Press Release

The Hong Kong Mortgage Corporation Limited

Tender for the Inaugural Issue of the Hong Kong Mortgage Corporation Limited Notes

The Hong Kong Monetary Authority (HKMA) announced today the tender for the inaugural issue of The Hong Kong Mortgage Corporation Limited (HKMC) Notes to be held on 11 March 1998 (Wednesday).

An amount of HK$500 million in HKMC Notes will be offered for settlement on Thursday 12 March 1998. The 3-year Notes, which mature on 12 March 2001, will carry interest at the fixed rate of 8 % per annum payable semi-annually in arrears. Terms and conditions of the issue are described fully in the Information Memorandum.

The HK$500 million HKMC Notes issue is the first tranche of the HK$20 billion HKMC Note Issuance Programme in which the HKMA acts as the arranger, custodian, agent and operator. The HKMC Notes, which are denominated in HK$50,000, will be cleared through the Central Moneymarkets Unit (CMU) and will qualify as eligible securities for repo under the Liquidity Adjustment Facility operated by the HKMA.

The HKMC Notes will be covered by the existing market-making arrangements for the Exchange Fund Bills and Notes, marking the third time a non-Government debt issuance programme has joined the arrangement. Under the Programme, the HKMC Notes will be sold from time to time by tender to a group of Market Makers and Recognized Dealers appointed by the HKMA.

Under a new short selling arrangement, Market Makers of Exchange Fund, MTRC and HKMC papers can go short in any issues of such papers provided they hold sufficient amount of other Exchange Fund, MTRC, or HKMC papers in the system to cover their short positions by entering into a repo transaction with the HKMA at the end of the day. In return the market makers are obliged to quote two-way (bid-ask) prices during normal money market hours.

Members of the public who wish to tender for the Notes may do so through any of the Market Makers or Recognized Dealers on the published list which can be obtained from the HKMA at 30/F, 3 Garden Road, Hong Kong (or telephone 2878 8150). Each tender must be for an amount of HK$50,000 or integral multiples thereof.

Hong Kong Monetary Authority

5 March 1998

THE HONG KONG MORTGAGE CORPORATION LIMITED NOTE ISSUANCE PROGRAMME TENDER INFORMATION

Tender information for the first issue of The Hong Kong Mortgage Corporation Ltd Issuance Programme: -

Issue Number :	S301
Tender Date and Time :	Wednesday 11 March 1998 9:30 a.m. to 10:30 a.m.
Issue and Settlement Date :	Thursday 12 March 1998
Amount on Offer :	HK$500 million
Maturity :	Three years
Maturity Date :	12 March 2001
Interest Rate :	8 per cent per annum
Interest Payment Dates :	14 September 1998, 12 March 1999, 13 September 1999, 13 March 2000, 12 September 2000, 12 March 2001
Tender Amount :	Each tender must be for an amount of HK$50,000 or integral multiples thereof. Members of the public who wish to tender for the Notes may approach Market Makers or Recognized Dealers on the published list
Other details :	Please see Information Memorandum published or approach Market Makers or Recognized Dealers

Hong Kong Monetary Authority

5 March 1998