



**The Government of the Hong Kong Special Administrative
Region of the People's Republic of China**

Infrastructure Bond Programme

**Silver Bond Series HK\$50,000,000,000 Retail Bonds due 2027
(subject to adjustment to a maximum issue amount of HK\$55,000,000,000)**

**Subscription Period – 9:00 a.m. on Monday, 30 September 2024 to
2:00 p.m. on Monday, 14 October 2024**

ISSUER'S REPRESENTATIVE

Monetary Authority

JOINT LEAD MANAGERS

Bank of China (Hong Kong) Limited

**The Hongkong and Shanghai Banking
Corporation Limited**

DESIGNATED SECURITIES BROKERS

Ban Hin Securities Company Limited
Bright Smart Securities International (H.K.) Limited
Caitong International Securities Co., Limited
Celestial Securities Limited
Celetio Investments Limited
Centaline Securities Limited
Central Wealth Securities Investment Limited
Chief Securities Limited
China PA Securities (Hong Kong) Company Limited
Cinda International Securities Limited
DL Brokerage Limited
Eddid Securities and Futures Limited
Emperor Securities Limited
Everbright Securities Investment Services (HK) Limited
Ever-Long Securities Company Limited
Fulbright Securities Limited
Futu Securities International (Hong Kong) Limited
Gaoyu Securities Limited
Guotai Junan Securities (Hong Kong) Limited
iFAST Securities (HK) Limited
KGI Asia Limited
Kingston Securities Limited
Luk Fook Securities (HK) Limited
Phillip Securities (Hong Kong) Limited
Prime Securities Limited
Prudential Brokerage Limited
Sanfull Securities Limited
SDICS International Securities (Hong Kong) Limited
(Formerly known as Essence International Securities
(Hong Kong) Limited)
Sino Grade Securities Limited
SinoPac Securities (Asia) Limited
South China Securities Limited
SPS Securities Limited
Tai Shing Stock Investment Co. Limited
Tai Tak Securities (Asia) Limited
UOB Kay Hian (Hong Kong) Limited
Valuable Capital Limited
Winner International Securities Limited
Wocom Securities Limited

PLACING BANKS

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
The Bank of East Asia, Limited
China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
Chiyu Banking Corporation Limited
Chong Hing Bank Limited
Citibank (Hong Kong) Limited
CMB Wing Lung Bank Limited
Dah Sing Bank, Limited
DBS Bank (Hong Kong) Limited
Fubon Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China (Asia) Limited
OCBC Bank (Hong Kong) Limited
Public Bank (Hong Kong) Limited
Shanghai Commercial Bank Limited
Standard Chartered Bank (Hong Kong) Limited

Issue Circular dated 30 September 2024

KEY FACTS

This table only provides a quick summary of the retail bonds. It does not contain all the information that may be important to you as an investor. **You should read the entire programme circular and all of this issue circular carefully before making any investment decision concerning the retail bonds.**

QUICK FACTS ABOUT THE RETAIL BONDS

Issuer	The Government of the Hong Kong Special Administrative Region of the People's Republic of China
Subscription period*	9:00 a.m. on Monday, 30 September 2024 to 2:00 p.m. on Monday, 14 October 2024 HKSAR Government may decide to close the offer early, or allow more time, without prior notice. HKSAR Government reserves the right to cancel the offer at any time on or before the scheduled issue date.
Issue date*	23 October 2024
Application price	100%
Subscription price	The subscription price of the retail bonds is equal to the application price.
Principal application amounts	The minimum principal amount of retail bonds you can apply for is HK\$10,000. You must apply for a principal amount of retail bonds which is an integral multiple of HK\$10,000.
Minimum denomination	HK\$10,000
Maximum principal allocation amount	HK\$1,000,000 per investor
Interest rate (coupon)	The interest rate for each interest payment date will be determined and announced on the relevant interest determination date as the higher of: (i) the floating rate, being the arithmetic average of the year-on-year rates of change in the Composite Consumer Price Index compiled and published by the Census and Statistics Department of HKSAR Government based on the results of the most recent Household Expenditure Survey at the relevant interest determination date (currently being the 2019/20-based Composite Consumer Price Index) for the 6 most recent preceding months, rounded to the nearest two decimal places; and (ii) the fixed rate of 4.00%, per annum, payable every 6 months in arrear.
Maturity date*	25 October 2027
Application channels	Applications can be made through placing banks or designated securities brokers**.
Handling fee***	0.15% of the application moneys of the retail bonds you apply for.
Brokerage fee***	For applications made through a designated securities broker, the level of brokerage fee that you pay is determined by your designated securities broker (and may be higher than or lower than 0.15%). Please consult your designated securities broker on how this fee is charged.

* Note that certain circumstances (for example, a "black" rainstorm warning, a tropical cyclone warning signal number 8 or above or an "extreme conditions" announcement in force in Hong Kong) may result in the issue date falling on a later date. HKSAR Government may also change the subscription period and/or the issue date and/or subsequent key dates (including the interest payment dates, interest determination dates and maturity date). In such case, HKSAR Government will make an announcement on the change of date(s) on www.hkma.gov.hk and on www.hkgeb.gov.hk.

** You cannot make an application to Hong Kong Securities Clearing Company Limited (HKSCC) directly.

*** Depending on how you apply for retail bonds, either a handling fee or a brokerage fee may apply, but never both. Any handling fee is charged by a placing bank and any brokerage fee is charged by a designated securities broker.

KEY BENEFITS OF INVESTING IN RETAIL BONDS	KEY RISKS OF INVESTING IN RETAIL BONDS
<ul style="list-style-type: none"> • <u>Strong credit</u>: HKSAR Government has a strong “investment grade” credit rating. 	<ul style="list-style-type: none"> • <u>Interest rate risk</u>: The retail bonds carry a floating rate of interest that is calculated other than by reference to prevailing Hong Kong dollar interest rates. The return on your retail bonds may be relatively lower if the prevailing Hong Kong dollar interest rates increase during the term of the retail bonds.
<ul style="list-style-type: none"> • <u>Regular returns</u>: The retail bonds offer half-yearly interest payments that are linked to inflation, subject to a pre-specified minimum rate, for the entire term of your investment. 	<ul style="list-style-type: none"> • <u>Index risk</u>: The retail bonds carry a rate of interest that includes a component linked to the Composite Consumer Price Index. The return on your retail bonds may be affected by movements in the index.
<ul style="list-style-type: none"> • <u>Interest rate</u>: The retail bonds may offer higher interest rates than Hong Kong dollar time deposits of similar maturities. 	<ul style="list-style-type: none"> • <u>Liquidity risk</u>: You cannot transfer your retail bonds to any other person. There will be no secondary market for your retail bonds. If you wish to sell your retail bonds before maturity, you may only submit an early redemption request to your placing bank or designated securities broker.
	<ul style="list-style-type: none"> • <u>Credit risk</u>: The retail bonds are not secured. When you buy retail bonds you will be relying on the creditworthiness of HKSAR Government. Adverse changes in the wider economic conditions in Hong Kong and the world and/or the creditworthiness of HKSAR Government may affect HKSAR Government’s ability to make payments of principal of and interest on your retail bonds. In the worst case scenario, you could lose all of your investment.
	<ul style="list-style-type: none"> • <u>Intermediary risk</u>: You can only hold retail bonds indirectly through certain institutions, whom you will have to rely on to perform a number of functions, including passing on payments of principal of and interest on your retail bonds to you and proving your interest in your retail bonds.

KEY BENEFITS OF INVESTING IN RETAIL BONDS	KEY RISKS OF INVESTING IN RETAIL BONDS
	<ul style="list-style-type: none"> • <u>Infrastructure investment risk</u>: The retail bonds may not necessarily be a suitable investment if you seek exposure to specific types of infrastructure projects. While the proceeds of the retail bonds will be used to fund one or more of the “Eligible Projects” as defined in the Infrastructure Bond Framework, payments under the retail bonds are not linked to the performance of the relevant Eligible Project(s). The retail bonds are not secured by income from the Eligible Project(s) and you do not have any rights to the Eligible Project(s). HKSAR Government has the sole and absolute discretion to determine the allocation of the proceeds of retail bonds to the Eligible Project(s), which may be changed and/or updated from time to time.

The Government of the Hong Kong Special Administrative Region of the People's Republic of China (**HKSAR Government**) has set up the Infrastructure Bond Programme (the **IBP**) to enable better management of the cashflow needs of major infrastructure projects and facilitate their early completion for the good of the economy and people's livelihood.

This is the issue circular for the series of retail bonds described in this document (unless the context requires otherwise, the **retail bonds**) to be issued under the IBP. This issue circular contains the final terms and conditions of this series of retail bonds and must be read in conjunction with HKSAR Government's programme circular dated 30 September 2024 (as amended or supplemented from time to time) relating to retail bond issuances under the IBP (the **programme circular**). Full information on HKSAR Government, the IBP and this series of retail bonds is only available by reading both this issue circular and the programme circular. If a statement or term in this issue circular is inconsistent with a statement or term in the programme circular, then the statement or term contained in this issue circular should be treated as correct, but only in relation to this series of retail bonds.

No action has been or will be taken in any jurisdiction by HKSAR Government that would permit the offering of the retail bonds, or possession or distribution of this issue circular or the programme circular (in proof or final form), any application form or any other offering or publicity material relating to the retail bonds, in any country or jurisdiction other than Hong Kong.

In this issue circular, words and expressions have the meanings given in the programme circular unless this issue circular specifies a different meaning. In that case, in relation to this series of retail bonds only, the meaning contained in this issue circular should be treated as correct and that meaning should be applied in reading the programme circular (including the section entitled "Terms and conditions of the retail bonds").

ATTENTION

HKSAR Government has only published an electronic version of this issue circular and the programme circular. HKSAR Government will not provide printed copies of this issue circular or the programme circular to any person in relation to the offering of this series of retail bonds. During the subscription period for this series of retail bonds and while this series of retail bonds is still outstanding, you can view this issue circular and the programme circular by visiting the HKSAR Government Bonds website at www.hkgeb.gov.hk.

YOU SHOULD NOTE THE FOLLOWING IMPORTANT INFORMATION

If you are in any doubt about the contents of this issue circular or the programme circular, you should obtain independent professional advice.

This series of retail bonds is issued under the IBP. You should read the programme circular as well as this issue circular in order to understand the offer of the retail bonds, and ensure you fully understand the risks associated with any investment in the retail bonds, before deciding whether to apply for any retail bonds.

None of HKSAR Government, the Monetary Authority, the joint lead managers, the placing banks or the designated securities brokers will give you investment advice. You must decide for yourself whether any retail bonds meet your investment needs, taking professional advice if appropriate.

Any application for HKSAR Government's retail bonds will be made solely on the basis of the information contained in this issue circular and the programme circular. No person has been authorised to give any information or to make any representation not contained in or not consistent with this issue circular and the programme circular or any other information supplied by HKSAR Government in connection with the retail bonds. If someone has given you any such information or made any such representation, you must disregard it and must not rely on it as having been authorised by HKSAR Government.

