**Press Release**

**The Hong Kong Mortgage Corporation Limited**

**Tender Results for Second Block of Mortgage Purchase by The Hong Kong Mortgage Corporation**

The Hong Kong Mortgage Corporation (HKMC) announced the results of its first tender held today for the purchase of the second block of mortgages since its establishment last year. The first block of mortgages of HK$650 million was purchased in November 1997 through the placement approach.

The tender of HK$1 billion was 1.45 times over-subscribed. Approved Seller/Servicers submitted bids totalling HK$2.45 billion, indicating that there is strong interest amongst Approved Seller/Servicers in selling mortgages to the HKMC. The average accepted yield of the tender was 10.42% and the lowest accepted yield was 10.26%, both were above the announced minimum net required yield of 10.25%.

The following Authorised Institutions were successful in the tender: Dao Heng Bank, First Pacific Bank, International Bank of Asia and Orix Asia Ltd.

"We are very pleased with the enthusiastic response of the Approved Seller/Servicers and the accepted yields of the tender. The HKMC will continue to purchase mortgages from Approved Seller/Servicers on a consistent basis," said Mr. Peter Pang, Chief Executive Officer of the HKMC.

The Hong Kong Mortgage Corporation Limited

5 February 1998