Press Release

The Hong Kong Mortgage Corporation Limited

Subscription Prices of the Inaugural Retail Bond Issue under the HK$20 Billion Retail Bond Issuance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Monday) the subscription prices for its inaugural issue of retail notes under the HK$20 Billion Retail Bond Issuance Programme. The 2-year (HKMC205), 3-year (HKMC310) and 4-year (HKMC401) Notes carry coupons of 2.50%, 3.15% and 3.55% respectively, payable semi-annually.

The prices of the three 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 Issue Prospectus. The 2-year, 3-year and 4-year Notes will be allocated to retail investors at 100.40%, 100.18% and 99.73%, representing effective annualised yields of 2.31%, 3.11% and 3.66% respectively.

The HKMC has decided to accept all valid applications for the retail notes. Retail investors will be informed shortly by letter of the subscription prices of the HKMC Notes and the refund details by Bank of America (Asia), Bank of China (Hong Kong), Citibank, CITIC Ka Wah Bank, Bank of Communications, The Bank of East Asia, Chiyu Bank, Dah Sing Bank, DBS Bank, Hang Seng Bank, HSBC, ICBC (Asia), International Bank of Asia, Liu Chong Hing Bank, Nanyang Commercial Bank, Shanghai Commercial Bank, Standard Chartered Bank, Wing Hang Bank and Wing Lung Bank, the 19 Placing Banks through which they applied for the Notes.

The Notes will be issued on 9 June 2004 (Wednesday). The 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
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