

# PRODUCT DISCLOSURE STATEMENT



**中国建设银行**  
China Construction Bank  
**新西兰有限公司**  
New Zealand Limited

## Medium Term Note Programme

### Issuer

China Construction Bank (New Zealand) Limited

**Date:** 18 June 2026

This document is a replacement product disclosure statement, replacing the product disclosure statement dated 29 May 2025 for the Medium Term Note Programme of China Construction Bank (New Zealand) Limited.

This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). China Construction Bank (New Zealand) Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

# 1 Key Information Summary

## What is this?

This is an offer of unsecured, unsubordinated medium term notes (“**Notes**”). Notes are debt securities issued by China Construction Bank (New Zealand) Limited (“**CCB NZ**”). You give CCB NZ money, and in return CCB NZ promises to pay you interest and repay the money at the end of the term. If CCB NZ runs into financial trouble, you might lose some or all of the money you invested.

## About CCB NZ and China Construction Bank Corporation (“**CCB**”) and its subsidiaries (together, the “**CCB Group**”)

CCB NZ is a company registered in New Zealand with incorporation number 4929019. CCB NZ became a registered bank in New Zealand on 15 July 2014. The principal activity of CCB NZ is providing a range of banking products and services to business, corporate and institutional customers, as well as to high net worth and other individual customers.

Information about CCB NZ, including its financial statements, is published in disclosure statements required under the Banking (Prudential Supervision) Act 1989. CCB NZ’s disclosure statements are available at [nz.ccb.com](http://nz.ccb.com).

CCB NZ’s parent company is CCB, incorporated in the People’s Republic of China (“**China**”). CCB is subject to regulatory oversight by the National Financial Regulatory Administration, the People’s Bank of China, the State Administration of Foreign Exchange, and other Government agencies of China. CCB, operating through a branch in New Zealand (“**CCB Branch**”), is also a registered bank in New Zealand and subject to regulatory oversight by the Reserve Bank of New Zealand (“**RBNZ**”). CCB NZ, the issuer of the Notes, is a separate legal entity to CCB and CCB Branch.

The CCB Group offers a comprehensive range of banking products and services globally to customers.

## Purpose of this offer

The purpose of the offer of Notes is to raise funds which will be used for the general corporate purposes of CCB NZ, including making loans and other banking products available to CCB NZ’s customers.

## Key terms of the offer

Issuer	CCB NZ
Description	A retail programme for the issuance of unsecured, unsubordinated medium term notes
Parent Company Guarantee	At the date of this document, the obligations of CCB NZ under the Notes are guaranteed by CCB, under a Deed of Guarantee dated 30 May 2014 (“ <b>Parent Company Guarantee</b> ”)
Series	The Notes are part of a retail series offered by CCB NZ. The terms of that series will be identical, except that each issue under that series may have a different issue date, maturity date, issue price, interest payment dates and interest rate, all as set out in the relevant final terms and (if applicable) confirmation of issue (“ <b>issue terms</b> ”)
Issue price	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the relevant issue terms
Term	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant issue terms
Interest rate	Notes may bear interest at either: <ul style="list-style-type: none"><li>• a fixed rate for the whole term of the Notes; or</li><li>• a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the 3 month wholesale bank bill rate</li></ul>

	<p>Non-interest bearing (zero coupon) Notes may also be issued</p> <p>The interest rate or method by which the interest rate will be determined (and any relevant fallback provisions for unavailability of the 3 month wholesale bank bill rate) will be set out in the relevant issue terms and the Note Deed Poll</p>
Interest periods	Interest will be paid in arrear semi-annually (in the case of fixed rate Notes) or every 3 months (in the case of floating rate Notes), and may have a short or long initial interest period, as set out in the relevant issue terms
Further payments, fees or charges	<p>By subscribing for or otherwise acquiring Notes, you agree to indemnify CCB NZ for any loss suffered by it as a result of any breach of the selling restrictions set out in section 4 of this document (Key Features of the Notes)</p> <p>Taxes may be deducted from interest payments on the Notes. See section 6 of this document (Tax) for further details</p>
Application amounts	The minimum subscription amount is \$5,000 and higher multiples of \$1,000

### Who is responsible for repaying you?

CCB NZ is responsible for the repayment of the Notes. At the date of this document, the obligations of CCB NZ under the Notes are guaranteed by CCB under the Parent Company Guarantee. If CCB NZ fails to repay the Notes, you may demand payment from CCB under the Parent Company Guarantee by following the steps set out in that guarantee. See section 4 of this document (Key Features of the Notes) for further important information and details relating to the Parent Company Guarantee. Apart from the guarantee provided by CCB under the Parent Company Guarantee, the Notes are not guaranteed by any other member of the CCB Group.

The Notes are not protected deposits under the depositor compensation scheme established by the Deposit Takers Act 2023.

### How you can get your money out early

You cannot redeem the Notes before their maturity date unless there is an event of default in respect of the Notes (see section 4 of this document (Key Features of the Notes) for further details).

CCB NZ does not intend to quote these Notes on a market licensed in New Zealand and there is no other established market for trading them. This means that you may not be able to sell your Notes before the end of their term.

### How the Notes rank for repayment

If CCB NZ goes into liquidation, your right to repayment will rank:

- **behind** CCB NZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- **equally** with all other unsecured unsubordinated creditors of CCB NZ (including other holders of Notes).
- **ahead** of CCB NZ's subordinated creditors (if any) and shareholders.

