

Press Release

Tender for the re-opening of 3-year Government Bonds under the Institutional Bond Issuance Programme to be held on Friday, 7 March 2014

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (Wednesday) that a tender of 2-year Government Bonds (Bonds) through the re-opening of existing 3-year Government Bond issue 03GB1605 under the Institutional Bond Issuance Programme will be held on Friday, 7 March 2014, for settlement on Monday, 10 March 2014.

An additional amount of HK\$3.5 billion of the outstanding 3-year Bonds (issue no. 03GB1605) will be on offer. The Bonds will mature on 9 May 2016 and will carry interest at the rate of 0.34% per annum payable semi-annually in arrears. The Bonds Fixings on 26 February 2014 is 99.53 with an annualised yield of 0.557%.

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, 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
26 February 2014

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

Tender information of re-opening of 3-year Government Bonds under the Institutional Bond Issuance Programme:-

Issue Number : 03GB1605 (Re-open)

Stock code : 4217 (HKGB 0.34 1605)

Tender Date and Time : Friday, 7 March 2014
9:30 am to 10:30 am

Issue and Settlement Date for tender amount : Monday, 10 March 2014

Amount on Offer : HK\$3.5 billion

Maturity : 2 years

Remaining Maturity : Approximately 2.17 years

Maturity Date : 9 May 2016

Interest Rate : 0.34% p.a. payable semi-annually in arrears

Interest Payment Dates : 9 May 2014
10 November 2014
11 May 2015
9 November 2015
9 May 2016

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 (10 March 2014) for the tender amount is HK\$55.42 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 03GB1605 (Stock code: 4217) 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>
-0.443	101.71	0.557	99.53
-0.393	101.60	0.607	99.43
-0.343	101.49	0.657	99.32
-0.293	101.38	0.707	99.21
-0.243	101.27	0.757	99.11
-0.193	101.16	0.807	99.00
-0.143	101.05	0.857	98.90
-0.093	100.94	0.907	98.79
-0.043	100.83	0.957	98.68
0.007	100.72	1.007	98.58
0.057	100.61	1.057	98.47
0.107	100.50	1.107	98.37
0.157	100.40	1.157	98.26
0.207	100.29	1.207	98.16
0.257	100.18	1.257	98.05
0.307	100.07	1.307	97.95
0.357	99.96	1.357	97.84
0.407	99.86	1.407	97.74
0.457	99.75	1.457	97.64
0.507	99.64	1.507	97.53
0.557	99.53	1.557	97.43

*** Disclaimer**

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Hong Kong Monetary Authority
26 February 2014