

## Press Release

### Government announces subscription and allocation results of iBond

The Government announced today (July 26) the subscription and allocation results of the inflation-linked retail bond, i.e. the iBond, issued under the retail part of the Government Bond Programme (“GBP”).

According to the subscription information submitted by the Placing Banks and Hong Kong Securities Clearing Company Limited (“HKSCC”), as at the close of subscription period at 2 pm on Tuesday, July 19, 2011, a total of 155,835 valid applications were received for a total of HK\$13,157,530,000 in principal amount of bond.

Breakdown of valid applications is as follows –

	Total number of valid <u>applications</u>	Total amount of valid <u>applications (HK\$)</u>
Placing Banks	150,793	12,098,770,000
HKSCC	5,042	1,058,760,000
<b>Total</b>	<b>155,835</b>	<b>13,157,530,000</b>

The final issue amount of the iBond is HK\$10 billion. Allocation is conducted in accordance with the mechanism as set out in the Issue Circular dated July 5, 2011 for the iBond (the “Issue Circular”). Specifically, among all the valid applications, those who have applied for 44 units or less will be allocated the full amount of bond applied for. There are a total of 150,869 such applications. In addition, there are 4,966 valid applications that have applied for more than 44 units. Each of them will be allocated 44 units first, and 1,344 of them will be allocated one additional unit of bond based on ballot results.

The iBond will be issued on July 28, 2011. Also, listing and dealings of the iBond on the Stock Exchange of Hong Kong will become effective on July 29, 2011. Notifications on the individual allocation results, the applicable subscription moneys and the amount of any refund of application moneys will be made by the Placing Banks and HKSCC in accordance with the schedule set out in the section entitled “EXPECTED TIMETABLE FOR APPLYING FOR RETAIL BONDS” in the Issue Circular.

A Government spokesman said, “The total number of applications and total application amount are up to expectation. Both are at high levels as compared with those for recent retail bond offerings. We believe that being the

inaugural issue under the retail part of the GBP, the iBond would help to promote retail investors' awareness and interest in bond investment, thereby fostering the development of the retail bond market in Hong Kong.”

Ends