You should also read section 4 of this document (Key Features of the Notes).

### No security

The Notes are unsecured.

### Key risks affecting this investment

Investments in debt securities have risks. A key risk is that CCB NZ does not meet its commitments to repay you or pay you interest (credit risk). Section 5 of this document (Risks of Investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The interest rate for these Notes should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the offer is fair. CCB NZ considers that the most significant risk factors are:

- Risks relating to credit risk on customers

As a bank, CCB NZ is susceptible to risks that its customers do not repay their loans (credit risk). Credit risk may increase across CCB NZ's lending portfolio as a result of a wide range of factors, including a weak or deteriorating economic environment and external events (such as extreme weather, natural disasters, and pandemics given the unpredictability of some of these potential events, and the increased frequencies of these events in recent years) causing business disruptions and losses, resulting in adverse impacts on CCB NZ and its customers. A potential impact is an increase in the risk that customers will fail to meet their obligations, potentially resulting in an increase in losses when customers default on their loan obligations and higher capital requirements through an increase in credit provisioning. At the date of this document, financial sector volatility is heightened amid rising macroeconomic uncertainty (domestically and globally) driven by escalating geopolitical tensions and global trade and fuel disruptions, which have the potential to adversely impact CCB NZ's customers' ability to meet their debt obligations.

- Risks relating to the changing regulatory landscape

The banking sector, including CCB NZ and CCB, is subject to increasingly extensive regulatory requirements. These requirements may have significant impacts on the future operational frameworks, strategies, business model and risk profile of CCB NZ and CCB, and may lead to reputational damage and regulatory proceedings if not appropriately managed. Changes include the introduction of mandatory climate risk reporting and changes to prudential requirements in the Deposit Takers Act 2023.

This summary does not cover all of the risks of investing in the Notes. You should also read section 5 of this document (Risks of Investing) and section 4 of this document (Key Features of the Notes).

### What is the Notes' credit rating?

A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.

The programme under which the Notes are offered has been rated by Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch"). Moody's gives ratings from Aaa to Ca and Fitch gives ratings from AAA to C.

A credit rating is not a recommendation to buy, sell or hold Notes. Credit ratings may be revised or withdrawn by the rating agency at any time.

### Current credit ratings of the programme under which the Notes are offered

Moody's								
<b>Rating:**</b>	Aaa	Aa	<b>A</b>	Baa	Ba	B	Caa	Ca
<b>Credit risk:</b>	Minimal	Very low	Low <b>Current programme rating A1 (stable)</b>	Moderate	Substantial	High	Very high	Likely in, or very near, default

Note:

\*\* Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch									
<b>Rating:***</b>	AAA	AA	<b>A</b>	BBB	BB	B	CCC	CC	C
<b>Summary description:</b>	Highest credit quality	Very high credit quality	High credit quality <b>Current programme rating A (stable)</b>	Good credit quality	Speculative	Highly speculative	Substantial credit risk	Very high levels of credit risk	Near Default

Note:

\*\*\* The modifiers "+" or "-" may be appended to a Fitch rating to denote relative status within major rating categories. Such suffixes are not added to the 'AAA' ratings and ratings below the 'CCC' category.

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## 2 Terms of the Offer

Issuer	China Construction Bank (New Zealand) Limited (“ <b>CCB NZ</b> ”)
Description	A retail programme for the issuance of unsecured, unsubordinated medium term notes (“ <b>Notes</b> ”)
Currency	The Notes will be denominated in New Zealand dollars
Programme Limit	The combined limit for this programme and CCB NZ’s wholesale debt issuance programme is \$1,500,000,000, as varied from time to time by CCB NZ
Dealers	<p>ANZ Bank New Zealand Limited Bank of New Zealand Commonwealth Bank of Australia ABN 48 123 123 124 (acting through its New Zealand branch) Westpac Banking Corporation ABN 33 007 457 141 (acting through its New Zealand branch)</p> <p>CCB NZ may appoint additional Dealers from time to time either generally in respect of the programme or in relation to particular Notes at its discretion</p>
Parent Company Guarantee	At the date of this document, the obligations of CCB NZ are guaranteed by CCB NZ’s parent company, China Construction Bank Corporation (“ <b>CCB</b> ”), under a Deed of Guarantee dated 30 May 2014 (“ <b>Parent Company Guarantee</b> ”)
Note Deed Poll and conditions of the Notes	<p>The Notes are constituted and issued under:</p> <ul style="list-style-type: none"><li>• a note deed poll dated 16 June 2017, as amended from time to time (“<b>Note Deed Poll</b>”). The Note Deed Poll is a contract binding on both CCB NZ and holders, and the general terms and conditions of the Notes are appended to it;</li><li>• final terms in respect of each series (or, for series offered in tranches, each tranche) of Notes. The final terms modify the general terms and conditions appended to the Note Deed Poll, with details for that specific series or tranche (for instance, whether interest is fixed or floating); and</li><li>• (where the Notes are offered to individual customers rather than in a syndicated offering) the confirmation of issue for the particular issue of Notes. This supplements the final terms for the relevant series with the terms agreed for the relevant Notes (being the issue date, maturity date, issue price, interest payment dates and interest rate)</li></ul>
Programme documentation	You should also read the Note Deed Poll, the relevant final terms and (if applicable) the confirmation of issue (“ <b>issue terms</b> ”), which contain further information about the Notes, and the Parent Company Guarantee. Copies of the Note Deed Poll, Parent Company Guarantee and applicable Final Terms may be obtained from the offer register at <a href="http://www.disclose-register.companiesoffice.govt.nz">www.disclose-register.companiesoffice.govt.nz</a> . Copies of any particular holder’s confirmation of issue are available from the Note Registrar (refer to Section 8 of this document (Where You Can Find More Information))

