

# Confidential

## Press Release

### Government announces subscription and allocation results of iBond

Thursday, August 7, 2014

The Government announced today (August 7) the subscription and allocation results of the fourth inflation-linked retail bond, or iBond, issued under the retail part of the Government Bond Programme.

According to the subscription information submitted by Placing Banks and the Hong Kong Securities Clearing Company Limited (HKSCC), as at the close of the subscription period at 2 pm on July 31, 2014, a total of 488,170 valid applications were received for a total of HK\$28,792,620,000 in principal amount of bonds.

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	392,034	24,694,430,000
HKSCC (including the subscription applications made through securities brokers)	96,136	4,098,190,000
<b>Total</b>	<b>488,170</b>	<b>28,792,620,000</b>

The final issue amount is HK\$10 billion. Allocation is conducted in accordance with the mechanism set out in the Issue Circular dated July 18, 2014. The valid applications received have been allocated different amounts of bonds up to a maximum of three units. There are a total of 140,130 applications for two or fewer units. They will be allocated the full amounts applied for. The remaining 348,040 valid applications (i.e. those applying for more than two units) will be allocated two units each and then entered into a ballot. Of these applications, 56,559 will be allocated one additional unit.

The iBond will be issued on August 11, 2014 and listed on the Stock Exchange of Hong Kong on August 12, 2014. Notifications on individual allocation results, applicable subscription moneys and amounts of any refunds of application moneys will be made by the Placing Banks and the HKSCC in accordance with the schedule set out in the Issue Circular.

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A government spokesman said, “We believe that the 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