The joint lead managers, HKSCC, the placing banks and the designated securities brokers take no responsibility for the contents of this document, make no representation as to its accuracy, completeness or sufficiency and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This issue circular relates only to the series of retail bonds described in it. It does not relate to any other series of retail bonds issued by HKSAR Government under the IBP or any institutional bonds issued by HKSAR Government under the IBP or other retail or institutional bonds issued by HKSAR Government under any other bond or note issuance programme or otherwise.

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HKSAR GOVERNMENT IS OFFERING THE SILVER BOND SERIES OF RETAIL BONDS

The Silver Bond series of retail bonds is offered on the terms set out in the table below and as described in this issue circular.

Series Issue Number	Silver Bond Series 03GB2710R
Subscription period[#]	<p>9:00 a.m. on Monday, 30 September 2024 to 2:00 p.m. on Monday, 14 October 2024</p> <p>HKSAR Government may decide to close the offer early, or allow more time, without prior notice. HKSAR Government reserves the right to cancel the offer at any time on or before the scheduled issue date.</p>
Currency	Hong Kong dollars
Interest rate (coupon)	<p>The interest rate for each interest payment date will be determined and announced on the relevant interest determination date as the higher of:</p> <ul style="list-style-type: none">(i) the floating rate, being the arithmetic average of the year-on-year rates of change in the Composite Consumer Price Index compiled and published by the Census and Statistics Department of HKSAR Government based on the results of the most recent Household Expenditure Survey at the relevant interest determination date (currently being the 2019/20-based Composite Consumer Price Index) for the 6 most recent preceding months, rounded to the nearest two decimal places; and(ii) the fixed rate of 4.00%, <p>per annum, payable every 6 months in arrear.</p> <p>This is the percentage rate of the principal amount per annum to be applied to calculate the interest that HKSAR Government pays on the retail bonds.</p>
Issue date[#]	<p>23 October 2024</p> <p>If the issue date ceases to be a business day in Hong Kong, for example, if there is a "black" rainstorm warning, a tropical cyclone warning signal number 8 or above or an "extreme conditions" announcement in force in Hong Kong, then the issue date will be the next day which is a business day in Hong Kong not affected by the cessation.</p>
Application price	<p>100%</p> <p>The application moneys, being the application price multiplied by the principal amount of the retail bonds you apply for, are the amount which you must pay at the time of your application.</p>

Series Issue Number	Silver Bond Series 03GB2710R
Subscription price	The subscription price is equal to the application price.
Application channels*	Applications can be made through placing banks or designated securities brokers***.
Eligibility criteria	You can only apply for retail bonds if you (i) hold a valid Hong Kong identity card; and (ii) were born on or before 31 December 1965.
Transfer restrictions	You cannot transfer your retail bonds to any other person save for the transfer to your successor under relevant succession law.
Early redemption request	If you wish to sell your retail bonds before maturity, you may only submit an early redemption request in the form specified by your placing bank or designated securities broker to your placing bank or designated securities broker on any business day between 9:00 a.m. and 5:00 p.m. (or such other hours as specified by your placing bank or designated securities broker). Your retail bonds will be redeemed on a day (the Early Redemption Settlement Date) falling on the third business day following receipt by your placing bank or designated securities broker of your early redemption request in relation to your retail bonds at an amount equal to their principal amount together with accrued but unpaid interest for the period from (and including) the interest payment date immediately preceding the Early Redemption Settlement Date (or if none, the issue date) up to (but excluding) the Early Redemption Settlement Date and at a fixed rate of 4.00% per annum.
Handling fee**	0.15% This is the fee that you pay your placing bank for handling your application, calculated as a percentage of the application moneys of the retail bonds you apply for. It is in addition to the application moneys. Your placing bank may choose to waive or reduce the amount of the handling fee it charges. This fee applies only to applications made through a placing bank.
Brokerage fee**	For applications made through a designated securities broker, the level of brokerage fee that you pay is determined by your designated securities broker (and may be higher than or lower than 0.15%). Please consult your designated securities broker on how this fee is charged.
Principal application amounts	The minimum principal amount of retail bonds you can apply for is HK\$10,000. You must apply for a principal amount of retail bonds which is an integral multiple of HK\$10,000. Applications for a principal amount of retail bonds which is less than HK\$10,000 or for a principal amount of retail bonds which is not an integral multiple of HK\$10,000 will be rejected.
Minimum denomination	HK\$10,000

Series Issue Number	Silver Bond Series 03GB2710R	
Maximum principal allocation amount	HK\$1,000,000 per investor This is the maximum principal allocation amount per investor for this series of retail bonds set by HKSAR Government to prevent an over-concentration of holdings in retail bonds by a single investor. See further the paragraph entitled “What other matters should I be aware of in applying for retail bonds?” below.	
Total issue amount	The total issue amount is expected to be up to HK\$50,000,000,000, which is subject to adjustment by HKSAR Government to a maximum issue amount of HK\$55,000,000,000. HKSAR Government will decide the total principal amount of the retail bonds to be issued in light of market conditions.	
Minimum issue amount	No specified minimum issue amount.	
Maximum issue amount	HK\$55,000,000,000 This is the maximum principal amount of this series of retail bonds that HKSAR Government may issue.	
Maturity date[#]	25 October 2027 HKSAR Government will repay 100% of the principal amount of your retail bonds on the maturity date.****	
Interest payment dates and relevant interest determination dates[#]	Interest payment date****	Relevant interest determination date****
	<i>First:</i> 23 April 2025	9 April 2025
	<i>Second:</i> 23 October 2025	9 October 2025
	<i>Third:</i> 23 April 2026	9 April 2026
	<i>Fourth:</i> 23 October 2026	8 October 2026
	<i>Fifth:</i> 23 April 2027	9 April 2027
	<i>Maturity date:</i> 25 October 2027	11 October 2027
Listing	The retail bonds will not be listed on any stock exchange.	
Use of proceeds	<p>Proceeds received from the issue of the retail bonds will be used to fund one or more of the “Eligible Projects” as defined in the Infrastructure Bond Framework.</p> <p>The “Eligible Categories” of projects include:</p> <ul style="list-style-type: none"> > Port and Airport Development; > Buildings; > Drainage; > Civil Engineering; > Highways; > New Towns and Urban Area Development; > Infrastructure Projects under Capital Subvention Mode; > Waterworks; and > Housing. 	

HKSAR Government may change the subscription period and/or the issue date and/or subsequent key dates (including the interest payment dates, interest determination dates and maturity date). In such case, HKSAR Government will make an announcement on the change of date(s) on www.hkma.gov.hk and on www.hkgb.gov.hk.

* You cannot make an application to HKSCC directly. Please see the section entitled “Application channels” for a list of the placing banks and designated securities brokers through which you may apply for the retail bonds.

** Upon application, the handling fee (if any) or, as the case may be, the brokerage fee (if any) equal to a percentage of the application moneys will be payable.

*** A **designated securities broker** is a securities broker, a custodian bank or any other institution admitted to CCASS as a clearing participant or custodian participant which is included in the list of designated securities brokers in the section entitled "Application channels – Designated securities brokers". CCASS means the Central Clearing and Settlement System operated by HKSCC.

**** Unless specified otherwise, if the due date for any action on the part of HKSAR Government in relation to a retail bond, including making a payment, is not a business day in Hong Kong, then HKSAR Government will perform such action on the next day which is a business day in Hong Kong unless that day falls in the next calendar month, in which case HKSAR Government will perform such action on the day immediately preceding the due date which is a business day in Hong Kong. If the due date for any such action ceases to be a business day in Hong Kong, for example, if there is a "black" rainstorm warning, a tropical cyclone warning signal number 8 or above or an "extreme conditions" announcement in force in Hong Kong, then HKSAR Government will perform the action on the next day which is a business day in Hong Kong not affected by the cessation. Where a payment date is so changed, interest shall continue to accrue to the new payment date and any additional interest or, where the new payment date is a date falling before the original due date, any reduction in interest, shall be taken into account for the purposes of calculating any amounts of interest payable in respect of the applicable interest period.

IMPORTANT INVESTMENT CONSIDERATIONS

An investment in retail bonds is not equivalent to a time deposit and involves investment risks.

Your investment in retail bonds is subject to interest rate risk. The return on your retail bonds may be relatively lower if the prevailing Hong Kong dollar interest rates increase during the term of the retail bonds.

Your investment in retail bonds is also subject to index risk. The retail bonds have an interest rate that includes a component linked to the Composite Consumer Price Index. The return on your retail bonds may be affected by movements in that index.

Your investment in retail bonds may also be subject to liquidity risk. There will be no secondary market for the retail bonds. If you wish to sell your retail bonds before maturity, you may only submit an early redemption request to your placing bank or designated securities broker. The retail bonds are not listed and cannot be traded on any stock exchange.

In terms of infrastructure investment risk, the retail bonds may not necessarily be a suitable investment if you seek exposure to specific types of infrastructure projects. While the proceeds of the retail bonds will be used to fund one or more of the “Eligible Projects” as defined in the Infrastructure Bond Framework, payments under the retail bonds are not linked to the performance of the relevant Eligible Project(s). The retail bonds are not secured by income from the Eligible Project(s) and you do not have any rights to the Eligible Project(s). HKSAR Government has the sole and absolute discretion to determine the allocation of the proceeds of retail bonds to the Eligible Project(s), which may be changed and/or updated from time to time.

Like investments in any other fixed income instruments, your investment in retail bonds is also subject to credit risk of default on any repayment of principal or any payment of interest. This credit risk can be assessed by referring, among other things, to the credit rating of the issuer of the fixed income instruments or to the credit rating of such instruments themselves if available, but you should not rely solely on such ratings. The retail bonds do not have a specific credit rating, however, HKSAR Government has been assigned specific credit ratings by a number of credit rating agencies as set out in the programme circular, which should be read together with the information presented in the section entitled “The Hong Kong Special Administrative Region” in the programme circular. Such credit ratings may change from time to time, including during the subscription period for this series of retail bonds and at any time on or before the issue date. You should refer to the latest credit rating information published on the HKSAR Government Bonds website at www.hkgb.gov.hk.

The retail bonds are not secured. When you buy retail bonds, you will be relying on the creditworthiness of HKSAR Government. Changes in the creditworthiness of HKSAR Government and in market conditions such as the economic and political environment in Hong Kong and other parts of the world may affect HKSAR Government’s ability to make payments of principal of and interest on your retail bonds. In the worst case scenario, you could lose all of your investment.

Your retail bonds may not have the same terms and conditions as other bonds or notes issued by HKSAR Government or other issuers. In particular, the retail bonds do not restrict HKSAR Government’s power to grant security for any of its indebtedness and do not include any rights of holders of retail bonds to require payments of principal on any date earlier than the maturity date, even in circumstances where HKSAR Government is in breach of its obligations under the retail bonds. Your attention is drawn to the terms and conditions of the retail bonds on pages 9 to 11 of the programme circular. These terms and conditions are varied and/or supplemented for the retail bonds by this issue circular.