Series and tranches	The Notes are issued in series, and each series may be made up of one or more tranches of Notes issued on different dates. All the Notes in a series will have identical terms, except that each issue under that series may have a different issue date, maturity date, issue price, interest payment dates and interest rate, all as set out in the relevant issue terms. If a series is issued in tranches, different tranches within the series will have different issue dates, and may have different issue prices, first interest payment dates and interest commencement dates
Issue price	Notes may be issued at an issue price equal to, above or below their principal amount, as set out in the relevant issue terms
Term	The Notes will have an original term of 365 days or more, with the particular term set out in the relevant issue terms
Redemption	Unless previously redeemed (see “Events of default” in section 4 of this document (Key Features of the Notes)) or purchased by CCB NZ and cancelled, the outstanding principal amount of each Note and any accrued interest will, subject to any deductions on account of tax, be payable at maturity
Tax call	Notes may include a tax call allowing CCB NZ to redeem those Notes before their maturity date in certain limited circumstances, if specified in the relevant issue terms. See section 4 of this document (Key Features of the Notes) for further details
Interest rate	Notes may bear interest at either: <ul style="list-style-type: none"> <li>• a fixed rate for the whole term of the Notes; or</li> <li>• a floating rate calculated as a specific margin (which will apply for the whole term of the Notes) over the 3 month wholesale bank bill rate.</li> </ul> <p>Non-interest bearing (zero coupon) Notes (“<b>Zero Coupon Notes</b>”) may also be issued</p> <p>The interest rate or the method by which the interest rate will be determined (and any relevant fallback provisions for unavailability of the 3 month wholesale bank bill rate) will be set out in the relevant issue terms and the Note Deed Poll</p>
Interest periods	Interest will be paid in arrear semi-annually (in the case of fixed rate Notes) or every 3 months (in the case of floating rate Notes), and may have a short or long initial interest period, as set out in the relevant issue terms
Ranking	If CCB NZ goes into liquidation, your right to repayment will rank: <ul style="list-style-type: none"> <li>• <b>behind</b> CCB NZ’s secured creditors and creditors preferred by law (for example, Inland Revenue and employees)</li> <li>• <b>equally</b> with all other unsecured unsubordinated creditors of CCB NZ (including other holders of Notes)</li> <li>• <b>ahead</b> of CCB NZ’s subordinated creditors (if any) and shareholders</li> </ul> <p>You should also read section 4 of this document (Key Features of the Notes)</p>

Further payments, fees or charges	By subscribing for or otherwise acquiring Notes, you agree to indemnify CCB NZ for any loss suffered by it as a result of any breach of the selling restrictions set out in section 4 of this document (Key Features of the Notes)  You should also read section 6 of this document (Tax) for a description of payments relating to withholding tax, approved issuer levy and tax indemnities
Application amounts	The minimum subscription amount is \$5,000 and higher multiples of \$1,000
Note Registrar, Paying Agent and Calculation Agent	Computershare Investor Services Limited

### 3 Purpose of the Offer

The purpose of the offer of Notes is to raise funds which will be used for the general corporate purposes of CCB NZ, including making loans and other banking products available to CCB NZ's customers.

### 4 Key Features of the Notes

#### Form and status of the Notes

Each Note is a registered debt obligation of CCB NZ, constituted by, and owing under, the Note Deed Poll. This means that title to each Note will be conclusively determined by the name of the holder entered in the Note register, subject to correction for fraud or error. CCB NZ is entitled to deal exclusively with the person(s) named in the Note register for all purposes, including when making any payments.

The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of CCB NZ, ranking equally among themselves and at least equally with all other present and future unsecured and unsubordinated obligations of CCB NZ, except for liabilities mandatorily preferred by law. See further below under the heading "Ranking".

#### Ranking

If CCB NZ goes into liquidation, your right to repayment will rank:

- **behind** CCB NZ's secured creditors and creditors preferred by law (for example, Inland Revenue and employees).
- **equally** with all other unsecured unsubordinated creditors of CCB NZ (including other holders of Notes).
- **ahead** of CCB NZ's subordinated creditors (if any) and shareholders.


After the issuance of any Notes, CCB NZ may from time to time borrow or raise additional debt, or otherwise incur liabilities, without your consent, that:

- rank equally with the Notes. This may include further issuances of Notes, and other unsubordinated, unsecured borrowings of CCB NZ; or
- rank in priority to the Notes. This may include secured bonds, other secured borrowing of CCB NZ, and liabilities preferred by law.

CCB NZ is not restricted by the terms of any trust deed or other covenants with third parties from creating further liabilities that rank equally with, or in priority to, the Notes on a liquidation of CCB NZ. The creation of such further liabilities may reduce the amount recoverable by you in the case of liquidation of CCB NZ.

The below diagram summarises the ranking of the Notes on a liquidation of CCB NZ.

