Press Release

HKMC's Debut AUD Bond Issuance

The Hong Kong Mortgage Corporation Limited (HKMC) today (Thursday) hosted a signing ceremony for the successful launch of its inaugural public issue of 5-year AUD 500 million notes. The notes (also known as "Kangaroo bond") saw healthy over-subscription and have been welcome by Australian and overseas institutional investors. Major terms of the notes are at the Annex.

This triple-A rated issue was well received by a diverse group of investors including central banks, agencies, investment funds and banks in the region, who are seeking high-quality Australian dollar bonds for investment diversification. It also helps to broaden the HKMC's investor base beyond our issuance in Hong Kong dollar, US dollar, renminbi, Japanese yen and Singapore dollar. All foreign currency issuance are swapped back into HK dollar in a cost-effective manner to support the HKMC's discharge of its strategic roles, including the purchase of loans from banks to promote banking and financial stability.

The Executive Director of the HKMC and Deputy Chief Executive of the Hong Kong Monetary Authority, Mr Peter Pang, said, "The HKMC is glad to be the first Hong Kong issuer that issued a public Kangaroo bond. This issuance at over HK$4 billion equivalent is our biggest issue under our Medium Term Note

Programme. The issue has set a good benchmark for other issuers and also helps to encourage more cross-border funding and investment activities, thereby promoting regional bond market development. I trust the HKMC's consistent efforts on this front will create a win-win situation for banks, investors and the Corporation."

The Hong Kong Mortgage Corporation Limited

22 March 2012



Photo caption: Executive Director, Mr Peter Pang (centre), and Chief Executive Officer, Mr James Lau (second from right), of the Hong Kong Mortgage Corporation Limited celebrate the successful launch of the HKMC's debut AUD bond issuance with bank representatives.

Annex

Major Terms of HKMC's AUD Bond Issue

Issuer:	The Hong Kong Mortgage Corporation Limited
Issue Rating:	AAA (Standard & Poor's)
Issue Size:	AUD 500 million
Type:	Senior and unsecured floating rate notes
Issue Date:	22 February 2012
Maturity Date:	22 February 2017
Tenor:	5 years
Coupon:	3-month AUD Bank Bill Swap Reference Rate (BBSW) + 1.15%
Format:	Public issue drawn under the US$6 billion Medium Term Note Programme of the HKMC
Listing:	Stock Exchange of Hong Kong
Lead Managers & Bookrunners:	ANZ, HSBC and RBS