

Press release

Government announces subscription and allocation results of iBond Wednesday, June 20, 2012

The Government announced today (June 20) the subscription and allocation results of the second inflation-linked retail bond, or iBond, issued under the retail part of the Government Bond Programme.

According to the subscription information submitted by the Placing Banks and Hong Kong Securities Clearing Company Limited (HKSCC), as at the close of the subscription period at 2pm on June 13, 2012, a total of 332,467 valid applications were received for a total of HK\$49,836,180,000 in principal amount of the bond.

A breakdown of valid applications is as follows:

	Total number of valid applications	Total amount of valid applications (HK\$)
Placing Banks	291,737	44,062,690,000
HKSCC	40,730	5,773,490,000
Total	332,467	49,836,180,000

The final issue amount is HK\$10 billion. Allocation is conducted in accordance with the mechanism set out in the Issue Circular dated May 28, 2012. The 332,467 valid applications received have been allocated different amounts of bonds up to a maximum of four units. Those applying for three units or less will be allocated the full amount applied for. There are a total of 99,608 such applications. The remaining 232,859 valid applications (i.e. those applying for more than three units) will be allocated three units each and then entered into a ballot for allocation of the remaining units. Based on the results of this ballot a further 104,233 of these

applications will be allocated one additional unit.

The iBond will be issued on June 22, 2012. Listing and dealings of the iBond on the Stock Exchange of Hong Kong will become effective on June 25, 2012. Notifications on individual allocation results, applicable subscription moneys and the amount of any refund of application moneys will be made by the Placing Banks and HKSCC in accordance with the schedule set out in the Issue Circular.

A Government spokesman said, "The response to the second iBond issuance is satisfactory. Both the total number of applications and the total application amount have achieved new records in the local retail bond market. We believe that the second iBond issuance has further enhanced the investing public's awareness of and interest in bonds and hence promoted the development of a retail bond market in Hong Kong."

Ends