**Ranking of the Notes on a liquidation of CCB NZ**

Ranking	Categories of liability/equity		Amounts
	Liabilities that rank in priority to the Notes on a liquidation of CCB NZ	Secured liabilities	<b>A ranking diagram, including indicative amounts based on the financial position of CCB NZ as at its most recent balance date, is incorporated by reference into this document and is available on the offer register at <a href="http://www.disclose-register.companiesoffice.govt.nz">www.disclose-register.companiesoffice.govt.nz</a>.</b>
		Liabilities preferred by law, including employee entitlements	
	Liabilities that rank equally with Notes on a liquidation of CCB NZ	<b>Notes</b>	
		Other unsubordinated and unsecured liabilities that rank equally with the Notes	
	Liabilities that rank below the Notes on a liquidation of CCB NZ	Subordinated and unsecured liabilities	
Equity			

**Guarantee**

At the date of this document, the obligations of CCB NZ under the Notes are guaranteed by China Construction Bank Corporation under the Parent Company Guarantee. CCB is the parent company of CCB NZ and a member of the CCB Group, which includes CCB NZ.

There are no limits on the amount of the obligations guaranteed under the Guarantee and no material conditions applicable to the Guarantee other than non-performance by the Bank and following the demand process described below.

The Parent Company Guarantee is not secured by any security interest.

You may make a demand under the Parent Company Guarantee if:

- you have served written demand on CCB NZ with proper proof of the unpaid obligation;
- you have complied with all the requirements of CCB NZ including with regard to documentation and security; and
- the demand on CCB NZ remains unsatisfied for 5 business days after service.

A demand under the Parent Company Guarantee must be accompanied by a statutory declaration, including statements of your residency and place of business, that CCB NZ has failed to meet the obligation, that a written demand has been served on CCB NZ, and certain details of the obligation as set out in the Parent Company Guarantee. A verified copy of the written demand on CCB NZ must also be provided.

Upon receipt of such a written demand under the Parent Company Guarantee, CCB shall be required to forthwith pay or cause to be paid the outstanding amount as stated in the demand.

The Parent Company Guarantee is governed by New Zealand law. CCB and CCB NZ have each submitted, for the purposes of the Parent Company Guarantee, to the non-exclusive jurisdiction of the courts of New Zealand.

The address for service of CCB is No. 25 Financial Street, Xicheng District, Beijing 100033, People's Republic of China. CCB has also irrevocably appointed CCB NZ to accept service of process in New Zealand on behalf of CCB in respect of all matters in New Zealand arising under or in relation to the Parent Company Guarantee.

You should note that at the date of this document China does not have a treaty providing for the reciprocal recognition and enforcement of judgments of courts with New Zealand. It may not be possible for you to effect service of process upon CCB in China and judgments made by New Zealand courts might not be recognised or enforced in China.

A copy of the Parent Company Guarantee may be obtained from the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz).

The Notes are not protected deposits under the depositor compensation scheme established by the Deposit Takers Act 2023.

### **Events of default**

If an event of default, as set out in the Note Deed Poll, occurs and continues un-remedied in relation to any Notes in a series, you may, by notice in writing to CCB NZ (with a copy to the Note Registrar), require your Notes in that series to be repaid early at their principal amount together with accrued interest, subject to any deductions on account of tax.

The events of default are set out in the Note Deed Poll, and include (among others):

- failure by CCB NZ to pay any interest in respect of the Notes within 14 days of the relevant due date, or any principal in respect of the Notes within 7 days of the relevant due date;
- default by CCB NZ in performance or observance of any of its other obligations under any Notes, which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after notice has been given to CCB NZ requiring such default to be remedied; and
- the Parent Company Guarantee not being in full force and effect.

### **Selling restrictions**

You may only offer for sale or sell any Note in conformity with all applicable laws and regulations in any jurisdiction in which it is offered, sold or delivered. No product disclosure statement, information memorandum, advertisement or other offering material in respect of any Note may be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws.

By subscribing for or otherwise acquiring Notes, you agree to indemnify CCB NZ for any loss suffered by it as a result of any breach of the above selling restrictions by you.

### **Transfers**

You may transfer any of your Notes by:

- a written instrument of transfer in any commonly used form that complies with the standard form and procedures of the Note Registrar and applicable law;
- instructing the Note Registrar to transfer the Notes into the name(s) of the transferee(s) through NZClear in accordance with the standard form and procedures of the Note Registrar; or
- any other method of transfer of marketable securities that is not contrary to any law and that is approved by CCB NZ.

Interests in Notes entered into NZClear will be transferable in accordance with NZClear's rules and operating guidelines. See further below under the heading "Notes held in NZClear".

You may transfer part of your holding of Notes. However, no transfer of any part of your holding may be made if it would result in you or the transferee holding or continuing to hold Notes with an aggregate principal amount that is less than \$5,000 or is not a higher multiple of \$1,000.

## **Currency**

CCB NZ will pay principal and interest on the Notes in New Zealand dollars. This presents certain exchange rate risks if you have a different home currency (that is, if the currency in which your financial activities are primarily denominated is not New Zealand dollars). The value of the New Zealand dollar against other foreign currencies fluctuates and is affected by changes in New Zealand and international political and economic conditions and by many other factors. Exchange rates may significantly change and relevant authorities may impose or modify exchange controls. If your home currency appreciates relative to New Zealand dollars, the yield, principal value and/or market value of the Notes, when expressed in your home currency, would decrease.

