

Press Release

Government announces subscription and allocation results of iBond

Wednesday, August 5, 2015

The Government announced today (August 5) the subscription and allocation results of the fifth 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 29, 2015, a total of 597,895 valid applications were received for a total of HK\$35,724,870,000 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	471,596	30,648,560,000
HKSCC (including the subscription applications made through securities brokers)	126,299	5,076,310,000
Total	597,895	35,724,870,000

The final issue amount is HK\$10 billion. Allocation is conducted in accordance with the mechanism set out in the Issue Circular dated July 16, 2015. All valid applications will be allocated one unit of bond first. Those applying for more than one unit, which totalled 573,376, will then enter into a ballot for allocation of the remaining units. Based on the results of this ballot, 402,105 of these applications will be allocated one additional unit, i.e. they will each be allocated a maximum of two units of bonds.

The iBond will be issued on August 7, 2015 and listed on the Stock Exchange of Hong Kong on August 10, 2015. 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.

A government spokesman said, “The response to the fifth iBond issuance

is satisfactory. We believe that the 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