Press Release

The Hong Kong Mortgage Corporation Limited

HKD 20 Billion Debt Issuance Programme

The Hong Kong Mortgage Corporation Limited (HKMC) launched today (Wednesday) its HKD 20 Billion Debt Issuance Programme (DIP) with the signing of an agreement with the Primary Dealers and Selling Group Members appointed for the Programme (see list at Annex A).

The DIP will complement the HKMC's HKD 20 Billion Note Issuance Programme (NIP) launched in January 1998 to provide a comprehensive coverage of the investor base of the Hong Kong dollar debt market. The NIP's main client base is the financial institutions whereas the DIP targets the institutional investors. All public issues under the DIP will be cleared through the Central Moneymarkets Unit and will be eligible for discounting under the Liquidity Adjustment Facility operated by the HKMA.

The DIP contains a number of innovative features which are designed to facilitate the HKMC to reach out effectively to the institutional investors. These include the appointment of five Primary Dealers which have good access to institutional investors to perform the role of underwriter and market maker for securities issued under the Programme. Another twelve Selling Group Members have also been appointed to help with the distribution of the debt securities. The Programme provides a flexible offer mechanism allowing diversified approaches to cater for different market conditions and investor needs.

At today's signing ceremony, Mr. Donald Tsang, Chairman of the HKMC, said "The launching of the Debt Issuance Programme is a timely development crucial to the successful operation of the HKMC. The Debt Issuance Programme will further enhance the HKMC's ability to raise funds through the debt market to support the expansion and diversification of HKMC's mortgage purchase programme."

Mr. Joseph Yam, Deputy Chairman of the HKMC, said "With the introduction of the two Hong Kong dollar bond issuance programmes, the HKMC will play an increasingly important role in the Hong Kong Dollar debt market."

The Hong Kong Mortgage Corporation Limited
17 June 1998

Annex A

HKMC Debt Issuance Programme Programme

Primary Dealers

- Dresdner Kleinwort Benson
- HSBC Markets
- Merrill Lynch Far East Limited
- Tokyo-Mitsubishi International (HK) Limited
- Union Bank of Switzerland, Hong Kong Branch

Selling Group Members

- The Bank of East Asia, Limited
- Chase Manhattan Asia Limited
- Citibank, N.A.
- Commonwealth Bank of Australia
- Dao Heng Bank Limited
- Deutsche Morgan Grenfell Capital Markets Limited
- Goldman Sachs (Asia) L.L.C.
- Hang Seng Bank Limited
- Jardine Fleming Bank Limited
- J.P. Morgan Securities Asia Ltd.
- Société Générale Asia Limited
- Standard Chartered Bank, Hong Kong

Fiscal, Paying and Lodging Agent

- Bankers Trust Company, Hong Kong Branch