## **Payments and record dates**

The record date for any payment due in respect of the Notes, other than Zero Coupon Notes, is the close of business on the tenth calendar day before the due date for that payment (or if that is not a business day, on the immediately preceding business day). The record date in respect of Zero Coupon Notes is the close of business on the calendar day before the due date for payment (or if that is not a business day, on the immediately preceding business day).

Payment in respect of each Note will be made to the person whose name appears in the Note register as the holder on the record date. If more than one person is named in the Note register, payment will be made to the first person named.

- For Notes which are not held in NZClear, payment will be made by the Paying Agent by direct credit to a bank account specified by you by notice in writing to the Note Registrar.
- For Notes held in NZClear, payment will be made by CCB NZ crediting on the relevant payment date the amount due to the account of the Paying Agent or other account previously notified by the Paying Agent or NZClear to CCB NZ.

When the due date for any payment is not a business day and unless otherwise specified in the relevant issue terms:

- If the relevant Note is a Zero Coupon Note or bears fixed rate interest, payment will be made on the next date which is a business day, but the record date and the amount paid will not be adjusted – that is, interest payments (where applicable to fixed rate Notes) will be made in semi-annual instalments of equal amounts (except for any initial short or long interest period).
- If the relevant Note bears floating rate interest, payment will be made on the next date which is a business day, unless that day falls in the next calendar month in which case payment will be made on the first preceding day that is a business day. The record date and the calculation of any accrued interest will be adjusted up or down accordingly.

You may not require the transfer of any Note to be registered during the period from a record date until the relevant payment date.

The Notes are not protected deposits under the depositor compensation scheme established by the Deposit Takers Act 2023.

## **Tax Call**

If the relevant issue terms specify that Notes include a tax call, CCB NZ may elect to redeem those Notes before their maturity date in certain limited circumstances. The principal amount of those Notes and any accrued interest (or such other amount as is specified in the relevant issue terms) will, subject to any deductions on account of tax, be payable on such early redemption.

CCB NZ may exercise a tax call on Notes if it has or will become obliged to pay any additional amounts under the conditions in respect of approved issuer levy or other tax as a result of changes to relevant New Zealand laws, regulations or rulings, as described in the Note Deed Poll, where such change becomes effective on or after the date of issue of the first tranche of such Notes and CCB NZ is still obliged to pay such additional amounts despite taking reasonable measures available to it.

In order to exercise any tax call CCB NZ must also comply with any other administrative requirements (including notice requirements) set out in the Note Deed Poll.

### **Meetings and variation of the Notes**

Meetings of holders may be called to consider matters affecting their interests generally. In such meetings, defined majorities may bind you and all other holders, even if you did not attend and vote at the relevant meeting or voted in a manner contrary to the majority.

The Notes may also be varied without your consent in certain limited circumstances, including if (in the reasonable opinion of CCB NZ) the variation is necessary or advisable to comply with any law, is of a formal, technical or administrative nature only, is made to cure any ambiguity or is not materially prejudicial to the interests of holders as a whole.

### **Notes held in NZClear**

Notes offered to institutional and other investors may be held in NZClear. Investors may acquire interests in those Notes if they are members of NZClear, or through a nominee who is a member. If your Notes are held in NZClear, your rights (and the rights of each other person holding an interest in the Notes) are subject to NZClear's rules and operating guidelines.

CCB NZ is not responsible for anything that NZClear does or omits to do or for any loss occasioned by the failure of NZClear.

### **Governing law**

The Notes, the Note Deed Poll and the Parent Company Guarantee are governed by New Zealand law. Accordingly, future judicial decisions and changes to New Zealand law or administrative practices may affect the interpretation of the Notes.

## **5 Risks of Investing**

### **General risks**

Your investment in the Notes is subject to the following general risks:

#### ***Credit risk on CCB NZ***

The principal risk of holders not being able to recover in full their principal investment is that CCB NZ may become insolvent, may be placed in receivership, liquidation or statutory management or otherwise may be unable to and/or fail to make any payment. In that event, you might not recover all your initial principal investment or receive the expected returns.

#### ***Secondary market risk***

CCB NZ does not intend to quote these Notes on a market licensed in New Zealand. The Notes may have no established trading market when issued, and one may never develop. If a market does develop, an investment in Notes may not be very liquid. Therefore, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to similar investments that have a developed secondary market. Illiquidity may reduce the market value of the Notes.

### **Specific risks relating to CCB NZ's creditworthiness**

CCB NZ is aware of the following circumstances that exist or are likely to arise that significantly increase the risk that CCB NZ may default on any of its payment obligations under the Notes:

#### ***The CCB Group is expanding its New Zealand business across CCB NZ and CCB Branch***

Since CCB NZ entered the New Zealand market in 2014, the CCB Group (being the parent company CCB and its subsidiaries, and including CCB NZ and CCB Branch) has been generally expanding its business and the range of products and services it provides to customers.

