

Press Release

Tender of 2-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 2 September 2009

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Monday) that a tender of 2-year Government Bonds (Bonds) under the Institutional Bond Issuance Programme will be held on Wednesday, 2 September 2009, for settlement on Thursday, 3 September 2009.

A total of HK\$3,500 million 2-year Bonds will be tendered. The Bonds will mature on 5 September 2011 and will carry interest at the rate of 0.92% per annum payable semi-annually in arrears.

This is the first institutional bond issuance under the Government Bond Programme after the relevant resolutions were passed by the Legislative Council on 8 July 2009. The Government Bond Programme consists of Institutional Bond Issuance Programme and Retail Bond Issuance Programme. The first tentative issuance schedule for the Institutional Bond Issuance Programme, covering six months from September 2009 to February 2010, was published by the HKMA on 3 August 2009.

Under the Institutional Bond Issuance Programme, tender is open only to Recognized Dealers which are appointed as Primary Dealers. Any tender applications for the Bonds must be submitted through a Primary Dealer on the current published list, which can be obtained from the Government Bond Programme's website at <http://www.hkgb.gov.hk>. Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

Tender results will be published on the Government Bond Programme's website, the Reuters screen (HKGBINDEX), and Bloomberg not later than 3:00 p.m. on the tender day.

Hong Kong Monetary Authority
24 August 2009

**HONG KONG GOVERNMENT BOND PROGRAMME
TENDER INFORMATION**

Tender information of 2-Year Government Bonds under the Institutional Bond Issuance Programme:-

Issue Number : 02GB1109

Stock code : 4201 (HKGB 0.92 1109)

Tender Date and Time : Wednesday, 2 September 2009
9:30 a.m. to 10:30 a.m.

Issue and Settlement Date : Thursday, 3 September 2009

Amount on Offer : HK\$3,500 million

Maturity : Two years

Maturity Date : 5 September 2011

Interest Rate : 0.92% p.a.

Interest Payment Dates : 3 Mar 2010
3 Sep 2010
3 Mar 2011
5 Sep 2011

Method of Tender : Competitive tender

Tender Amount : Each competitive tender must be for an amount of HK\$50,000 or integral multiples thereof. Any tender applications for the Bonds must be submitted through a Primary Dealer on the current published list.

Other details : Please see Information Memorandum available on the Government Bond Programme's website at <http://www.hkgb.gov.hk> or approach Primary Dealers.

Expected commencement date of dealing on the Stock Exchange of Hong Kong Limited : 4 September 2009

Price/Yield Table of the new Government Bonds at tender for reference* only:-

<u>Yield-to-Maturity</u>	<u>Price</u>	<u>Yield-to-Maturity</u>	<u>Price</u>
-0.08	102.00	0.92	100.00
-0.03	101.90	0.97	99.91
0.02	101.80	1.02	99.81
0.07	101.70	1.07	99.71
0.12	101.60	1.12	99.61
0.17	101.50	1.17	99.51
0.22	101.40	1.22	99.42
0.27	101.30	1.27	99.32
0.32	101.20	1.32	99.22
0.37	101.10	1.37	99.12
0.42	101.00	1.42	99.03
0.47	100.90	1.47	98.93
0.52	100.80	1.52	98.83
0.57	100.70	1.57	98.74
0.62	100.60	1.62	98.64
0.67	100.50	1.67	98.54
0.72	100.40	1.72	98.45
0.77	100.30	1.77	98.35
0.82	100.20	1.82	98.25
0.87	100.10	1.87	98.16
0.92	100.00	1.92	98.06

*** Disclaimer**

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Hong Kong Monetary Authority
24 August 2009