Press Release

The Hong Kong Mortgage Corporation Limited

Mortgage Insurance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (17 August 2000) that the new product that will provide insurance cover for mortgage loans with loan-to-value (LTV) ratio of up to 90% will be formally launched on Friday 18 August 2000. Following the approval of the product by the HKMC Board on 27 July, the HKMC has signed the reinsurance agreements with the Approved Re-insurers and has briefed the staff of the participating banks on the eligibility criteria and the processing procedures.

The HKMC will initiate an advertising campaign on 18 August to coincide with the launch of the new product. The campaign will make use of advertisements in newspapers, magazines, bus panels and Internet websites to enhance consumer awareness of the product and its benefits. A total of 44 banks will take part in the expanded Mortgage Insurance Programme to provide the 90% LTV product. Starting from 18 August, interested homebuyers may contact any one of the participating banks to apply for mortgage loans with loan-to-value ratio up to 90%.

Homebuyers interested in the 90% LTV product can obtain detailed information from the participating banks. They can also contact the HKMC Hotline (2536 0136) or access the HKMC website (www.hkmc.com.hk) which also provides a Mortgage Insurance Calculator that shows homebuyers the insurance premium and monthly payments they need to make for mortgages of different value.

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17 August 2000