

Press Release

Government announces subscription and allocation results of iBond

Thursday, June 20, 2013

The Government announced today (June 20) the subscription and allocation results of the third inflation-linked retail bond, or iBond, issued under the retail part of the Government Bond Programme.

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 June 13, 2013, a total of 520,823 valid applications were received for a total of HK\$39,627,150,000 in principal amount of bond.

A breakdown of valid applications is as follows –

	Total number of valid <u>applications</u>	Total amount of valid <u>applications (HK\$)</u>
Placing Banks	416,696	34,165,050,000
HKSCC	104,127	5,462,100,000
Total	520,823	39,627,150,000

The final issue amount is HK\$10 billion. Allocation is conducted in accordance with the mechanism set out in the Issue Circular of May 28, 2013 (the Issue Circular). All valid applications will be allocated one unit of bond first. Those applying for more than one unit, which totalled 493,321, will then enter into a ballot for allocation of the remaining units. Based on the results of this ballot, 479,177 of these applications will be allocated one additional unit, i.e. they will each be allocated a maximum of two units of bonds.

iBond will be issued on June 24, 2013. Listing and dealing of iBond on the Stock Exchange of Hong Kong will become effective on June 25, 2013. Notifications on individual allocation results, applicable subscription moneys and 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 Issue Circular.

A Government spokesman said, “The response to the third iBond issuance is satisfactory. The total number of applications has achieved new records in the local retail bond market. The total application amount well

exceeds the issue amount. We believe that the third iBond issuance has further enhanced the investing public's awareness of and interest in bonds and helped promote the development of a retail bond market in Hong Kong.”

Ends