Retail bonds are issued in the form of computerised book entries in securities accounts maintained with the Monetary Authority by recognized dealers. They do not exist in physical form and HKSAR Government will not issue certificates for any retail bonds. Title to retail bonds is held by the recognized dealers. You cannot hold retail bonds directly, but must instead hold an interest in retail bonds indirectly through a recognized dealer or through a designated securities broker holding an interest in retail bonds through HKSCC as a recognized dealer on your behalf. You will have to depend on your recognized dealer (and if applicable, your designated securities broker) to make and receive payments on your retail bonds, give and receive notices in relation to them, prove your interest in retail bonds and make claims for any sums which are due under the retail bonds which have not been paid. HKSAR Government does not endorse or guarantee the solvency of any recognized dealer or designated securities broker.

EXPECTED TIMETABLE FOR APPLYING FOR RETAIL BONDS

HKSAR Government may change any date set out below (including the commencement date, closing date, allocation date or issue date) by making an announcement on www.hkma.gov.hk and on www.hkgb.gov.hk.

9:00 a.m. on 30 September 2024 (Monday) Commencement date of subscription period (commencement date)	Applications for retail bonds may be made from this date onwards. See further the section entitled “How to apply for retail bonds” below.
2:00 p.m. on 14 October 2024 (Monday) Closing date of subscription period (closing date)	<p>If you are instructing a placing bank to apply for the retail bonds on your behalf:</p> <p>All applications in person or by internet, telephone or mobile banking must have been submitted by 2:00 p.m. on the closing date. No applications shall be accepted by any placing bank after this time.</p> <p>The application moneys will be collected by debit from 00:00 a.m. on the closing date onwards from your specified bank account with the placing bank to which you gave your application instructions.</p> <p>If you are instructing a designated securities broker to apply for the retail bonds on your behalf through HKSCC:</p> <p>All instructions to apply for retail bonds through your designated securities broker must be received by HKSCC by 2:00 p.m. on the closing date. No instructions for applications for retail bonds will be accepted after this time. Please note that your designated securities broker may under the terms and conditions of your securities account or, as the case may be, custody account stipulate its own deadline (which may be earlier than the closing date) for the submission of instructions to it. You should check with your designated securities broker as to its deadline for the submission of application instructions.</p> <p>The application moneys will be collected by debit on the closing date from the designated bank account of your designated securities broker.</p>
21 October 2024 (Monday) (allocation date)	The allocation date is relevant to HKSAR Government’s internal procedures. This is only relevant to you because a change to the allocation date may result in a change to the issue date, as described below.
23 October 2024 (Wednesday) (issue date)	<p>On or before the issue date, HKSAR Government will announce on www.hkma.gov.hk and on www.hkgb.gov.hk:</p> <ul style="list-style-type: none">• the issue amount;• the principal amount of valid applications received; and• the final allocation results.

If you have instructed a placing bank to apply for the retail bonds on your behalf:

Your placing bank has agreed that, commencing on and from the issue date, it will notify you by mail (or by any alternative methods agreed with them) of your allocation of retail bonds (if any), the applicable subscription moneys (being the amount actually paid by you on the issue date in respect of the retail bonds allocated to you, excluding any fees) and the amount of any refund of your application moneys. The placing banks have agreed to complete all notifications within five business days of the issue date.

Retail bonds allocated to you will be issued against payment in full of your subscription moneys for those retail bonds by your placing bank. Your placing bank has agreed that retail bonds allocated to you will be credited within the same day to your securities or investment account maintained with the relevant placing bank.

All refunds of application moneys and/or any handling fee will be made as described in the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” in the section entitled “How to apply for retail bonds”.

If you have instructed a designated securities broker to apply for the retail bonds on your behalf through HKSCC:

HKSCC has agreed to notify your designated securities broker of your allocation of retail bonds (if any), the applicable subscription moneys and the amount of any refund of your application moneys. HKSCC has agreed to complete all notifications on or before the issue date. You will have to rely on your designated securities broker to pass this information on to you in a timely manner.

Retail bonds allocated to you will be issued against payment in full of your subscription moneys for those retail bonds by HKSCC. HKSCC has agreed that retail bonds allocated to you will be credited within the same day to your designated securities broker’s account with HKSCC.

All refunds of application moneys and/or any brokerage fee will be made as described in the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” in the section entitled “How to apply for retail bonds” below.

business day means a day (other than Saturdays, Sundays and general holidays) on which both the CMU (as defined in this issue circular) is operating and banks in Hong Kong are open for business.

designated bank accounts means the bank accounts designated by CCASS clearing participants or CCASS custodian participants, and approved by HKSCC for money settlement purposes in CCASS.

References to times are to Hong Kong time.

The commencement date and any dates thereafter will only be adjusted or extended in the following circumstances:

- (1) if HKSAR Government changes the subscription period and/or the issue date and/or subsequent key dates by making an announcement on www.hkma.gov.hk and on www.hkgb.gov.hk, the relevant dates shall be adjusted as set out in such announcement.

For the avoidance of doubt, unless HKSAR Government makes an announcement as set out above or the closing date is adjusted as described below, the subscription period will not be automatically extended if any day within the subscription period ceases to be a business day (for example, because of the issue of a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or an “extreme conditions” announcement);

- (2) if any day (other than a Saturday, Sunday or general holiday in Hong Kong) between the closing date and the issue date (exclusive of both dates) falls on a day which is not a business day for any reason, the allocation date and/or the issue date shall be postponed to such dates that the adjusted allocation date and the adjusted issue date are expected to be the fifth business day and the seventh business day respectively following the closing date;
- (3) if the closing date:
 - (a) falls on a day which is not a business day for any reason (other than in the circumstances as set out in paragraph (b) or (c) below), the closing date will be the next business day (which shall become the adjusted closing date), and the adjusted allocation date and the adjusted issue date are expected to be the fifth business day and the seventh business day respectively following the adjusted closing date;
 - (b) falls on a day which is not a business day because banks are not open for business in Hong Kong for part of the day at any time between 9:00 a.m. and 2:00 p.m. (for example, because of the issue of a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or an “extreme conditions” announcement with effect at any time between 9:00 a.m. and 2:00 p.m.), then the closing date will be the next business day (which shall become the adjusted closing date), and the adjusted allocation date and the adjusted issue date are expected to be the fifth business day and the seventh business day respectively following the adjusted closing date; or
 - (c) falls on a day which is not a business day because banks are not open for business in Hong Kong for part of the day at any time after 2:00 p.m. and at or before 5:00 p.m. (for example, because of the issue of a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or an “extreme conditions” announcement with effect at any time after 2:00 p.m. and at or before 5:00 p.m.), then that day shall remain the closing date (and that day shall be deemed to remain a business day) but the allocation date and issue date are expected to be the sixth business day and the eighth business day respectively following the closing date;

- (4) if the allocation date:
- (a) falls on a day which is not a business day for any reason (other than in the circumstances as set out in paragraph (b) below), the allocation date will be the next business day which shall become the adjusted allocation date; or
 - (b) falls on a day which is not a business day because banks are not open for business in Hong Kong for part of the day commencing after 12:00 (noon) (for example, because of the issue of a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or an "extreme conditions" announcement with effect from a time later than 12:00 (noon)), then that day shall remain the allocation date (and that day shall be deemed to remain a business day) but the issue date is expected to be the eighth business day following the closing date; and
- (5) if the issue date falls on a day which is not a business day for any reason, the issue date will be the next business day which shall become the adjusted issue date.

Notwithstanding the above, having regard to prevailing circumstances and other relevant considerations, HKSAR Government may make further changes to any relevant date(s) by making an announcement on the change of date(s) on www.hkma.gov.hk and on www.hkgeb.gov.hk.

HOW TO APPLY FOR RETAIL BONDS

WHERE CAN I GET A COPY OF THE PROGRAMME CIRCULAR AND THIS ISSUE CIRCULAR?

During the subscription period for this series of retail bonds and while this series of retail bonds is still outstanding, you can visit the HKSAR Government Bonds website at www.hkgb.gov.hk to view the programme circular and this issue circular.

HKSAR Government has only published an electronic version of this issue circular and the programme circular. HKSAR Government will not provide printed copies of this issue circular or the programme circular to any person in relation to the offering of this series of retail bonds.

AM I ELIGIBLE TO APPLY FOR THIS SERIES OF RETAIL BONDS?

You can only apply for this series of retail bonds if you (i) hold a valid Hong Kong identity card; and (ii) were born on or before 31 December 1965. These are referred to in this issue circular as the **eligibility criteria**. An application using a joint account can only be made if the applicant satisfies the eligibility criteria. HKSAR Government has the right to redeem any retail bonds allocated to an applicant who did not satisfy the eligibility criteria at the time of application for the retail bonds. Such bonds will be redeemed at an amount equal to their principal amount multiplied by the subscription price, on the date specified in the notice without any payment of accrued and unpaid interest.

By making an application for the retail bonds, you consent to the redemption of the retail bonds in accordance with the terms and conditions of the retail bonds by HKSAR Government, including directly through the recognized dealer through which you will hold the retail bonds.

See further the paragraph entitled “What confirmations do I have to make?” below in relation to other restrictions and the paragraph entitled “Can I make multiple applications for retail bonds?” below for more information about making an application using a joint account.

HOW CAN I APPLY FOR THIS SERIES OF RETAIL BONDS?

The subscription period for this series of retail bonds is from 9:00 a.m. on Monday, 30 September 2024 to 2:00 p.m. on Monday, 14 October 2024.

See further the paragraph entitled “How will I know if my application is successful?” below in relation to possible changes to the subscription period.

You can apply for this series of retail bonds through either of the following application channels:

- through any of the placing banks listed on page 27 of this issue circular; or
- through any of the designated securities brokers listed on pages 23 to 24 of this issue circular.

You cannot make an application to HKSCC directly even if you are an investor participant of HKSCC.

Applications for retail bonds must be submitted before 2:00 p.m. on Monday, 14 October 2024.

If you are applying through a designated securities broker, your designated securities broker may stipulate its own deadline (which may be earlier than the closing date) for the submission of application instructions to it. Please consult your designated securities broker if in doubt.

CAN I APPLY TO HKSAR GOVERNMENT DIRECTLY FOR RETAIL BONDS?

No. The retail bonds are issued in the form of computerised book entries in securities accounts maintained by recognized dealers with the Central Moneymarkets Unit (CMU) operated by the Monetary Authority. These securities accounts are referred to in this issue circular as **CMU accounts**. Individual investors cannot open a personal account with the CMU. You can therefore only apply for retail bonds through a placing bank or a designated securities broker.

WHAT OTHER MATTERS SHOULD I BE AWARE OF IN APPLYING FOR RETAIL BONDS?

