

Press Release

Tender for the re-opening of 5-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 2 November 2011

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 3-Year Government Bonds (Bonds) through the re-opening of existing 5-Year Government Bond issue 05GB1411 under the Institutional Bond Issuance Programme will be held on Wednesday, 2 November 2011, for settlement on Thursday, 3 November 2011.

An additional amount of HK\$3 billion of the outstanding 5-Year Bonds (issue no. 05GB1411) will be on offer as 3-Year Bonds. 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 October 2011 is 105.03 with an annualised yield of 0.399%.

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 (GBHK <GO>) not later than 3:00 pm on the tender day.

Hong Kong Monetary Authority
24 October 2011

**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 November 2011
9:30 am to 10:30 am

Issue and Settlement Date for tender amount : Thursday, 3 November 2011

Amount on Offer : HK\$3 billion

Maturity : 3 years

Remaining Maturity : Approximately 3 years

Maturity Date : 3 November 2014

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

Interest Payment Dates : 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 November 2011) for the tender amount is HK\$0 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>
-0.60	108.10	0.40	104.98
-0.55	107.94	0.45	104.83
-0.50	107.78	0.50	104.67
-0.45	107.62	0.55	104.52
-0.40	107.46	0.60	104.37
-0.35	107.31	0.65	104.22
-0.30	107.15	0.70	104.07
-0.25	106.99	0.75	103.92
-0.20	106.84	0.80	103.77
-0.15	106.68	0.85	103.61
-0.10	106.52	0.90	103.46
-0.05	106.37	0.95	103.31
0.00	106.21	1.00	103.17
0.05	106.06	1.05	103.02
0.10	105.90	1.10	102.87
0.15	105.75	1.15	102.72
0.20	105.59	1.20	102.57
0.25	105.44	1.25	102.42
0.30	105.29	1.30	102.27
0.35	105.13	1.35	102.13
0.40	104.98	1.40	101.98

*** 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-

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Hong Kong Monetary Authority
24 October 2011