- The growth of CCB NZ, as well as the general shape and direction of its business in the future, may be impacted by economic and systemic changes to its operating environment in New Zealand. Furthermore, de-globalisation, global trade and fuel disruptions and the growth of insular national policies are changing the geopolitical profile in which CCB NZ operates significantly – altering opportunities for business growth and change. These changes may lead to significant volatility in the ability of CCB NZ's customers to generate revenue and cashflow in the future, and therefore, the failure of an increased number of businesses across a wide range of industries. Opportunities for growth and further investment may also be limited restricting the ability of CCB NZ to obtain ongoing high value portfolios for investment. CCB NZ intends to continue to closely monitor the developments of these factors and actively manage the impact on CCB NZ's operating strategy, financial position and performance.
- The further expansion of CCB NZ's business is also subject to other risks and challenges including maintaining an appropriate capital base to grow and remain competitive as well as to satisfy increasing bank capital requirements (as also discussed under "Regulatory risks" below), together with qualified personnel and infrastructure, and the possibility that new products and services may not be accepted by customers or be as profitable as expected. If CCB NZ cannot continue to grow its business as intended, then this could have an adverse effect on CCB NZ's business, financial condition and results of its operations.
- Further, there is competition from established banks and other new bank and non-bank entrants, including competitors that have new business models or greater financial and other resources than CCB NZ. Larger competitors may also have lower relative fixed costs compared to their size, due to economies of scale. There is a limited market, especially for personal banking products such as residential mortgage loans, credit cards and personal loans. This competition, which may intensify as a result of New Zealand's open banking initiatives (which will allow the sharing of customer data between approved financial institutions, making it easier for customers to switch banks), may make it more difficult for CCB NZ to further grow or maintain its loan portfolio and deposit base and may cause intense pricing competition, which could have an adverse effect on its growth plans, interest and other margins, and business.
- CCB NZ's parent company, CCB, is registered to provide banking services in New Zealand through CCB Branch. CCB Branch was established to operate in the New Zealand market alongside CCB NZ, with the intention to bring benefits to the local economy through strategic lending opportunities as well as providing efficiency gains and innovations to the banking sector. The composition of CCB NZ's lending portfolio could be affected by the participation of CCB Branch in certain sectors where CCB NZ currently operates. The origination / location of loans and advances in each entity is likely to reflect wider considerations between both entities including capital availability, relative book and balance sheet size and timing and scale of individual loans. CCB Branch's banking registration restricts its business to only wholesale customers and this precludes it from competing directly with CCB NZ for retail customers. The RBNZ has determined to further restrict the business of branches of dual registered banks (such as CCB Branch) in the future, which may lead to changes to CCB NZ's strategy that result in an increase in its lending portfolio and corresponding capital requirements.

- CCB NZ's parent has its own risk profile and appetite in respect of its investments globally, and in CCB NZ, and that risk appetite may impact on the ability of CCB NZ to grow in areas where it sees opportunity within New Zealand, especially given the small size of CCB NZ in comparison to the CCB group.

### ***Liquidity and funding risk***

CCB NZ may, in periods of stress, have insufficient capacity, or have to pay higher than market rates, to fund increases in assets (including commitments to extend loans to significant borrowers), or be unable to meet its payment obligations as they become due (including repaying depositors or maturing debt). Such risks are part of its banking operations due to the timing mismatch between cash inflows and cash outflows.

CCB NZ's funding strategy is to ensure adequate sources of medium to long term funding, and working to optimise the structure of its assets, liabilities and transaction timing. A portion of CCB NZ's funding may come from short term market funding with a maturity of less than one year. If CCB NZ's long term funding strategy becomes more expensive or difficult to execute as a result of changes to market conditions, it will need to rely on a short term funding strategy in line with regulatory liquidity management requirements. If CCB NZ or the CCB Group cannot adequately adapt for decreases or changes in funding sources in New Zealand their businesses may be materially adversely affected.

CCB NZ has a comprehensive policy framework to manage liquidity and funding risks, which is set by the board of CCB NZ. This policy framework includes:

- managing in accordance with relevant regulated liquidity requirements and internal policies;
- ensuring that lending growth is supported by diversified and stable sources of funding and maintaining a portfolio of unencumbered, highly liquid assets;
- monitoring liquidity and funding risks through internal management limits and early warning indicators and stress testing; and
- implementing annual funding plans and contingency funding plans to manage liquidity in normal times and in periods of stress.

The RBNZ is currently undertaking a comprehensive review of its Liquidity Policy, and future changes may result in changes in how liquidity and funding risks are being managed at CCB NZ and other New Zealand registered banks.

### ***CCB credit events may affect its subsidiaries, including CCB NZ***

As at the date of this document, CCB owns 100% of the shares of CCB NZ and has provided the Parent Company Guarantee described in section 4 of this document (Key Features of the Notes). The Parent Company Guarantee is a factor contributing to the current credit ratings of CCB NZ. If in the future CCB runs into financial difficulty, its credit rating is downgraded (including as a result of changes to the PRC sovereign credit rating) or the Parent Company Guarantee ceases to be available for new obligations of CCB NZ, this could also result in a credit rating downgrade for CCB NZ and could constrain CCB NZ's access to capital and liquidity, restricting its ability to undertake new business opportunities.

### ***Credit risk on customers***

- The business of CCB NZ and, more generally, the CCB Group could be materially and adversely affected by losses arising from the failure of its customers to pay principal and/or interest on money lent. This could occur for a variety of reasons, including a slowdown in growth of the New Zealand or global economies (whether as a result of global trade and fuel disruptions, geopolitical risks, increased tariffs, future pandemics, or natural disasters or extreme climate events, particularly given the unpredictability of some of these potential events and their increased frequency in recent years). Other factors such as

declines in property prices, poor economic conditions in a specific industry sector or geographic region to which CCB NZ has significant exposure and worsening credit of its counterparties may also negatively impact CCB NZ's growth. CCB NZ has a clearly-defined credit risk policy for the approval and management of credit risk, including credit underwriting policies and standards for lending, processes for hardship and policies and procedures setting out the circumstances where collateral is to be taken to mitigate credit risk. At the date of this document, financial sector volatility is heightened amid rising macroeconomic uncertainty (domestically and globally) driven by escalating geopolitical tensions and global trade and fuel disruptions, which have the potential to adversely impact CCB NZ's customers' ability to meet their debt obligations.