You may only subscribe for retail bonds in a principal amount which is an integral multiple of HK\$10,000. Applications for a principal amount which is less than HK\$10,000 or for a principal amount of retail bonds which is not an integral multiple of HK\$10,000 will be rejected.

HKSAR Government has set a maximum principal allocation amount of HK\$1,000,000 per investor for this series of retail bonds to prevent an over-concentration of holdings in retail bonds by a single investor. Please note that the principal amount of retail bonds allocated to you may be less than such maximum principal allocation amount (for example, if this series of retail bonds is over-subscribed). Any application for a principal amount of this series of retail bonds which is greater than such maximum principal allocation amount will be treated as an application for the maximum principal allocation amount and any application moneys paid in excess of the

application moneys for such maximum principal allocation amount or any lesser amount allocated to you (and, for applications made through a placing bank, any corresponding handling fee) will be refunded without interest. For applications made through a designated securities broker, applicants should consult their designated securities broker for the details of whether or not, and if so how, it will refund to them any application moneys and/or brokerage or other fees. See further the paragraph entitled "What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?" below in relation to refund arrangements.

Any application for retail bonds by you to HKSAR Government through a placing bank or HKSCC (for an investor applying through a designated securities broker) will constitute an offer by you to subscribe for retail bonds.

DOES IT MATTER WHICH APPLICATION CHANNEL I USE?

Different fees may apply depending on how you apply for retail bonds. Fees which may apply are described in the paragraphs entitled "How can I apply for retail bonds through a placing bank?" and "How can I apply for retail bonds through a designated securities broker?" below.

How you apply for retail bonds also affects how you hold the retail bonds if your application is successful. While you may change the way in which you hold the retail bonds from time to time, fees may apply when you do so.

How you hold the retail bonds affects whom you have to rely on to make and receive payments and give and receive notices in relation to the retail bonds, how you prove your interest in the retail bonds and how you make claims for any payments which are due on the retail bonds but have not been paid by HKSAR Government.

See the section entitled "Holding retail bonds" below for more information. If you are unsure about the most suitable method for you to apply for retail bonds, you should seek professional advice.

HOW CAN I APPLY FOR RETAIL BONDS THROUGH A PLACING BANK?

The placing banks for this series of retail bonds are specified on page 27 of this issue circular.

If you wish to apply for retail bonds through a placing bank, you must have a bank account and a securities or investment account with that placing bank. Please note that if you need to open a bank account and/or a securities or investment account with a placing bank in order to apply for retail bonds, your placing bank may require you to undergo an assessment to satisfy the placing bank's regulatory and internal requirements. Each placing bank may apply different terms and

conditions to your securities or investment account with it and charge different handling and other fees.

You can apply for retail bonds through a placing bank at designated branches, or through the placing bank's internet, telephone or mobile banking service as specified on pages 27 to 28 of this issue circular. You should contact the relevant placing bank to find out the locations of the designated branches and the availability of internet, telephone and mobile banking services.

When you apply for retail bonds through a placing bank, you must pay the application moneys for those retail bonds plus a handling fee, if any. A handling fee may be charged by the placing banks at their sole discretion. The maximum amount of the handling fee which may be charged by a placing bank is 0.15% of the application moneys of the retail bonds you apply for. A placing bank may charge additional fees for any other services it performs for you in connection with the retail bonds. For example, a placing bank may charge fees for custody of the retail bonds and/or for transferring retail bonds.

You must ensure that your application complies with the requirements specified by your placing bank.

HOW CAN I APPLY FOR RETAIL BONDS THROUGH A DESIGNATED SECURITIES BROKER?

The designated securities brokers for this series of retail bonds are specified on pages 23 to 24 of this issue circular.

You may apply for retail bonds through a designated securities broker who will apply for retail bonds on your behalf through HKSCC (you cannot make an application to HKSCC directly).

To apply through a designated securities broker you must have a securities or custody account with that designated securities broker. Please note that if you need to open a securities or custody account with a designated securities broker in order to apply for retail bonds, your designated securities broker may require you to undergo an assessment to satisfy the designated securities broker's regulatory and internal requirements. Different designated securities brokers may apply different terms and conditions to your securities or custody account and charge different brokerage and other fees.

When you apply for retail bonds through a designated securities broker, you must pay the application moneys for the retail bonds you are applying for plus a brokerage fee, if any. The level of the brokerage fee, if any, that you must pay is determined by your designated securities broker (and may be higher than or lower than 0.15%). Your designated securities broker may charge additional fees for any other services it performs

for you in connection with the retail bonds. For example, your designated securities broker may charge fees for custody of the retail bonds and/or for transferring the retail bonds.

HKSCC accepts no responsibility for the services provided by any designated securities brokers or for any losses arising from the application by any person for the retail bonds through the designated securities brokers.

DO I NEED AN APPLICATION FORM?

You will not be issued an official application form for retail bonds. However, in order to standardise and streamline the application process, HKSAR Government has prepared a standard application template for use by the placing banks and designated securities brokers in executing your instructions. You will be required to make a series of confirmations and acknowledgements.

WHAT CONFIRMATIONS DO I HAVE TO MAKE?

When you apply for this series of retail bonds, you are deemed to confirm for the benefit of HKSAR Government and your placing bank (if you apply through a placing bank) or HKSCC and your designated securities broker (if you apply through a designated securities broker) that:

- (1) you agree to accept the retail bonds applied for on the basis of the programme circular and this issue circular, or any lesser amount allocated to you;
- (2) you understand that no certificates of title will be available for your retail bonds or any other retail bonds, that the retail bonds are in book-entry form only, that legal title to the retail bonds is held at all times and under all circumstances by the recognized dealer to whose CMU account the retail bonds are credited and that you acquire no direct rights against HKSAR Government in respect of your retail bonds;
- (3) you agree that if you are not allocated any retail bonds or if the retail bonds you have applied for are not issued to you in full for any reason, the whole or an appropriate portion of the application moneys will be refunded to you without interest and at your own risk and that all interest which may have accrued between the date of your application and the date of such refund will be retained for the benefit of the holder(s) of the account (s) to which such amounts have been credited (being such of HKSAR Government, your placing bank, HKSCC and/or your designated securities broker, as may be applicable). If

you apply through a designated securities broker, you should consult your designated securities broker for the details of whether or not, and if so how, it will refund to you any application moneys and/or brokerage or other fees. Please see further the paragraph entitled "What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?" below;

- (4) you understand that the retail bonds will be held through the CMU, a debt securities custodian, clearing and settlement system operated by the Monetary Authority, which means that:
 - (a) if you hold your retail bonds through a recognized dealer which is a placing bank, you will have to rely on your recognized dealer:
 - (i) to credit the account you hold with your recognized dealer with interest and principal payments credited to its settlement account;
 - (ii) to distribute notices to you which your recognized dealer receives from HKSAR Government; and
 - (iii) to prove your holding in your retail bonds.
 - (b) if you hold your retail bonds through a designated securities broker:
 - (i) you will have to rely on your designated securities broker to put in place arrangements with HKSCC for HKSCC to credit the designated bank account of your designated securities broker with interest and principal payments credited to HKSCC's settlement account, and to distribute to your designated securities broker notices which HKSCC receives from HKSAR Government and to prove your designated securities broker's holding in retail bonds; and
 - (ii) you will have to rely on your designated securities broker to credit the account you hold with it with interest and principal

payments credited by HKSCC to its designated bank account, and you will also have to rely on your designated securities broker to distribute notices to you which it receives from HKSCC and to prove your holding in your retail bonds.

In this paragraph (4), **settlement account** means, in relation to a recognized dealer which is a licensed bank, the account maintained by that recognized dealer with the Monetary Authority through which its own clearing balance is settled or, in relation to a recognized dealer which is not a licensed bank, the account maintained by its designated correspondent bank with the Monetary Authority for the purpose of settling, inter alia, interbank payments;

- (5) you have accessed an electronic copy of this issue circular and the programme circular, have read and understood this issue circular and the programme circular and have relied on no other information or material in applying for the retail bonds;
- (6) you understand and agree that HKSAR Government accepts no responsibility for the provision of brokerage, custody, banking (including internet, telephone and mobile banking) or any other services by any recognized dealer (whether a placing bank or HKSCC) or designated securities broker or for any consequences of, or any losses arising from the use of, any bank account, securities or investment account, custody account or brokerage, custody, banking or any other services of any recognized dealer (whether a placing bank or HKSCC) or designated securities broker;
- (7) you have not made more than one application for this series of retail bonds in accordance with the paragraph entitled “Can I make multiple applications for retail bonds?” below;
- (8) you (i) hold a valid Hong Kong identity card; and (ii) were born on or before 31 December 1965;
- (9) you understand that you cannot transfer your retail bonds to any other person and that there will be no secondary market for your retail bonds;
- (10) you are not located within the United States or Canada and are not a U.S. Person within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended (which includes any person resident in the United States and any partnership or corporation organised or incorporated under the laws of the United States) or a resident of Canada; and you are not acting as an agent of a U.S. Person or a resident of Canada; and
- (11) you agree to the personal information collection statement at the end of this issue circular.

By applying for retail bonds, you make these confirmations to HKSAR Government and your placing bank (if you are applying through a placing bank) or HKSCC and your designated securities broker (if you are applying through a designated securities broker). You understand that HKSAR Government would not otherwise issue you the retail bonds for which you are applying. Your placing bank or designated securities broker may well require you to make these and other confirmations at the time you make your application.

HOW WILL I KNOW IF MY APPLICATION IS SUCCESSFUL?

The total principal amount of this series of retail bonds issued and any other relevant information will be notified by HKSAR Government to the placing banks and HKSCC on or before the issue date.

Retail bonds will be issued on the issue date.

If you apply for retail bonds through a placing bank, your placing bank agrees to notify you within five business days of the issue date of whether your application is successful or unsuccessful and, if your application is successful, of your allocation of retail bonds.

If you apply for retail bonds through a designated securities broker, HKSCC agrees to notify your designated securities broker on or before the issue date of whether your application is successful or unsuccessful and, if your application is successful, of your allocation of retail bonds. You will have to rely on your designated securities broker to pass this notification on to you in a timely manner.

On the issue date, retail bonds will be issued in the form of computerised book entries in the respective CMU accounts of HKSCC and the placing banks who have made successful applications for retail bonds and all subscription moneys paid by successful applicants for purchase of the retail bonds allotted to them will be released to HKSAR Government by HKSCC and the placing banks.

If for any reason the issue date ceases to be a business day (for example, if there is a “black” rainstorm warning, a tropical cyclone warning signal number 8 or above or an “extreme conditions” announcement in force in Hong Kong), then the retail bonds will be issued on the next business day which is not affected by the cessation.

HKSAR Government reserves the right to cancel all or a portion of the offering of this series of retail bonds at any time on or before the issue date and to extend or shorten the subscription period for this series of retail bonds without prior notice. HKSAR Government may also change the commencement date or any dates thereafter by making an announcement on www.hkma.gov.hk and on www.hkgeb.gov.hk. See further the section entitled “Expected timetable for applying for retail bonds” above.

