**Press Release**

**The Hong Kong Mortgage Corporation Limited**

**Application for S206 Notes by Retail Investors**

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (11 April) that the portion of its S206 notes set aside for retail investors has been over-subscribed.

The HK$500 million 2-year issue carries a coupon of 6.40% payable semi-annually. In keeping with the aim of the HKMC to diversify the investor base of its debt securities and to promote the development of the retail debt market, a portion of the issue (up to HK$100 million) has been reserved for non-competitive bidding by retail investors.

Application for the retail portion of the issue was closed yesterday. The issue was well received by retail investors. Over 490 investors have submitted applications using the White Form and the Electronic Initial Public Offering (IPO) process, involving a total application amount exceeding HK$136 million (over-subscribed by 36%). These compare favorably to 57 applications and HK$107 million in the last public offer in October 1999.

"We are very encouraged by the positive response of retail investors. The results show that, with better knowledge of the benefits of investing in fixed income products, investors are becoming more interested in high quality debt securities as an integral component of a balanced portfolio," said Mr Peter Pang, Chief Executive Officer of the HKMC. “The introduction of the White Form has proved to be a useful supplement to Electronic IPOs in making the application process more convenient to retail investors,” he added.

The notes will be tendered on Wednesday 12 April 2000. They will be allocated to retail investors at the Average Accepted Price of the successful bids of the Recognised Dealers in the competitive tender. As the retail portion has been over-subscribed, allocation will be done through a combination of pro-rata allocation and balloting. The results of the tender together with the allotment will be published in the South China Morning Post and Hong Kong Economic Journal on Thursday 13 April 2000. The S206 Note will be listed and traded on the Stock Exchange under the stock code 4309 starting on Friday 14 April 2000.

The Hong Kong Mortgage Corporation Limited

11 April 2000