

Press Release

Tender of 2-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 1 September 2010

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Tuesday) that a tender of 2-year Government Bonds (Bonds) under the Institutional Bond Issuance Programme will be held on Wednesday, 1 September 2010, for settlement on Thursday, 2 September 2010.

A total of HK\$3.5 billion 2-year Bonds will be tendered. The Bonds will mature on 3 September 2012 and will carry interest at the rate of 0.48% per annum payable semi-annually in arrears.

Under the Institutional Bond Issuance Programme, tender is open only to Recognized Dealers which are appointed as Primary Dealers. Anyone wishing to apply for the Bonds on offer can do so through any of the Primary Dealers 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 pm on the tender day.

Hong Kong Monetary Authority
24 August 2010

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

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

Issue Number : 02GB1209

Stock code : 4205 (HKGB 0.48 1209)

Tender Date and Time : Wednesday, 1 September 2010
9:30 am to 10:30 am

Issue and Settlement Date : Thursday, 2 September 2010

Amount on Offer : HK\$3.5 billion

Maturity : Two years

Maturity Date : 3 September 2012

Interest Rate : 0.48% p.a.

Interest Payment Dates : 2 March 2011
2 September 2011
2 March 2012
3 September 2012

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 : 3 September 2010

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>
-0.52	102.01	0.48	100.00
-0.47	101.91	0.53	99.90
-0.42	101.81	0.58	99.80
-0.37	101.71	0.63	99.70
-0.32	101.61	0.68	99.61
-0.27	101.51	0.73	99.51
-0.22	101.41	0.78	99.41
-0.17	101.30	0.83	99.31
-0.12	101.20	0.88	99.21
-0.07	101.10	0.93	99.11
-0.02	101.00	0.98	99.02
0.03	100.90	1.03	98.92
0.08	100.80	1.08	98.82
0.13	100.70	1.13	98.72
0.18	100.60	1.18	98.63
0.23	100.50	1.23	98.53
0.28	100.40	1.28	98.43
0.33	100.30	1.33	98.34
0.38	100.20	1.38	98.24
0.43	100.10	1.43	98.14
0.48	100.00	1.48	98.05

*** Disclaimer**

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