If HKSAR Government so cancels the offering of this series of retail bonds, in part or in whole:

- HKSAR Government will give prompt public notice of the cancellation on or before the issue date;
- this series of retail bonds, or the relevant portion of it, will not be issued; and
- all applicants for this series of retail bonds will be refunded all, or the relevant portion, of their application moneys (and, for applications made through a placing bank, any handling fee) without interest. For applications made through a designated securities broker, applicants should consult their designated securities broker for the details of whether or not, and if so how, it will refund to them any application moneys and/or brokerage or other fees. See further the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” below.

CAN I MAKE MULTIPLE APPLICATIONS FOR RETAIL BONDS?

You may not make more than one application for this series of retail bonds. For this purpose, each application for this series of retail bonds will be identified by a Hong Kong identity card number and will be treated as an application by the person with that Hong Kong identity card number, irrespective of whether the application is made using an account in the sole name of that person or by that person using a joint account with one or more other persons.

Any applications identified by the same Hong Kong identity card number will be treated as multiple applications, which will be rejected.

- If your application is made using an account in your sole name, the application will be identified by your Hong Kong identity card number.
- If your application is made using a joint account in the joint name of you and one or more joint account holders, the application will be identified either by your Hong Kong identity card number or by that of one of your joint account holders. Please confirm with the placing bank or designated securities broker (as may be applicable) through which your application is made which joint account holder’s Hong Kong identity card number will be used for this purpose.

WHAT ARE “APPLICATION MONEYS”? HOW ARE “SUBSCRIPTION MONEYS” DIFFERENT?

Application moneys are the amount which you must pay for the principal amount of retail bonds you are applying for at the time of your application. They are equal to the application price for the retail bonds (as stated in this issue circular) multiplied by the principal application amount. The application moneys will be held from the time you make your application pending release to HKSAR Government of the subscription moneys and/or payment of any refund. See further the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” below in relation to refund arrangements.

The **subscription moneys** are the amount which you actually pay for the principal amount of retail bonds allocated to you at the time of issue of this series of retail bonds. The subscription moneys are paid to HKSAR Government out of your application moneys.

The subscription moneys are equal to the principal amount of retail bonds allocated to you multiplied by the subscription price for those retail bonds. The subscription price of this series of retail bonds is equal to the application price.

Neither the application moneys nor the subscription moneys include any handling, brokerage or other fees.

WHAT ARE THE ARRANGEMENTS WITH THE PLACING BANKS FOR SELLING THE RETAIL BONDS?

The legal framework under which HKSAR Government arranges for the offering, issue and placing of retail bonds is contained in the **programme agreement** which was entered into in September 2024 by HKSAR Government with, among others, the initial placing banks and nominees, as amended or supplemented from time to time. Scheduled to the programme agreement are, among others, the terms of the placing bank agreement and the nominee agreement which will be entered into by HKSAR Government and the relevant placing banks and nominees in relation to each series of retail bonds. The programme agreement and (in relation to each series) the placing bank agreement and the nominee agreement record the detailed arrangements between HKSAR Government and the placing banks and nominees involved in the offering of the retail bonds. As an investor in retail bonds, you do not have any rights under these agreements.

The placing banks appointed for this series of retail bonds are specified in this issue circular. Each placing bank will receive a placing fee from HKSAR Government of 0.15% of the principal amount of retail bonds issued to such placing bank to be paid within 30 days of the issue date. They may also receive a handling fee from successful applicants in respect of retail bonds allocated to them. If you are not allocated the full amount of retail bonds you have applied for, or are allocated no retail bonds at all, any handling fee you have paid for the retail bonds which you are not allocated will be refunded in full without interest. Please see further the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” below for more information about refund arrangements.

There are no soft commission or rebate arrangements between HKSAR Government and any of the placing banks.

WHAT ARRANGEMENTS ARE IN PLACE WITH HKSCC AND THE DESIGNATED SECURITIES BROKERS?

The programme agreement does not govern HKSAR Government’s arrangements with HKSCC. These are governed under a separate agreement entered into in September 2024 between HKSAR Government and HKSCC in connection with the Silver Bond series issued under the IBP

(as amended or supplemented from time to time), as well as by the rules and regulations of the CMU and HKSCC.

The designated securities brokers have each given certain undertakings to HKSAR Government in connection with the subscription, holding and redemption of this series of retail bonds.

HKSAR Government has not otherwise entered into any direct arrangements or agreements with any designated securities brokers. The interests of retail bonds held through any designated securities brokers will be held through HKSCC.

As an investor in retail bonds, you do not have any rights under the agreements or undertakings mentioned above.

HKSCC, on behalf of the designated securities brokers, will receive from HKSAR Government a placing fee of 0.15% of the principal amount of retail bonds issued to HKSCC. The designated securities brokers may also receive a brokerage fee charged directly to successful applicants for retail bonds. If you apply through a designated securities broker, you should consult your designated securities broker for the details of whether or not, and if so how, it will refund to you any brokerage fee you have paid to it if you are not allocated the full amount of retail bonds you have applied for, or are allocated no retail bonds at all. Please see further the paragraph entitled “What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?” below for more information about refund arrangements.

There are no soft commission or rebate arrangements between HKSAR Government and HKSCC or any of the designated securities brokers.

IS THE OFFER UNDERWRITTEN?

The offering of the retail bonds is not underwritten.

WHAT HAPPENS IF THIS SERIES OF RETAIL BONDS IS OVER-SUBSCRIBED?

The total issue amount for this series of retail bonds is expected to be up to HK\$50,000,000,000, which is subject to adjustment by HKSAR

Government as set out below. HKSAR Government has specified the following maximum issue amount for this series:

➤ HK\$55,000,000,000

HKSAR Government may determine or adjust the total issue amount in light of market conditions so long as the total issue amount does not exceed the maximum issue amount set out above. The maximum issue amount will not be adjusted.

If this series of retail bonds is over-subscribed (that is, if the total principal amount of valid applications for retail bonds of this series exceeds the final issue amount for this series), the allocation of retail bonds of this series will depend on the number of valid applications received in respect of this series.

- If the number of valid applications received is equal to or smaller than the number of retail bonds to be issued for this series (i.e. the quotient arrived at by dividing the final issue amount by HK\$10,000), HKSAR Government intends first to satisfy investors applying for a smaller number of retail bonds as much as possible and then to distribute any remaining retail bonds by ballot, at HKSAR Government's sole discretion.
- If the retail bonds are so over-subscribed that HKSAR Government cannot even allocate one HK\$10,000 retail bond to each applicant who has made a valid application, HKSAR Government will allocate the retail bonds by ballot. Those valid applications which are successful in the ballot will each be allocated a retail bond in a principal amount of HK\$10,000.

If you are not allocated the full amount of retail bonds you have applied for, or are allocated no retail bonds at all, the application moneys (and, if you apply through a placing bank, any handling fee) you have paid for the retail bonds which you are not allocated will be refunded in full without interest. If you apply through a designated securities broker, you should consult your designated securities broker for the details of whether or not, and if so how, it will refund to you any application moneys and/or brokerage or

other fees. See further the paragraph entitled "What happens if I am owed a refund for any application moneys and/or handling fee or brokerage fee?" below.

WHAT HAPPENS IF I AM OWED A REFUND FOR ANY APPLICATION MONEYS AND/OR HANDLING FEE OR BROKERAGE FEE?

Some or all of the application moneys and handling fee or brokerage fee, if any, you have paid will be refunded if:

- your application is wholly or partly unsuccessful;
- this series of retail bonds is over-subscribed and as a result you are not allocated all of the bonds you have applied for;
- your application is for a principal amount of retail bonds which exceeds the maximum principal allocation amount of HK\$1,000,000 per investor imposed by HKSAR Government for this series of retail bonds in order to prevent an over-concentration of holdings in retail bonds by a single investor; and/or
- at any time on or before the issue date, HKSAR Government cancels all or a portion of the offering of this series of retail bonds.

If you apply for retail bonds through a placing bank, your placing bank agrees to transfer the corresponding amount of any such refund to your designated bank account with that placing bank within five business days of the issue date.

If you apply for retail bonds through a designated securities broker, HKSCC agrees to refund to your designated securities broker the corresponding amount of any such refund on or before the issue date. You will have to rely on your designated securities broker to pass on such refund to you in a timely manner. You should consult your designated securities broker for the details of whether or not, and if so how, it will refund to you any application moneys and/or brokerage or other fees in any of the circumstances listed above.

HOLDING RETAIL BONDS

HOW DO I HOLD MY RETAIL BONDS?

Retail bonds are issued in the form of computerised book entries in CMU accounts of recognized dealers. This means that the retail bonds are registered securities. HKSAR Government will not issue certificates for any retail bonds.

Individual investors cannot open a personal account with the CMU. You can therefore only hold retail bonds through a recognized dealer or through a designated securities broker holding through HKSCC as a recognized dealer.

Because legal title to retail bonds is held by the recognized dealer who is the holder of the CMU account to which the retail bonds are credited, you cannot hold retail bonds directly. References in this issue circular or the programme circular to you “holding” retail bonds mean your holding of an indirect interest in retail bonds the legal title to which is held by a recognized dealer.

Securities or investment accounts and other services provided to you by your recognized dealer or designated securities broker are provided on its terms and conditions. HKSAR Government is not responsible for the way your recognized dealer or designated securities broker handles your account or the nature or quality of the services it provides.

Discuss this with your recognized dealer or designated securities broker and shop around if you wish: placing banks and designated securities brokers charge varying fees for their services and have different arrangements for processing applications. Ensure you are familiar with the terms and conditions which your recognized dealer or designated securities broker will apply to your account. Ask your recognized dealer or designated securities broker to explain if you are not familiar with these arrangements.

Your total return on an investment in retail bonds will be affected by charges levied by your recognized dealer and/or designated securities broker.

WHO ARE THE RECOGNIZED DEALERS?

A **recognized dealer** is an institution which is appointed by the Monetary Authority as a recognized dealer to hold retail bonds and institutional bonds through the CMU. In respect

of this series of retail bonds, recognized dealers are HKSCC and the placing banks listed on page 27 of this issue circular:

- If you hold retail bonds through a placing bank, then your recognized dealer is that placing bank.
- If you hold retail bonds through a designated securities broker, then your recognized dealer is HKSCC.

HKSCC accepts no responsibility for the services provided by any designated securities brokers or for any losses arising from the application by any person for retail bonds through the designated securities brokers. HKSCC provides CCASS services to participants of CCASS only (but not to you) subject to its rules and procedures. In rendering its services to the CCASS participants, HKSCC will not recognise any right or interest which any person may have or claim to have in relation to any eligible securities deposited into CCASS (including the retail bonds) by your designated securities brokers.

