Press Release

The Hong Kong Mortgage Corporation Limited

HKMC 1997 Annual Report Published

The 1997 Annual Report of the Hong Kong Mortgage Corporation (HKMC) is published today (5 May).

"The incorporation of The Hong Kong Mortgage Corporation Limited in March 1997 marked an important milestone in the development of the residential mortgage market in Hong Kong." said Mr. Donald Tsang, Chairman of the Board of Directors of the HKMC in the Report. "As a pioneer institution, the HKMC provides an important piece of market infrastructure to kickstart and promote the development of a secondary mortgage market in Hong Kong." he added.

According to the report, the Corporation had purchased/committed to purchase HK$3.2 billion floating rate mortgages by end-March 1998. The HKMC had also launched a pilot scheme for promoting fixed rate mortgages on 18 March 1998.

On the funding side, the HKMC signed an agreement with the Hong Kong Monetary Authority to appoint the latter as the arranger, custodian, agent and operator of a HK$20 billion HKMC Note Issuance Programme on 6 January 1998. Two issues had been launched so far which were very well received by the market.

In his conclusion to the Chairman's Statement, Mr. Tsang said, "The Board and the Management of the HKMC look forward to working closely with the banking community and the capital market participants to develop a healthy and robust secondary mortgage market in Hong Kong."

Hong Kong Mortgage Corporation

5 May 1998