Press Release

The Hong Kong Mortgage Corporation Limited

Revolving Credit Facility for the HKMC

The Hong Kong Mortgage Corporation (HKMC) announced today that it had entered into an agreement with the Hong Kong Monetary Authority through which the Exchange Fund would provide a HK$10 bn revolving credit facility to the HKMC.

"The HKMC welcomes the support provided by the Government as its shareholder. The credit facility will enable the HKMC to obtain short term funds to bridge the gap between the purchase of mortgage loans and the issuance of debt securities, which may arise from time to time due to volatile conditions in the capital market," a HKMC spokesman said. "The provision of the credit facility will not affect the HKMC's plan to launch the HK$ debt issue under the Note Programme arranged by the HKMA as soon as the market conditions permit," he added.

The HKMC will proceed with the purchase of the second block of mortgages in early February according to plan. A tender will be held on 5 February in which all the Approved Sellers will be invited to submit bids on a competitive basis to sell their mortgages which meet the purchasing criteria announced by the HKMC. Details of the tender will be announced next week.

Hong Kong Mortgage Corporation

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