You cannot make an application for retail bonds to HKSCC directly or hold retail bonds through HKSCC even if you are an investor participant of HKSCC.

WHAT MUST I RELY ON MY RECOGNIZED DEALER AND/OR DESIGNATED SECURITIES BROKER TO DO FOR ME?

For all purposes in respect of your retail bonds, HKSAR Government will treat your recognized dealer as the holder of your retail bonds.

If you hold retail bonds through a recognized dealer which is a placing bank, your recognized dealer will hold your retail bonds for you (and any other investors who hold retail bonds through that recognized dealer) in a CMU account. HKSAR Government will pay interest on and principal amounts of your retail bonds to your recognized dealer and you will have to rely on your recognized dealer to ensure that payments on your retail bonds are credited to your account with your recognized dealer in a timely manner and, if necessary, prove your interest in the retail bonds and make claims for any sums due under the retail bonds which HKSAR Government has not paid. Any notices HKSAR Government gives to holders of retail bonds after your retail bonds are issued will be given to your recognized dealer and you will have to rely on your recognized dealer to

ensure that HKSAR Government's notices reach you in a timely manner. Similarly, you will have to rely on your recognized dealer to forward any notices from you to HKSAR Government in a timely manner.

If you hold retail bonds through a designated securities broker, your designated securities broker will arrange to hold your retail bonds for you (together with any retail bonds it holds on behalf of any other investors) in its CCASS account maintained with HKSCC, which will arrange to hold your retail bonds (together with any retail bonds it holds on behalf of any other designated securities brokers) in HKSCC's CMU account. HKSAR Government will pay interest on and principal amounts of your retail bonds to HKSCC for payment to your designated securities broker and you will have to rely on your designated securities broker to ensure that payments on your retail bonds are credited to your account with your designated securities broker in a timely fashion and, if necessary, prove your interest in the retail bonds and make claims for any sums due under the retail bonds which HKSAR Government has not paid. Any notices HKSAR Government gives after your retail bonds are issued will be given to HKSCC for forwarding to your designated securities broker and you will have to rely on your designated securities broker to ensure that HKSAR Government's notices reach you in a timely manner. Similarly, you will have to rely on your designated securities broker to forward any notices from you to HKSAR Government in a timely manner.

HKSAR Government does not accept any responsibility for any account or service provided to you (whether directly or indirectly) by any recognized dealer or designated securities broker.

HOW DO I PROVE MY HOLDING OF RETAIL BONDS?

Legal title to retail bonds is held by the recognized dealer to whose CMU account the retail bonds are credited.

If you hold retail bonds through a recognized dealer which is a placing bank, you must rely on the records and account statements provided by your placing bank to prove your interest in the retail bonds.

If you hold retail bonds through a designated securities broker, you must rely on both the records and account statements provided to you by your designated securities broker and the

records and account statements provided to your designated securities broker by HKSCC through CCASS to prove your interest in the retail bonds.

In all cases, your recognized dealer must rely on the computerised records of the CMU to prove its holdings of the retail bonds in the CMU. The CMU will from time to time issue a statement of your recognized dealer's holding of retail bonds in the CMU. This statement will be conclusive evidence of your recognized dealer's holding of retail bonds in the CMU – you will still need to prove your interest in the retail bonds held by your recognized dealer, as described above.

HOW DOES HKSAR GOVERNMENT MAKE PAYMENTS AND SEND NOTICES?

HKSAR Government makes payments of principal of and interest on retail bonds to your recognized dealer through the Monetary Authority who is acting as the paying representative of HKSAR Government. Once HKSAR Government has so made a payment, it will be under no further obligation to anyone in relation to that payment, even if your recognized dealer or designated securities broker fails to transmit to you your share of the payment or transmits it late.

HKSAR Government issues notices in relation to retail bonds to your recognized dealer through the CMU. You will have to rely on your recognized dealer or, where applicable, designated securities broker, to pass these notices to you.

HOW DO I ISSUE NOTICES AND INSTRUCTIONS TO MY RECOGNIZED DEALER OR DESIGNATED SECURITIES BROKER?

- If your recognized dealer is a placing bank, you can issue notices and instructions as specified in the terms and conditions applicable to your account with your placing bank.
- If you hold retail bonds through a designated securities broker, you can issue notices and instructions as specified in the terms and conditions applicable to your account with your designated securities broker, which can be passed on by your designated securities broker through CCASS.

TRANSFER RESTRICTIONS AND EARLY REDEMPTION OF RETAIL BONDS

HOW DO I SELL OR TRANSFER MY RETAIL BONDS?

You may only transfer your retail bonds from your securities or investment account with a placing bank or designated securities broker to your securities or investment account under the same name(s) with the same placing bank (or designated securities broker, as may be applicable) or another placing bank (or designated securities broker, as may be applicable). To effect this transfer, you must give transfer instruction(s) to the relevant placing bank(s) (or designated securities broker(s), as may be applicable) in accordance with the terms and conditions applicable to your account(s) with the relevant placing bank(s) (or designated securities broker(s), as may be applicable). The relevant placing bank(s) (or designated securities broker(s), as may be applicable) may require you to satisfy their internal requirements and charge you fees for this transfer.

Retail bonds will be transferred from one recognized dealer's CMU account to another's through book entries. Settlement and clearing of transfers are performed through the CMU in accordance with the rules applicable to the CMU.

You cannot transfer your retail bonds to any other person save for the transfer to your successor under relevant succession law. If you wish to sell your retail bonds before maturity, you may only submit an early redemption request to your placing bank or designated securities broker. Please see the paragraph entitled "What are the early redemption arrangements for retail bonds?" below.

WHAT ARE THE EARLY REDEMPTION ARRANGEMENTS FOR RETAIL BONDS?

HKSAR Government has appointed the placing banks listed on page 27 of this issue circular and made arrangements with designated securities brokers listed on pages 23 to 24 of this issue circular to handle early redemption requests from holders of retail bonds who wish to sell their retail bonds before maturity.

If you wish to sell your retail bonds before maturity, you may submit an early redemption request to your placing bank or designated securities broker on any business day between 9:00 a.m. and 5:00 p.m. (or such other hours as specified by your placing bank or designated securities broker). Please check with your placing bank or designated securities broker for further details.

Your retail bonds will be redeemed on a day (the **Early Redemption Settlement Date**) falling on the third business day following receipt by your placing bank or designated securities broker of your early redemption request in relation to your retail bonds at an amount equal to their principal amount together with accrued but unpaid interest for the period from (and including) the interest payment date immediately preceding the Early Redemption Settlement Date (or if none, the issue date) up to (but excluding) the Early Redemption Settlement Date at a fixed rate of 4.00% per annum (calculated on the actual number of days in the relevant period, on the basis of a 365-day year and rounded to the nearest cent).

You should note that after your retail bonds are redeemed, you have no further rights under the retail bonds. In particular, you will not receive any additional interest even if the interest rate for the relevant interest payment date immediately after the Early Redemption Settlement Date is higher than 4.00% per annum.

FREQUENTLY ASKED QUESTIONS

A. GENERAL INFORMATION

WHAT ARE THE RETAIL BONDS?

HKSAR Government has set up the IBP to enable better management of the cashflow needs of major infrastructure projects and facilitate their early completion for the good of the economy and people's livelihood. The retail bonds are being issued under the IBP and offered to applicants who satisfy the eligibility criteria. For a detailed description of the IBP and the background to the retail bonds, see the section entitled "Retail bond issuances under the Infrastructure Bond Programme" in the programme circular.

The interest payment mechanism for this series of retail bonds is further described in the paragraph entitled "What will be my investment return from retail bonds?" below.

WHAT WILL THE PROCEEDS OF THIS SERIES OF RETAIL BONDS BE USED FOR?

The proceeds of this series of retail bonds will be used to fund one or more of the "Eligible Projects" as defined in the Infrastructure Bond Framework.

WHAT ARE THE RATINGS OF RETAIL BONDS?

This series of retail bonds has not been given a credit rating specific to it. HKSAR Government has been assigned specific credit ratings by a number of credit rating agencies as set out in the programme circular, which should be read together with the information presented in the section entitled "The Hong Kong Special Administrative Region" in the programme circular. Such credit ratings may change from time to time, including during the subscription period for this series of retail bonds and at any time on or before the issue date. You should refer to the latest credit rating information published on the HKSAR Government Bonds website at www.hkgeb.gov.hk.

Like investments in any other fixed income instruments, your investment in retail bonds is also subject to credit risk of default on any repayment of principal or any payment of interest. This credit risk can be assessed by referring, among other things, to the credit rating of the issuer of the fixed income instruments or to the credit rating of such instruments themselves if available, but you should not rely solely on such credit ratings.

B. INVESTMENT RETURN

WHAT ARE THE KEY BENEFITS OF INVESTING IN RETAIL BONDS?

This series of retail bonds:

- is issued by HKSAR Government, which has a strong "investment grade" credit rating;
- may offer higher interest rates than Hong Kong dollar time deposits of similar maturities; and
- offers half-yearly interest payments that are linked to inflation, subject to a pre-specified minimum interest rate, for the entire term of your investment.

WHAT WILL BE MY INVESTMENT RETURN FROM RETAIL BONDS?

HKSAR Government will repay 100% of the principal amount of the retail bonds at maturity.

In addition, HKSAR Government will pay interest on the scheduled interest payment date at the end of every 6 months. The annual interest rate to be used for each interest payment date will be determined on the relevant interest determination date as the higher of:

- the floating rate, being the arithmetic average of the year-on-year rates of change in the Composite Consumer Price Index compiled and published by the Census and Statistics Department of HKSAR Government based on the results of the most recent Household Expenditure Survey at the relevant interest determination date (currently being the 2019/20-based Composite Consumer Price Index) for the 6 most recent preceding months, rounded to the nearest two decimal places; and
- the fixed rate of 4.00%.

If the floating rate is greater than or equal to the fixed rate, the annual interest rate will be set as the floating rate.

If the fixed rate is greater than the floating rate, the annual interest rate will be set as the fixed rate.

Interest rates will be determined and announced on the relevant interest determination dates. The interest rates will be announced on the HKSAR Government Bonds website at www.hkgh.gov.hk.

In calculating your return, you should also remember to take into account the fees you will incur in applying for the retail bonds and in setting up and maintaining a securities or investment account with your placing bank or designated securities broker to hold the retail bonds and any other costs you may incur.

WHAT IS THE MINIMUM INTEREST RATE PAYABLE ON RETAIL BONDS?

It is 4.00% per annum.

CAN I RE-INVEST INTEREST RECEIVED INTO RETAIL BONDS?

The interest payments received cannot be re-invested into retail bonds.

C. CONSUMER PRICE INDEX

WHICH CONSUMER PRICE INDEX SERIES WILL BE USED IN DETERMINING THE ANNUAL INTEREST RATE ON THE RETAIL BONDS?

