

Press Release

Tender for the re-opening of 10-Year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 7 August 2013

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 10-year Government Bonds (Bonds) through the re-opening of existing Government Bond issue 10GB2301 under the Institutional Bond Issuance Programme will be held on Wednesday, 7 August 2013, for settlement on Thursday, 8 August 2013.

An additional amount of HK\$1.5 billion of the outstanding 10-year Bonds (issue no. 10GB2301) will be on offer. The Bonds will mature on 17 January 2023 and will carry interest at the rate of 1.10% per annum payable semi-annually in arrears. The Bonds Fixings on 29 July 2013 is 88.66 with an annualised yield of 2.464%.

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 HKMA's website, 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
29 July 2013

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

Tender information of re-opening of 10-year Government Bonds under the Institutional Bond Issuance Programme:-

Issue Number : 10GB2301 (Re-open)

Stock code : 4215 (HKGB 1.10 2301)

Tender Date and Time : Wednesday, 7 August 2013
9:30 am to 10:30 am

Issue and Settlement Date for Tender Amount : Thursday, 8 August 2013

Amount on Offer : HK\$1.5 billion

Maturity : 10 years

Remaining Maturity : Approximately 9.45 years

Maturity Date : 17 January 2023

Interest Rate : 1.10% p.a. payable semi-annually in arrears

Interest Payment Dates : 17 January 2014
17 July 2014
19 January 2015
17 July 2015
18 January 2016
18 July 2016
17 January 2017
17 July 2017
17 January 2018
17 July 2018
17 January 2019
17 July 2019
17 January 2020
17 July 2020
18 January 2021
19 July 2021
17 January 2022
18 July 2022
17 January 2023

- 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 (8 August 2013) for the tender amount is HK\$33.15 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 10GB2301 (Stock code: 4215) 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> |
|--------------------------|--------------|--------------------------|--------------|
| 1.464 | 96.85 | 2.464 | 88.69 |
| 1.514 | 96.42 | 2.514 | 88.30 |
| 1.564 | 95.99 | 2.564 | 87.92 |
| 1.614 | 95.57 | 2.614 | 87.54 |
| 1.664 | 95.15 | 2.664 | 87.16 |
| 1.714 | 94.73 | 2.714 | 86.78 |
| 1.764 | 94.31 | 2.764 | 86.40 |
| 1.814 | 93.90 | 2.814 | 86.03 |
| 1.864 | 93.49 | 2.864 | 85.65 |
| 1.914 | 93.08 | 2.914 | 85.28 |
| 1.964 | 92.67 | 2.964 | 84.91 |
| 2.014 | 92.26 | 3.014 | 84.54 |
| 2.064 | 91.86 | 3.064 | 84.18 |
| 2.114 | 91.45 | 3.114 | 83.81 |
| 2.164 | 91.05 | 3.164 | 83.45 |

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| 2.214 | 90.65 | 3.214 | 83.09 |
| 2.264 | 90.26 | 3.264 | 82.73 |
| 2.314 | 89.86 | 3.314 | 82.37 |
| 2.364 | 89.47 | 3.364 | 82.02 |
| 2.414 | 89.08 | 3.414 | 81.67 |
| 2.464 | 88.69 | 3.464 | 81.31 |

*** 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-date, the HKMA does not warrant that all, or any part of, the information provided is accurate in all respects. You are encouraged to conduct your own enquiries to verify any particular piece of information provided on it. The HKMA shall not be liable for any loss or damage suffered as a result of any use or reliance on any of the information provided here.

Hong Kong Monetary Authority
29 July 2013