

Press Release

Tender for the re-opening of 10-year Government Bonds under the Institutional Bond Issuance Programme to be held on Wednesday, 6 July 2016

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 10-year Government Bond issue 10GB2601 under the Institutional Bond Issuance Programme will be held on Wednesday, 6 July 2016, for settlement on Thursday, 7 July 2016.

An additional amount of HK\$1.2 billion of the outstanding 10-year Bonds (issue no. 10GB2601) will be on offer. The Bonds will mature on 21 January 2026 and will carry interest at the rate of 1.68% per annum payable semi-annually in arrears. The Indicative Pricings of the Bonds on 27 June 2016 is 105.80 with an annualised yield of 1.046%.

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
27 June 2016

**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 : 10GB2601 (Re-open)

Stock code : 4230 (HKGB 1.68 2601)

Tender Date and Time : Wednesday, 6 July 2016
9:30 am to 10:30 am

Issue and Settlement Date for tender amount : Thursday, 7 July 2016

Amount on Offer : HK\$1.2 billion

Maturity : 10 years

Remaining Maturity : Approximately 9.55 years

Maturity Date : 21 January 2026

Interest Rate : 1.68% p.a. payable semi-annually in arrears

Interest Payment Dates : 21 July 2016
23 January 2017
21 July 2017
22 January 2018
23 July 2018
21 January 2019
22 July 2019
21 January 2020
21 July 2020
21 January 2021
21 July 2021
21 January 2022
21 July 2022
25 January 2023
21 July 2023
22 January 2024
22 July 2024
21 January 2025
21 July 2025
21 January 2026

- 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 (7 July 2016) for the tender amount is HK\$386.63 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 10GB2601 (Stock code: 4230) 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>
0.046	115.55	1.046	105.77
0.096	115.04	1.096	105.30
0.146	114.53	1.146	104.84
0.196	114.02	1.196	104.38
0.246	113.51	1.246	103.93
0.296	113.01	1.296	103.47
0.346	112.51	1.346	103.02
0.396	112.01	1.396	102.57
0.446	111.52	1.446	102.12
0.496	111.02	1.496	101.68
0.546	110.53	1.546	101.24
0.596	110.05	1.596	100.80
0.646	109.56	1.646	100.36
0.696	109.08	1.696	99.92
0.746	108.60	1.746	99.49

0.796	108.12	1.796	99.06
0.846	107.64	1.846	98.63
0.896	107.17	1.896	98.20
0.946	106.70	1.946	97.77
0.996	106.23	1.996	97.35
1.046	105.77	2.046	96.93

*** Disclaimer**

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Hong Kong Monetary Authority
27 June 2016