The Composite Consumer Price Index compiled and published by the Census and Statistics Department of HKSAR Government (**C&SD**) based on the results of the most recent Household Expenditure Survey (**HES**) at the relevant interest determination date (currently being the 2019/20-based Composite Consumer Price Index) will be used in determining the annual interest rate of this series of retail bonds every 6 months.

HOW IS INFLATION MEASURED UNDER THE CONSUMER PRICE INDEX AND WHAT IS THE COMPOSITE CONSUMER PRICE INDEX?

The Consumer Price Index (**CPI**) is compiled and published by the C&SD. It measures the changes during a specified period in the price level of consumer goods and services generally purchased by households. The year-on-year rate of change in the CPI is widely used as an indicator of the level of inflation affecting consumers over the year in question. Different series of CPIs are compiled to reflect the impact of consumer price changes on

households in different expenditure ranges. The CPI(A), CPI(B) and CPI(C) are compiled based on the expenditure patterns of households in the relatively low, medium and relatively high expenditure ranges respectively. The Composite Consumer Price Index is compiled based on the overall expenditure pattern of all the above households taken together to reflect the impact of consumer price changes on the household sector as a whole.

Different expenditure weightings are used to compile the different CPI series. These weightings are determined every 5 years based on the results of a new HES. The period in which a HES is conducted forms the “base” of a CPI series. The most recent HES was conducted in 2019/20, based on which the CPI series are now being compiled and published as the 2019/20-based CPI series. CPI series based on the results of a more recent HES may be available during the term of the retail bonds.

Further information on the different CPI series is available from the C&SD’s official website at www.censtatd.gov.hk.

D. OTHERS

WHO IS RESPONSIBLE FOR THIS ISSUE CIRCULAR?

HKSAR Government accepts responsibility for the information contained in this issue circular and confirms, having made all reasonable enquiries, that this issue circular contains no untrue statement (including any statement which is misleading in the form and context in which it is included and including any material omission).

None of Bank of China (Hong Kong) Limited and The Hongkong and Shanghai Banking Corporation Limited (the **joint lead managers**) or the placing banks, the designated securities brokers or HKSCC is responsible in any way to ensure the accuracy of this issue circular.

IS THIS ISSUE CIRCULAR AVAILABLE IN CHINESE?

This issue circular is available in English and Chinese.

APPLICATION CHANNELS

Designated securities brokers

Please contact one of the following designated securities brokers if you wish to find out how to apply for this series of retail bonds through the designated securities brokers. As at the date of this issue circular, the securities brokers listed below are the designated securities brokers for the retail bonds and the telephone numbers provided are the hotlines of each of the designated securities brokers for enquiries in relation to how to give application instructions for the retail bonds.

You can give instructions to apply for this series of retail bonds through a designated securities broker at its designated branches or through the designated securities broker's internet, telephone or mobile application service as specified below.

	CCASS Participant ID	Enquiry hotline	Applications			
			Branch	Internet application	Telephone application	Mobile application
Ban Hin Securities Company Limited	B01328	2524 8989	✓		✓	
Bright Smart Securities International (H.K.) Limited	B01668	2343 1428	✓	✓	✓	✓
Caitong International Securities Co., Limited	B01948	3713 2919	✓		✓	
Celestial Securities Limited	B01119	2663 8888	✓	✓	✓	✓
Celetio Investments Limited	B01343	2542 1366	✓			
Centaline Securities Limited	B01941	3968 2222			✓	
Central Wealth Securities Investment Limited	B01897	3958 4600	✓		✓	
Chief Securities Limited	B01584	2500 9228	✓	✓	✓	✓
China PA Securities (Hong Kong) Company Limited	B02176	3762 9688	✓	✓	✓	✓
Cinda International Securities Limited	B01649	2235 7789	✓		✓	
DL Brokerage Limited	B01450	2543 9693	✓			
Eddid Securities and Futures Limited	B02047	2655 0338			✓	✓
Emperor Securities Limited	B01338	2919 2919	✓		✓	
Everbright Securities Investment Services (HK) Limited	B01086	2822 5001	✓	✓	✓	✓
Ever-Long Securities Company Limited	B01523	2541 8006	✓		✓	
Fulbright Securities Limited	B01673	3108 3333	✓	✓	✓	✓
Futu Securities International (Hong Kong) Limited	B01955	2523 3588				✓
Gaoyu Securities Limited	B01230	2877 3188	✓		✓	
Guotai Junan Securities (Hong Kong) Limited	B01565	2509 7524	✓		✓	
iFAST Securities (HK) Limited	B01459	3766 4388		✓	✓	✓
KGI Asia Limited	B01610	2878 5555			✓	
Kingston Securities Limited	B01438	2298 6222	✓		✓	
Luk Fook Securities (HK) Limited	B01556	2980 0804	✓		✓	
Phillip Securities (Hong Kong) Limited	B01345	2277 6777 2277 6555	✓	✓	✓	✓
Prime Securities Limited	B01567	2545 0038			✓	
Prudential Brokerage Limited	B01423	2143 3888	✓	✓	✓	
Sanfull Securities Limited	B01275	2853 2128	✓		✓	
SDICS International Securities (Hong Kong) Limited (Formerly known as Essence International Securities (Hong Kong) Limited)	B01905	2213 1830	✓		✓	
Sino Grade Securities Limited	B01585	2653 7830	✓			
SinoPac Securities (Asia) Limited	B01497	2586 8288	✓	✓	✓	✓
South China Securities Limited	B01289	2330 5881	✓		✓	
SPS Securities Limited	B01290	2869 0638	✓		✓	
Tai Shing Stock Investment Co. Limited	B01676	2542 1727	✓		✓	

	CCASS Participant ID	Enquiry hotline	Applications			
			Branch	Internet application	Telephone application	Mobile application
Tai Tak Securities (Asia) Limited	B01439	2545 5333 WhatsApp: 9017 0047	✓		✓	
UOB Kay Hian (Hong Kong) Limited	B01353	2136 1818	✓		✓	
Valuable Capital Limited	B01904	2500 4588	✓		✓	✓
Winner International Securities Limited	B01231	2853 8038	✓		✓	
Wocom Securities Limited	B01129	2853 0111	✓			

- **In person:** You may go to any designated branch of a designated securities broker to give instructions in person to apply for retail bonds. The list of designated branches for each designated securities broker can be obtained by calling the relevant enquiry hotline above.
- **By internet:** The websites of the designated securities brokers that offer internet application services through which you can apply for retail bonds are set out below:

Bright Smart Securities International (H.K.) Limited	https://www.bsgroup.com.hk
Celestial Securities Limited	https://www.cfsg.com.hk/chi/Security/IPO
Chief Securities Limited	https://www.chiefgroup.com.hk/
China PA Securities (Hong Kong) Company Limited	https://stock.pingan.com.hk
Everbright Securities Investment Services (HK) Limited	https://www.ebshkdirect.com/
	https://trade.ebscn.hk/
	https://www.ebshkfg.com/
Fulbright Securities Limited	www.fulbright.com.hk
iFAST Securities (HK) Limited	https://www.fsmone.com.hk/stocks/explore/stocks-ipo
	https://secure.ifastgp.com.hk/igp/home
Phillip Securities (Hong Kong) Limited	https://trading.poems.com.hk/index2.htm
Prudential Brokerage Limited	www.pru.hk
SinoPac Securities (Asia) Limited	http://www.sinopacasia.com

- By telephone: The telephone application numbers for the designated securities brokers that offer telephone application services through which you can apply for retail bonds are set out below:

	Telephone application number	Service hours
Ban Hin Securities Company Limited	2524 8989 2523 2320	Monday to Friday: 9:30 am to 5:00 pm
Bright Smart Securities International (H.K.) Limited	2537 1371	Monday to Friday: 8:30 am to 7:00 pm
	3961 6688	Monday to Friday: 8:30 am to 6:00 pm Saturday: 10:00 am to 5:00 pm
	3127 0888 3604 1888 3188 0928 3768 7188	Monday to Friday: 8:30 am to 6:00 pm Saturday: 10:00 am to 5:00 pm Sunday: 11:00 am to 5:00 pm
	3193 1688 3763 3388 3929 2798 3666 5688 3768 0888	Monday to Friday: 8:30 am to 6:00 pm Saturday: 10:00 am to 5:00 pm
Caitong International Securities Co., Limited	3713 2919	Monday to Friday: 9:00 am to 6:00 pm
Celestial Securities Limited	2526 8218	Monday to Friday: 9:00 am to 4:00 pm
Centaline Securities Limited	3968 2222	Monday to Friday: 9:00 am to 6:00 pm
Central Wealth Securities Investment Limited	3958 4600	Monday to Friday: 9:30 am to 5:30 pm
Chief Securities Limited	2500 9118 2203 0500	Monday to Friday: 8:30 am to 5:30 pm Saturday: 10:00 am to 1:00 pm
	2500 9199	Monday to Friday: 8:30 am to 6:00 pm Saturday: 10:00 am to 1:00 pm
China PA Securities (Hong Kong) Company Limited	3762 9688	Monday to Friday: 9:00 am to 5:30 pm
Cinda International Securities Limited	2235 7789	Monday to Friday: 9:00 am to 5:30 pm
Eddid Securities and Futures Limited	2655 0328	Monday to Friday: 9:00 am to 6:00 pm
Emperor Securities Limited	2919 2962	Monday to Friday: 9:00 am to 6:00 pm
Everbright Securities Investment Services (HK) Limited	Please contact your Wealth Manager	Monday to Friday: 9:00 am to 4:00 pm
Ever-Long Securities Company Limited	2625 0777	Monday to Friday: 9:00 am to 6:00 pm
Fulbright Securities Limited	3108 3333	Monday to Friday: 9:00 am to 6:00 pm
Gaoyu Securities Limited	2879 8352 2879 8351	Monday to Friday: 9:00 am to 5:30 pm
Guotai Junan Securities (Hong Kong) Limited	2509 7524	Monday to Friday: 9:00 am to 6:00 pm
iFAST Securities (HK) Limited	3766 4388	Monday to Friday: 8:30 am to 6:00 pm
KGI Asia Limited	2878 5555	Monday to Friday: 9:00 am to 6:00 pm
Kingston Securities Limited	2298 6635	Monday to Friday: 9:00 am to 6:00 pm
Luk Fook Securities (HK) Limited	2980 0804	Monday to Friday: 9:00 am to 5:00 pm

	Telephone application number	Service hours
Phillip Securities (Hong Kong) Limited	3653 3066 3653 3030 2277 6656 2277 6779 2280 7366 3651 7381 3651 7380 3651 7385 3667 0666 3667 0668 2943 7477 2943 7466 2943 7499 3925 9289 3925 9299 2277 6633 2277 6655 2277 6669 3653 3000 2277 6663 2277 6699	Monday to Friday: 9:00 am to 6:00 pm
Prime Securities Limited	2545 2185	Monday to Friday: 9:00 am to 6:00 pm
Prudential Brokerage Limited	2143 3888	Monday to Friday: 9:00 am to 5:30 pm
Sanfull Securities Limited	2853 2143	Monday to Friday: 9:30 am to 5:00 pm
SDICS International Securities (Hong Kong) Limited (Formerly known as Essence International Securities (Hong Kong) Limited)	2213 1830	Monday to Friday: 9:00 am to 5:30 pm
SinoPac Securities (Asia) Limited	2523 6685	Monday to Friday: 9:00 am to 6:00 pm
South China Securities Limited	2330 5881 2111 2222	Monday to Friday: 9:00 am to 5:30 pm
SPS Securities Limited	Please contact your Account Executive	Monday to Friday: 9:00 am to 4:00 pm
Tai Shing Stock Investment Co. Limited	2542 1727	Monday to Friday: 8:45 am to 12:00 noon 1:00 pm to 5:30 pm
Tai Tak Securities (Asia) Limited	2545 5333	Monday to Friday: 9:30 am to 5:00 pm
UOB Kay Hian (Hong Kong) Limited	Please contact your investment consultant	Monday to Friday: 9:00 am to 6:00 pm
Valuable Capital Limited	2500 0301	Monday to Friday: 9:00 am to 5:00 pm
Winner International Securities Limited	2853 8000 2853 8038	Monday to Friday: 9:00 am to 5:30 pm

- **By mobile application:** The designated securities broker that offers mobile application services through which you can apply for retail bonds is set out above. Enquiries on how to make an application through the mobile application channel of such designated securities broker can be made by calling the relevant enquiry hotline above.

