estimated to reach 900 Total household when fully developed. Current earthwork contract value: s 9(2)(b)(ii)

Appendix 3

Kingstons CV of projects

Released under the provision of
the Official Information Act 1982

Kingstons: Project Managers and Quantity Surveyors

Completed projects:

1. **Edgerely Apartments:**

A development comprising 81 apartments, which was completed in June 2018. This development had a construction value of s 9(2)(b)(iii).

2. **Sargeson Apartments:**

A development comprising 99 apartments, which was completed in November 2018. This development had a construction value of s 9(2)(b)(ii).

3. **Lakeview Apartments:**

A development comprising 34 apartments, which was completed in December 2018. This development had a construction value of s 9(2)(b)(ii).

4. **Aroha Apartments:**

A development comprising 13 apartments, which was completed in October 2020. This development had a construction value of s 9(2)(b)(ii).

5. **Alexandra Park B:**

A development comprising 128 apartments, which was completed in October 2020. This development had a construction value of s 9(2)(b)(ii).

6. **Neo Apartments:**

A development comprising 99 apartments, which was completed in April 2021. This development had a construction value of s 9(2)(b)(ii).

Ongoing projects

7. **Alexandra Park A:**

A development which will comprise 118 apartments and is intended to be completed in August 2021. This development will have a construction value of s 9(2)(b)(ii).

8. **Munro Apartments:**

A development which will comprise 141 apartments. The completion date has not yet been confirmed but the development is approximately half way through. The construction value will be approximately s 9(2)(b)(ii).

9. **Murphy Apartments:**

This development is a retirement village and is currently in progress. This development will have a construction value of approximately s 9(2)(b)(ii).

10. **Ponsonby Central** (mixed use retail and apartments):

This project is a mixed use retail and apartment development. The project is in progress, and will have a construction value of approximately s 9(2)(b)(ii).