

Press Release

Tender for the re-opening of 5-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 2 June 2010

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 5-Year Government Bonds (Bonds) through the re-opening of existing Government Bond issue 05GB1411 under the Institutional Bond Issuance Programme will be held on Wednesday, 2 June 2010, for settlement on Thursday, 3 June 2010.

An additional amount of HK\$1,500 million of the outstanding 5-Year Bonds (issue no. 05GB1411) will be on offer. The Bonds will mature on 3 November 2014 and will carry interest at the rate of 2.07% per annum payable semi-annually in arrears. The Bonds Fixings on 24 May 2010 is 102.26 with an annualised yield of 1.549%.

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 HKMA's website, the Government Bond Programme's website, the Reuters screen (HKGBINDEX), and Bloomberg not later than 3:00 pm on the tender day.

Hong Kong Monetary Authority
24 May 2010

**HKSAR GOVERNMENT
INSTITUTIONAL BOND ISSUANCE PROGRAMME
TENDER INFORMATION**

Tender information of re-opening of 5-Year Government Bonds under the Institutional Bond Issuance Programme:-

Issue Number : 05GB1411

Stock code : 4202 (HKGB 2.07 1411)

Tender Date and Time : Wednesday, 2 June 2010
9:30 am to 10:30 am

Issue and Settlement Date for tender amount : Thursday, 3 June 2010

Amount on Offer : HK\$1,500 million

Maturity : 5 years

Maturity Date : 3 November 2014

Interest Rate : 2.07% p.a. payable semi-annually in arrears

Interest Payment Dates : 3 Nov 2010
3 May 2011
3 Nov 2011
3 May 2012
5 Nov 2012
3 May 2013
4 Nov 2013
5 May 2014
3 Nov 2014

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.

The accrued interest to be paid by successful bidders on the issue date (3 June 2010) for the tender amount is HK\$87.90 per minimum denomination of HK\$50,000.

(The accrued interest to be paid for tender amount

exceeding HK\$50,000 may not be exactly equal to the figures calculated from the accrued interest per minimum denomination of HK\$50,000 due to rounding).

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 : The tender amount is fully fungible with the existing 05GB1411 (Stock code: 4202) listed on the Stock Exchange of Hong Kong.

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

<u>Yield-to-Maturity</u>	<u>Price</u>	<u>Yield-to-Maturity</u>	<u>Price</u>
0.549	106.63	1.549	102.24
0.599	106.40	1.599	102.03
0.649	106.18	1.649	101.81
0.699	105.96	1.699	101.60
0.749	105.73	1.749	101.39
0.799	105.51	1.799	101.18
0.849	105.29	1.849	100.97
0.899	105.07	1.899	100.76
0.949	104.85	1.949	100.55
0.999	104.63	1.999	100.34
1.049	104.41	2.049	100.13
1.099	104.19	2.099	99.92
1.149	103.97	2.149	99.72
1.199	103.75	2.199	99.51
1.249	103.53	2.249	99.30
1.299	103.32	2.299	99.10
1.349	103.10	2.349	98.89
1.399	102.88	2.399	98.69
1.449	102.67	2.449	98.48
1.499	102.45	2.499	98.28
1.549	102.24	2.549	98.08

* **Disclaimer**

The information provided here is for reference only. Although extreme care has been taken to ensure that the information provided is accurate and up-to-date, the HKMA does not warrant that all, or any part of, the information provided is accurate in all respects. You are encouraged to conduct your own enquiries to verify any particular piece of information provided on it. The HKMA shall not be liable for any loss or damage suffered as a result of any use or reliance on any of the information provided here.

Hong Kong Monetary Authority
24 May 2010