Press Release

Result Announcement of the Registration of Subscription Intention of HKMC Annuity Plan

HKMC Annuity Limited (HKMCA), wholly-owned by The Hong Kong Mortgage Corporation Limited (HKMC), announces today the first tranche of HKMC Annuity Plan (the Plan) records a total of 9,410 registrations of Subscription Intention. The total subscription amount and the average subscription amount stand at around HK$ 4.94 billion and HK$ 525,000 respectively[1] (See Annex).

The HKMCA officially launched the Plan on 5 July 2018, announcing the issue limit for the first tranche of the Plan would be HK$ 10 billion. The HKMCA confirms to satisfy the subscription demand of all of the applicants, and to fully allot all of the applicants their Intended Subscription Amounts, as the total subscription amount falls within the issue limit. The final premium amounts will however be subject to the results of the financial needs analyses.

Executive Director and Chief Executive Officer of HKMCA, Mr Edmond Lau, said, “We are satisfied with the overall outcome of the launch of the Plan. The promotional campaign this time has encouraged widespread discussion in the community related to life annuities and other retirement financial planning products. As life annuities are relatively new long-term insurance products,

[1] The above total and average subscription amounts are the preliminary figures. All the figures are subject to the verification by the HKMCA

the public will require more time to comprehend the concepts and features. The HKMCA will continue to implement and strengthen the promotional work, in order to increase the public understanding about life annuities, and to lay a good foundation to the development of the local annuities market."

The HKMCA will complete the allotment and distribution work at the soonest, and will mail the allotment result notices to all applicants within one week starting from 17 September. We will then arrange the applicants to Agent Banks or the HKMCA Application Servicing Centre based on the random balloting results to complete the application procedures starting from late September. We will strive to complete the distribution process by the end of October.

As for the distribution of the Intended Subscription Amounts, around 30% (2,854) of the applicants registered their intent to subscribe for HK$ 1 million. Around 54% (5,126) of the applicants registered their intent to subscribe for HK$ 500,000 or above. Around 62% (5,827) of the applicants are aged 65 to 69. Around 23% (2,160) of them are aged 70 to 74. Only around 15% (1,423) of them are aged 75 or above[2].

The Plan is an insurance product. The insured can immediately receive a guaranteed stream of fixed income after paying a single premium. The annuity is payable monthly for the whole of life of the insured. The objectives of the Plan are to provide an additional and reliable retirement financial

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planning option to people aged 65 or above, and to promote the development of the local annuities market.

For public enquiries, please call 2512 5000. For media inquiries, please call 2536 0002.

HKMC Annuity Limited

10 August 2018

Annex

Result Announcement of the Registration of Subscription Intention of the First Tranche of HKMC Annuity Plan

	No. of registrations	Total subscription amount (HK$ million)	Average subscription amount (HK$)
Online registrations	1,535	895	583,000
Paper form registrations	7,875	4,049	514,000
Total	**9,410**	**4,944**	**525,000**

The above total and average subscription amounts are the preliminary figures.

All the figures are subject to the verification by the HKMCA.