Press Release

The Hong Kong Mortgage Corporation Limited

Application Results of the Retail Bond Issue under the HK$20 Billion Retail Bond Issuance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (Tuesday) that subscription of its retail bonds under the HK$20 billion Retail Bond Issuance Programme has exceeded the minimum issue amount of HK$10 million each for the two series of Hong Kong dollar notes and US$5 million each for the two series of US dollar notes. The Hong Kong dollar 2-year notes and US dollar 2-year notes carry coupons of 4.18% p.a. and 4.80% p.a. respectively. The HKMC also launched the first-ever US dollar 6-year zero coupon bonds and Hong Kong dollar HIBOR-linked notes. Interest for the two series of 2-year notes and HIBOR-linked notes is payable semi-annually.

Application for the HKMC notes was closed at 2:00 p.m. today. The issue was well received by the retail investors and the total principal amount under application is HK$925 million equivalent:

HKD 2-year notes (HKMC208)	HK$613.0 million
USD 2-year notes (HKMC209)	US$29.1 million
USD 6-year zero coupon bonds (HKMC601)	US$6.6 million
HKD 1-year HIBOR-linked notes (extendable semi-annually until 2011) (HKMC104E)	HK$33.5 million

The HKMC will accept all valid applications. Investors submitted applications through 17 Placing Banks including Bank of China (Hong Kong), Bank of Communications Hong Kong Branch, The Bank of East Asia, China Construction Bank (Asia), Chiyu Bank, Chong Hing Bank, CITIC Ka Wah Bank, Dah Sing Bank, DBS Bank (Hong Kong), Hang Seng Bank, HSBC, ICBC (Asia), Nanyang Commercial Bank, Shanghai Commercial Bank, Standard Chartered Bank (Hong Kong), Wing Hang Bank and Wing Lung Bank.

Mr James H. Lau Jr, Chief Executive Officer of the HKMC said, “We are pleased to see the good subscription result of this retail bond issue. The HKMC will continue to promote the local debt market and devote our

efforts to meet the needs of the retail investors by providing more choice of debt products."

Prices for the series of Hong Kong dollar 2-year notes will be fixed on 15 March 2007 (Thursday) by reference to the relevant Exchange Fund Note as specified in the Issue Prospectus. The US dollar 2-year notes, US dollar zero coupon bonds and Hong Kong dollar HIBOR-linked notes were offered at a price of 100%, 75.2% and 100% of the principal amount respectively. Retail investors will be informed shortly of the prices of the Hong Kong dollar 2-year notes and the settlement details by letters from the Placing Bank through which they applied for the notes.

The Placing Banks will act as market makers for the Issue to facilitate transactions in the secondary market.

The Hong Kong Mortgage Corporation Limited
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