- As the CCB Group continues to expand its New Zealand business across CCB NZ and CCB Branch, its loan portfolio may be relatively concentrated from time to time. The overall quality of its loan portfolio could materially deteriorate following a decline in the credit quality of any significant borrowers. CCB NZ monitors its portfolio to identify and assess risk concentrations, with portfolio management objectives to create a diversified portfolio avoiding significantly large concentrations of economically related credit risk exposures.
- The residential mortgage loans made by CCB NZ are predominantly in the Auckland region. CCB NZ seeks to mitigate the risks of this geographical concentration by applying prudent income assessment criteria, loan purpose assessments, and loan-to-value and debt-to-income requirements.

### ***Market, operational and compliance risks***

CCB NZ is exposed to the risk of loss arising from adverse movements in market rates including interest rates, credit spreads and foreign exchange rates (market risk), particularly during times of increased market volatility. Changes in interest levels, yield curves and spreads may affect, among other things, CCB NZ's interest rate margins.

CCB NZ is also exposed to operational risk arising from its operations as a bank. Operational risk is the risk of loss resulting from inadequate or failed internal processes, employees and information technology systems. However, this is mitigated through good governance and use of processes from CCB and the implementation of better operational risk training, incident identification and management processes and tools. Cybersecurity, business continuity and disaster recovery processes and systems are specifically and separately managed and implemented by staff at CCB NZ, with support from CCB for areas of activity which require more specialist support.

The CCB Group is further exposed to risks from failing to adequately incorporate ongoing regulatory change into such processes, systems and measures (as discussed further under "Regulatory risks" below).

CCB NZ's compliance risks are managed through a dedicated compliance management function, and the implementation of a compliance management framework throughout the bank which is annually reviewed by CCB NZ's board. Compliance management focusses on ensuring that CCB NZ meets, and continues to meet its regulatory and legal obligations at all times, and in all processes, minimising the risks of fines and regulatory actions and sanctions. CCB NZ also monitors and manages risks to its reputation and ensures through appropriate conduct and culture management that these risks are minimised as far as is practicable.

CCB NZ's board has implemented an overall risk management framework to effectively mitigate the risks arising from its activities in achieving its strategic goals and objectives as outlined above. The board has created a risk appetite statement indicating how it expects risks to be appropriately identified, owned and managed. This statement includes policies outlining their qualitative expectations of the level of risk to be taken in each area, and quantitative metrics and trigger points to ensure that risks taken are managed within an acceptable profile.

CCB NZ's operational and compliance risk frameworks are based on the three lines of defence model. The day-to-day risk identification and management activities of the business is overseen by CCB NZ's business line management. Oversight and support are provided by the Risk Management Department and the Compliance Department. Further independent assurance is provided by internal audits, with independent, qualified and reputable third party service providers used for specific internal audit activities, and in-house capacity for others.

### **Regulatory risks**

CCB NZ and the CCB Group are subject to financial service laws, regulations, administrative actions and policies, including capital adequacy requirements and other prudential obligations, lending requirements (such as debt-to-income ratio and high loan-to-value requirements), conditions of registration specified by the RBNZ in respect of CCB NZ, conduct and other requirements under consumer protection laws (such as the Credit Contracts and Consumer Finance Act 2003, the Fair Trading Act 1986 and conduct of financial institution laws under the Financial Markets Conduct Act 2013) and other licensing and registration conditions imposed by relevant regulators.

CCB NZ has implemented systems and risk management processes to ensure compliance with these requirements. Regulatory focus continues to evolve and over recent years registered banks have had to consider and implement measures in response to regulatory changes or proposals relating to or potentially affecting registered banks (including the introduction of mandatory climate risk reporting, a financial conduct regime, a depositor compensation scheme, bank capital requirements, changes to consumer finance regulation and prudential requirements in the Deposit Takers Act 2023). It is not possible to predict the direction and extent of further changes to bank regulation that may occur, but significant or prolonged changes may reshape the future regulatory landscape, the businesses, strategies and asset bases of CCB NZ, CCB Branch and other registered banks in New Zealand. Such further changes will need to be considered as they are finalised; may create new regulatory or compliance risks to be managed; and will be a significant focus of management attention. This may result in increased costs and risks to CCB NZ.

CCB NZ is also subject (through its parent, CCB) to regulations imposed from time to time by the National Financial Regulatory Administration, and has a reporting process to provide detailed information about its risk management system and processes to CCB.

Failure to comply with these and other laws, regulations or codes of practice (including without limitation in relation to money laundering, terrorist financing, misconduct, market manipulation, climate reporting and sanctions) could result in regulatory fines and sanctions, compensatory actions, or CCB NZ's banking licence being revoked.

Further, any changes arising from legislation, regulation, and de-globalisation activities occurring across the globe and the geopolitical changes increase the volatility of the environment in which CCB NZ and CCB operate within. These changes could affect the flow of people and skills, goods and services, and investment and capital. Together, and individually, these could adversely impact CCB NZ's business viability and activity, and level of parental support (including under the Parent Company Guarantee).

