THE HONG KONG MORTGAGE CORPORATION LIMITED

ISSUANCE OF RETAIL BONDS: SUBSCRIPTION PRICES

Press Release

The Hong Kong Mortgage Corporation Limited (HKMC) announced today (5 November 2001) the subscription prices for its two latest issues of retail Notes. The 3-year (HKMC301 Notes) and 5-year (HKMC501 Notes) issues carry coupons of 3.50% and 4.30% respectively, payable semi-annually.

The prices of the two HKMC Notes were determined by reference to the specified Exchange Fund Notes at 11:30 am today as specified in the Prospectus. The 3-year and 5-year Notes will be allocated to retail investors at 100.25% and 100.11%, representing effective annualized yields of 3.44% and 4.32% respectively.

In response to the enthusiastic demand by retail investors, the HKMC has earlier decided to accept all valid applications for the retail Notes. Each successful applicant will receive a refund of HK$876 and HK$946 per HK$50,000 of the 3-year HKMC301 Note and the 5-year HKMC501 Note respectively. Retail investors will be informed shortly by letter of the subscription prices of the HKMC Notes and the refund details by Dao Heng Bank, HSBC, Hang Seng Bank, the three Placing Banks through which they applied for the Notes.

The notes will be issued on 7 November 2001 (Wednesday). The three Placing Banks will act as Market Makers to quote two-way prices for the two HKMC Notes during business hours.

The Hong Kong Mortgage Corporation Limited

5 November 2001