Press Release

The Hong Kong Mortgage Corporation Limited

Issuance of Retail Bonds: Subscription Prices

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Friday) the subscription prices for its latest issue of retail Notes. The 3-year (HKMC308 Notes), 3-year extendable for 2-year (HKMC309E Notes) and 7-year (HKMC702 Notes) carry coupons of 2.25%, 3.10% and 4.00% 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 Prospectus. The 3-year, 3-year extendable for 2-year and 7-year Notes will be allocated to retail investors at 101.33%, 101.68% and 101.93%, representing effective annualised yields of 1.80%, 2.76% and 3.72% 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 China (Hong Kong), Bank of Communications, The Bank of East Asia, Chiyu Bank, DBS Bank, Hang Seng Bank, Hongkong and Shanghai Banking Corporation, ICBC (Asia), International Bank of Asia, Liu Chong Hing Bank, Nanyang Commercial Bank, Shanghai Commercial Bank, Standard Chartered Bank and Wing Lung Bank, the fourteen Placing Banks through which they applied for the Notes.

The Notes will be issued on 24 February 2004 (Tuesday). 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
20 February 2004