### **Risk factors – likelihood, impact and magnitude**

Any of the circumstances described above may result in the following impacts on CCB NZ:

- specific operating losses or reduced revenues. For example, some credit defaults are expected but are provided for in the normal course of money lending (with such provisioned credit defaults assessed as having a reasonable probability of happening but a low impact on CCB NZ's financial position if they occurred);
- larger one-off losses, which are assessed as having a low probability, but – if they occur – would have a greater magnitude of impact on CCB NZ's financial position; and

- as a result of either of the above, a reduction in CCB NZ's capital available to absorb further losses and therefore an increased risk of default.

It is not possible to forecast precisely the probability or magnitude of any of the particular business, financial and other risks described above. CCB NZ seeks to reduce the likelihood, impact and magnitude of the circumstances identified above by:

- strategies to expand its capabilities and broaden its customer base and revenue streams;
- a risk management framework and internal controls/procedures to manage and mitigate key business risks, including oversight and internal audit;
- adequate capital frameworks; and
- regular and active stress testing activities.

From the perspective of holders of Notes, the key potential impacts of any of the identified circumstances occurring, or a failure of the risk management systems or strategies, are:

- actual or perceived reduction in credit quality of CCB NZ and/or credit rating downgrade leading to a loss in the market value of Notes, if sold on the secondary market; and
- default by CCB NZ in repaying the Notes or paying interest due on them.

## 6 Tax

New Zealand tax residents and holders who receive interest payments under the Notes that are subject to the New Zealand resident withholding tax rules, will have resident withholding tax (**RWT**) deducted from the interest that is payable under the Notes, unless, on or before the Record Date for the relevant payment, the holder notifies the Paying Agent or CCB NZ that it has RWT-exempt status and provides its IRD number to allow for that status to be verified on the electronic register maintained by the Commissioner of Inland Revenue.

Unless otherwise stated in the relevant issue terms, if you receive payments of principal or interest on the Notes subject to the non-resident withholding tax rules, an amount equal to the approved issuer levy will be deducted from payments to you in lieu of deducting non-resident withholding tax (except where you elect otherwise or it is not possible under any law, in which case non-resident withholding tax will be deducted instead). See the Note Deed Poll for further details.

In the relevant issue terms, CCB NZ may undertake to pay the approved issuer levy on its own account where this would remove the liability to deduct non-resident withholding tax (except where you elect otherwise or it is not possible under any law, in which case non-resident withholding tax will be deducted instead). In that case, CCB NZ will not deduct such approved issuer levy from interest payments to you on the Notes. Notes may also include a tax call as described in section 4 of this document (Key Features of the Notes).

If, in respect of any of your Notes, the Paying Agent or CCB NZ becomes liable to account for withholding taxes, or make any payment of, or on account of, tax payable by you (other than in respect of any approved issuer levy CCB NZ has agreed to pay on its own account), then the Paying Agent and CCB NZ shall be indemnified by you in respect of such liability. See the Note Deed Poll for further details.

There may be other tax consequences from acquiring or disposing of the Notes.

The above generalised summary is based on the taxation laws in force in New Zealand as at the date of this document. Future changes to these or other laws may affect the tax consequences of an investment in the Notes. See also “Governing law” in section 4 of this document (Key Features of the Notes).

If you have any queries relating to the tax consequences of an investment in the Notes, you should obtain professional advice on those consequences.

## 7 How to Complain

Complaints about the Notes can be directed to CCB NZ at:

CCB NZ Complaints Officer  
China Construction Bank (New Zealand) Limited  
P.O. Box 305  
Shortland Street  
Auckland 1140

Tel: 0800 299 5533 option 5  
Email: [Complaints@nz.ccb.com](mailto:Complaints@nz.ccb.com)

CCB NZ is also a member of the Banking Ombudsman Scheme, which is an approved dispute resolution scheme. Complaints about the Notes can be directed to the scheme at:

Banking Ombudsman  
Freepost 218002  
PO Box 25327  
Wellington 6140

Tel: 0800 805 950  
Email: [help@bankomb.org.nz](mailto:help@bankomb.org.nz)

The Banking Ombudsman Scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may also be directed to the Financial Markets Authority through its website at [www.fma.govt.nz](http://www.fma.govt.nz).

## 8 Where You Can Find More Information

Further information relating to CCB NZ and the Notes is available on the offer register at [www.disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz). A copy of information on the offer register is available on request to the Registrar of Financial Service Providers.

Further information about CCB NZ is contained in CCB NZ's most recent disclosure statement (which includes CCB NZ's most recent financial statements). CCB NZ's most recent disclosure statement, and other information about CCB NZ, can be found online at [nz.ccb.com](http://nz.ccb.com). A printed copy of the most recent disclosure statement will also be made available, free of charge, upon request to CCB NZ and will be dispatched by the end of the second working day after the day on which the request is received.

Enquiries about the Notes can be made, and copies of the Note Deed Poll and further copies of this document can be obtained free of charge, on request, by contacting:

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna, Auckland

Private Bag 92119  
Victoria Street West  
Auckland 1142

Telephone: +64 (9) 488 8700  
Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

## **9 How to Apply**

You may apply for Notes by contacting CCB NZ (see section 10 of this document (Contact Information)). For each application you must pay the issue price.

## **10 Contact Information**

CCB NZ may be contacted at:

China Construction Bank (New Zealand) Limited  
Level 29  
48 Shortland Street  
Auckland

Tel: +64 (9) 338 8200