Press Release

HKMC's Second Infrastructure Loan-backed Securities Issuance

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (11 September) the successful completion of its second infrastructure loan-backed securities (ILBS) issuance. This is executed through a special purpose vehicle (SPV), Bauhinia ILBS 2 Limited (Bauhinia 2) and it follows the success of the HKMC's first ILBS issuance in May 2023. The Bauhinia issuances offer professional investors exposure to a diversified portfolio of project and infrastructure loans across multiple geographies and sectors.

Mr Raymond Li, Executive Director and Chief Executive Officer of the HKMC, said, "The success of Bauhinia 2 issuance demonstrated investors' growing interest in the infrastructure loan asset class. The issuance further supports the development of Hong Kong as an infrastructure financing hub, facilitating inflow of market capital to high-quality infrastructure projects, and expanding the securitisation market in Asia."

Bauhinia 2 issuance received strong response from investors, with some repeated investors showing increasing comfort with the asset class and expanding their investment across a wider range of note classes, and an expanded universe of investors joining this space. The expanded investor base is well diversified, including insurers, pension funds, security firms, and local and international financial institutions.

Asian Infrastructure Investment Bank (AIIB), through its US$300 million investment program into the HKMC's ILBS issuance, participated in Bauhinia 2

as an anchor investor. AIIB's investment program continues to fulfil its objective to mobilise private capital into the infrastructure sector.

Bauhinia 2 has a portfolio of 28 project and infrastructure loans across 26 individual projects spreading across 14 countries and 10 sub-sectors, with a total value of approximately US$423.3 million. In total, five classes of notes are issued (Class A1-SU, Class A1, Class B, Class C and Class D), all of which are investment grade rated, with aggregate principal of US$386.7 million. The issued notes are listed on The Hong Kong Stock Exchange. The HKMC acts as the sponsor, collateral manager and risk retention holder of the transaction.

Within the capital structure of Bauhinia 2, there is an US$107 million sustainability tranche (Class A1-SU) backed by sustainable, green and social assets. Class A1-SU is issued in accordance with the HKMC's Social, Green and Sustainability Financing Framework, which aligns with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines released by the International Capital Market Association.

Standard Chartered Bank is the Sole Global Coordinator. China International Capital Corporation Hong Kong Securities Limited, ING Bank N.V., Singapore Branch, MUFG Securities Asia Limited, Natixis Hong Kong Branch and Standard Chartered Bank are the Joint Bookrunners. Fubon Bank (Hong Kong) Limited and Korea Investment & Securities Co., Ltd. are the Co-Managers.

The Hong Kong Mortgage Corporation Limited

11 September 2024

Annex

Major Terms of Bauhinia 2

<table>
<tr><td>Issuer</td><td>Bauhinia ILBS 2 Limited, an SPV incorporated in Hong Kong, China</td></tr>
<tr><td>Sponsor, Collateral Manager, Risk Retention Holder</td><td>The HKMC</td></tr>
<tr><td>Issue Date</td><td>11 September 2024</td></tr>
<tr><td>Issuance Size</td><td>US$423.3 million</td></tr>
<tr><td>Classes of Note</td><td>
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<tr><th>Class</th><th>Principal Amount (US$ Mn)</th><th>Credit Ratings (Moody’s)</th></tr>
<tr><td>A1-SU</td><td>107.0</td><td>Aaa (sf)</td></tr>
<tr><td>A1</td><td>209.5</td><td>Aaa (sf)</td></tr>
<tr><td>B</td><td>34.0</td><td>Aa1 (sf)</td></tr>
<tr><td>C</td><td>20.5</td><td>A2 (sf)</td></tr>
<tr><td>D</td><td>15.7</td><td>Baa3 (sf)</td></tr>
<tr><td>Sub. Notes</td><td>36.6</td><td>NR</td></tr>
<tr><td>Total</td><td>423.3</td><td></td></tr>
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<tr><td>Asset Pool</td><td>28 senior secured project finance and corporate infrastructure loans across 26 projects</td></tr>
<tr><td>A1-SU Notes</td><td>The A1-SU Notes is issued in accordance with the Sponsor’s Social, Green and Sustainability Financing Framework</td></tr>
<tr><td>Listing</td><td>The Hong Kong Stock Exchange</td></tr>
<tr><td>Sole Global Coordinator</td><td>Standard Chartered Bank</td></tr>
<tr><td>Joint Bookrunners</td><td>China International Capital Corporation Hong Kong Securities Limited, ING Bank N.V., Singapore Branch, MUFG Securities Asia Limited, Natixis Hong Kong Branch, Standard Chartered Bank</td></tr>
<tr><td>Co-Manager</td><td>Fubon Bank (Hong Kong) Limited, Korea Investment & Securities Co., Ltd.</td></tr>
<tr><td>Legal Counsels</td><td>Linklaters, Clifford Chance</td></tr>
<tr><td>Trustee</td><td>DB Trustees (Hong Kong) Limited</td></tr>
<tr><td>Transaction Administrator</td><td>Deutsche Bank AG, Hong Kong Branch</td></tr>
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