

Tender of 2-Year Exchange Fund Notes to be held on May 18

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) announces that a tender of 2-year Exchange Fund Notes will be held on May 18, 2018 (Friday) for settlement on May 21, 2018 (Monday), as set out in the tentative issuance schedule announced on February 15, 2018. This is to roll over an issue of 2-year Exchange Fund Notes maturing on the same day.

A total of HK\$1,200 million 2-year Notes will be on offer, of which HK\$5 million will be made available for offer to members of the public who wish to submit non-competitive tender bids through Hong Kong Securities Clearing Company Limited (HKSCC). If the Notes reserved for non-competitive tender are under-subscribed, the non-subscribed amount will be added to the portion of notes for competitive tender (initially set at HK\$1,195 million). The Notes will mature on May 21, 2020 and will carry interest at the rate of 1.79% per annum payable semi-annually in arrears.

Members of the public who wish to submit non-competitive tender applications for Notes that are open to HKSCC may do so through Stock Exchange Participants/Brokers, or for those who hold Investor Accounts of the Central Clearing and Settlement System (CCASS) at the HKSCC, directly through HKSCC, for submission to the HKMA for processing. Competitive tender applications for the Notes must be submitted through any of the Eligible Market Makers on the current published list, which can be obtained from the HKMA at 55/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong (telephone 2878 1465), or from the HKMA's website at www.hkma.gov.hk; Each tender must be for an amount of HK\$50,000 or integral multiples thereof for both competitive and non-competitive tender.

The tender results will be published on the HKMA's website, the Reuters screen (HKMA00E), and Bloomberg. Applicants who submitted non-competitive tender bids through HKSCC may also obtain the tender results from Stock Exchange Participants/Brokers, or for applicants who hold Investor Accounts at HKSCC's CCASS from the CCASS terminal for CCASS Broker/Custodian/Participants and CCASS Phone System.

Hong Kong Monetary Authority Exchange Fund Note Programme Tender Information

Tender information of 2-Year Exchange Fund Notes:

Issue Number	:	02Y2005
Stock code	:	4072 (EFN 1.79 2005)
Tender date and time	:	May 18, 2018 (Friday) 9.30am to 10.30am

Issue and Settlement Date : May 21, 2018 (Monday)
 Amount on offer : HK\$1,200 million
 (up to HK\$5 million for non-competitive tender)

Commencement of/
 Deadline for submission of non-competitive tender bids by retail investors through HKSCC : Please refer to requirements as set down by HKSCC

Maturity : Two years
 Maturity Date : May 21, 2020
 Interest Rate : 1.79% p.a.

Interest Payment Dates : November 21, 2018
 May 21, 2019
 November 21, 2019
 May 21, 2020

Tender amount : Each tender must be for an amount of HK\$50,000 or integral multiples thereof for both competitive and non-competitive tender. Members of the public who wish to apply for the Notes through non-competitive tenders that are open to HKSCC may do so through Stock Exchange Participants/ Brokers, or for those who hold Investors Accounts at HKSCC's CCASS, directly through HKSCC. Members of the public who wish to apply for the Notes through competitive tender may only do so through any of the Eligible Market Makers on the current published list.

Other details : Please see Information Memorandum published or approach Eligible Market Makers, HKSCC, or brokers who are Exchange Participants of the Stock Exchange of Hong Kong.

Expected commencement date of dealing on the Stock Exchange of Hong Kong : May 23, 2018

Price/Yield Table of the new EFN at tender for reference* only:

Yield-to-Maturity	Price	Yield-to-Maturity	Price
0.79	101.98	1.79	100.02
0.84	101.88	1.84	99.92
0.89	101.78	1.89	99.82
0.94	101.68	1.94	99.73
0.99	101.59	1.99	99.63

1.04	101.49	2.04	99.53
1.09	101.39	2.09	99.44
1.14	101.29	2.14	99.34
1.19	101.19	2.19	99.24
1.24	101.09	2.24	99.15
1.29	100.99	2.29	99.05
1.34	100.89	2.34	98.96
1.39	100.80	2.39	98.86
1.44	100.70	2.44	98.77
1.49	100.60	2.49	98.67
1.54	100.50	2.54	98.58
1.59	100.40	2.59	98.48
1.64	100.31	2.64	98.39
1.69	100.21	2.69	98.29
1.74	100.11	2.74	98.20
1.79	100.02	2.79	98.10

* Disclaimer

The information provided here is for reference only. Although extreme care has been taken to ensure that the information provided is accurate and up-to-date, the HKMA does not warrant that all, or any part of, the information provided is accurate in all respects. You are encouraged to conduct your own enquiries to verify any particular piece of information provided on it. The HKMA shall not be liable for any loss or damage suffered as a result of any use or reliance on any of the information provided here.