Press Release

The Hong Kong Mortgage Corporation Limited

Issuance of Retail Bonds: Subscription Prices

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Thursday) the subscription prices for its latest issue of retail Notes. The 2-year (HKMC204 Notes), 3-year (HKMC306 Notes), 3-year extendable for 2-year (HKMC307E Notes) and 7-year (HKMC701 Notes) carry coupons of 1.75%, 2.50%, 3.25% and 4.25% respectively, payable semi-annually.

The prices of the four HKMC Notes were determined by reference to the specified Exchange Fund Notes at 11:30 a.m. today in accordance with the terms of the Prospectus. The 2-year, 3-year, 3-year extendable for 2-year and 7-year Notes will be allocated to retail investors at 100.11%, 99.81%, 98.86% and 98.77%, representing effective annualised yields of 1.70%, 2.58%, 3.53% and 4.51% respectively.

The HKMC has decided to accept all valid applications for the retail Notes. Each successful applicant will receive a refund of HK$189.28, HK$219.32, HK$314.47 and HK$323.48 per HK$10,000 of the 2-year (HKMC204 Notes), 3-year (HKMC306 Notes), 3-year extendable for 2-year (HKMC307E Notes) and 7-year (HKMC701 Notes) respectively. Retail investors will be informed shortly by letter of the subscription prices of the HKMC Notes and the refund details by Bank of China (Hong Kong), Bank of Communications, The Bank of East Asia, Chiyu Bank, DBS Bank, Hongkong and Shanghai Banking Corporation, Hang Seng Bank, ICBC (Asia), International Bank of Asia, Nanyang Commercial Bank, Shanghai Commercial Bank and Wing Lung Bank, the twelve Placing Banks through which they applied for the Notes.

The Notes will be issued on 8 December 2003 (Monday). The twelve Placing Banks will act as Market Makers to quote two-way prices for the HKMC Notes during business hours until maturity of the bonds.

The Hong Kong Mortgage Corporation Limited
4 December 2003