

Interest rate of the second interest payment for iBond Series due 2014

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Monday) the relevant per annum interest rate for the second interest payment of iBond Series due 2014 (Issue Number 03GB1407R; Stock Code: 4208) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated 5 July 2011 for the Bonds, the second interest payment of the Bonds is scheduled to be made on 30 July 2012, and the relevant interest rate is scheduled to be determined and announced on 16 July 2012 as the higher of the prevailing Floating Rate and Fixed Rate.

On 16 July 2012, the Floating Rate and Fixed Rate are as follows:-

Floating Rate: +5.07%¹
Fixed Rate: +1.00%

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the second interest payment is determined and announced as 5.07% per annum.

Hong Kong Monetary Authority
16 July 2012

1

Month	Year-on-year rates of change in the 2009/10-based Composite Consumer Price Index (%)
December 2011	+5.70
January 2012	+6.10
February 2012	+4.70
March 2012	+4.90
April 2012	+4.70
May 2012	+4.30
Arithmetic Average	+5.07