By making an application through the internet, telephone or mobile application channel, you are required to comply with the terms and conditions in respect of the internet, telephone or mobile application facilities, as the case may be, provided by such designated securities broker.

Placing banks

Please contact one of the following placing banks if you wish to find out how to apply for this series of retail bonds through the placing banks. As at the date of this issue circular, the banks listed below have been appointed as placing banks for the retail bonds and the telephone numbers provided are the hotlines of each of the placing banks for enquiries in relation to how to give application instructions for the retail bonds.

You can give instructions to apply for this series of retail bonds through a placing bank at its designated branches or through the placing bank's internet, telephone or mobile banking service as specified below.

	Enquiry hotline	Applications			
		Branch	Internet banking	Telephone banking	Mobile banking
Bank of China (Hong Kong) Limited	3669 3668	✓	✓	✓	✓
Bank of Communications (Hong Kong) Limited	2239 5559	✓	✓	✓	✓
The Bank of East Asia, Limited	2211 1311	✓	✓		
China CITIC Bank International Limited	2287 6767	✓			
China Construction Bank (Asia) Corporation Limited	2903 8343	✓	✓	✓	✓
Chiyu Banking Corporation Limited	2232 3633	✓	✓	✓	
Chong Hing Bank Limited	3768 6888	✓			✓
Citibank (Hong Kong) Limited	2860 0222	✓			
CMB Wing Lung Bank Limited	2309 5555	✓	✓		✓
Dah Sing Bank, Limited	2828 8001	✓			
DBS Bank (Hong Kong) Limited	2290 8888	✓		✓	
Fubon Bank (Hong Kong) Limited	2566 8181	✓		✓	
Hang Seng Bank Limited	2826 8866	✓	✓	✓	✓
The Hongkong and Shanghai Banking Corporation Limited	2269 2121	✓	✓	✓	✓
Industrial and Commercial Bank of China (Asia) Limited	2189 5588	✓	✓		
OCBC Bank (Hong Kong) Limited	3199 9188	✓			
Public Bank (Hong Kong) Limited	2851 9803	✓			
Shanghai Commercial Bank Limited	2818 0282	✓	✓		
Standard Chartered Bank (Hong Kong) Limited	2886 8868	✓	✓		

- **In person:** You may go to any designated branch of a placing bank to give instructions in person to apply for retail bonds. The list of designated branches for each placing bank can be obtained by calling the relevant enquiry hotline above.

- By internet: The websites of the placing banks that offer internet banking services through which you can apply for retail bonds are set out below:

Bank of China (Hong Kong) Limited	www.bochk.com
Bank of Communications (Hong Kong) Limited	www.hk.bankcomm.com
The Bank of East Asia, Limited	www.hkbea.com
China Construction Bank (Asia) Corporation Limited	www.asia.ccb.com
Chiyu Banking Corporation Limited	www.chiyubank.com
CMB Wing Lung Bank Limited	www.cmbwinglungbank.com
Hang Seng Bank Limited	www.hangseng.com
The Hongkong and Shanghai Banking Corporation Limited	www.hsbc.com.hk/ipo
Industrial and Commercial Bank of China (Asia) Limited	www.icbcasia.com
Shanghai Commercial Bank Limited	www.shacombank.com.hk
Standard Chartered Bank (Hong Kong) Limited	www.sc.com/hk

- By telephone: The telephone banking numbers for the placing banks that offer telephone banking services through which you can apply for retail bonds are set out below:

	Phone banking number	Service hours
Bank of China (Hong Kong) Limited	Investment Service Hotline: 3988 2688 (Press 3 after selecting language) Wealth Management Hotline: 3988 2888 (Press 6 after selecting language) Enrich Banking Hotline: 3988 2988 (Press 6 after selecting language)	Monday to Friday: 8:00 am to 8:00 pm Saturday: 8:00 am to 3:00 pm
Bank of Communications (Hong Kong) Limited	2269 9033	Monday to Friday: 9:00 am to 6:00 pm Saturday: 9:00 am to 1:00 pm
China Construction Bank (Asia) Corporation Limited	2903 8343	Monday to Friday: 9:00 am to 6:00 pm
Chiyu Banking Corporation Limited	Cantonese: 2232 3882 English: 2232 3887 Putonghua: 2232 3883 Wealth Management/Enrich Banking Hotline: 2232 3638 (Press 4, then 2 after selecting language)	Monday to Friday: 8:00 am to 8:00 pm Saturday: 8:00 am to 3:00 pm
DBS Bank (Hong Kong) Limited	2290 8888 (Press 3 after selecting language)	Monday to Friday: 9:00 am to 6:00 pm Saturday: 9:00 am to 1:00 pm
Fubon Bank (Hong Kong) Limited	Enquiry Hotline: 2566 8181 (Press 3 after selecting language)	Monday to Friday: 9:00 am to 7:00 pm Saturday: 9:00 am to 1:00 pm
	Phone Application: 2806 4303	Monday to Friday: 9:30 am to 5:00 pm Saturday: 9:30 am to 12:30 pm
Hang Seng Bank Limited	2826 8866	Monday to Friday: 8:45 am to 5:40 pm Saturday: 9:00 am to 1:00 pm
The Hongkong and Shanghai Banking Corporation Limited	2269 2121	Monday to Friday: 8:00 am to 7:00 pm Saturday: 8:00 am to 1:00 pm

- By mobile banking: The placing banks that offer mobile banking services through which you can apply for retail bonds are set out above. Enquiries on how to make an application through the mobile banking channel of such placing bank can be made by calling the relevant enquiry hotline above.

By making an application through the internet, telephone banking or mobile banking channel, you are required to comply with the terms and conditions in respect of the internet, telephone or mobile banking facilities, as the case may be, provided by such placing bank.

PERSONAL INFORMATION COLLECTION STATEMENT

for Applications for the Silver Bond Series of Retail Bonds issued under the Infrastructure Bond Programme (retail bonds)

This Personal Information Collection Statement is made in accordance with the Personal Data (Privacy) Ordinance, Cap. 486 (the **PDPO**). It sets out the purposes for which your personal data¹ provided by you as an applicant for retail bonds may be used after collection as well as what you are agreeing to in respect of the use, disclosure, transfer and retention of your personal data by the Government of the Hong Kong Special Administrative Region of the People's Republic of China (**HKSAR Government**) as the issuer of retail bonds and your rights under the PDPO.

Purposes of Collection of Personal Data

It is necessary for you as an applicant for retail bonds, when applying for retail bonds, to provide your personal data to HKSAR Government and any agents or parties duly authorised by it in connection with the retail bond issuance.

Failure to provide your personal data may result in your application for retail bonds being rejected, delay or an inability to process your application. It may also result in delay to the allocation of retail bonds to you if your application is successful or to any refund being made to you if you are owed a partial or full refund of your application moneys.

It is important that you inform the person or party to whom you provided your personal data immediately upon becoming aware of any inaccuracy in or change to your personal data so provided.

Your personal data provided in your application for retail bonds will be used for one or more of the following purposes:

- (a) processing your application;
- (b) verifying the validity of your application;
- (c) enabling compliance with the terms and application procedures set out in the relevant application form and this issue circular;
- (d) conducting identity and signature verifications;
- (e) enabling exchange of information directly or indirectly between HKSAR Government as the issuer of retail bonds and you;
- (f) statistical purposes;
- (g) enabling compliance with all applicable laws, rules and regulations, codes and practices binding on or applicable to HKSAR Government or any agents or parties duly authorised by it in connection with the retail bond issuance, or an order of a court of any competent jurisdiction (including making required disclosures);
- (h) any other incidental or associated purposes relating to any of the above purposes; and
- (i) for any other purposes in connection with the retail bond issuance as permitted by law.

¹ The term **personal data** means personal data as defined in the PDPO.

Transfer of Personal Data

Your personal data will be kept confidential but may, for any of the above purposes, be disclosed or transferred to any of the following parties (whether within or outside Hong Kong):

- (a) Hong Kong Monetary Authority, HKSCC, recognized dealers, placing banks and designated securities brokers (as defined in this issue circular);
- (b) any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment, data processing, matching, storage, research, statistical or other services to HKSAR Government for the purposes mentioned above, or to any of the parties mentioned in (a) above in connection with the operation of such party's activity or business for purposes relating to retail bonds;
- (c) any government or regulatory bodies;
- (d) any legal adviser, accountant, other financial or professional adviser to HKSAR Government; and
- (e) any other persons with whom, or institutions with which, you as a holder of retail bonds have or propose to have dealings for purposes relating to your retail bonds, including but without limitation your bankers, legal advisers, accountants or stockbrokers.

Access to and Correction of Personal Data

Under the PDPO, you have:

- (a) the right to check whether HKSAR Government and/or any of the agents or parties duly authorised by it in connection with the retail bond issuance holds personal data about you and the right of access to such personal data;
- (b) the right to require HKSAR Government and/or any of the agents or parties duly authorised by it in connection with the retail bond issuance to correct any personal data relating to you which is inaccurate; and
- (c) the right, as far as practicable, to ascertain the policies and practices of HKSAR Government and/or any of the agents or parties duly authorised by it in connection with the retail bond issuance in relation to personal data for purposes relating to retail bonds.

In accordance with the PDPO, HKSAR Government and/or any of the agents or parties duly authorised by it in connection with the retail bond issuance have the right to charge a reasonable fee for processing of any data access request. All requests for access to or correction of personal data held by HKSAR Government and/or any of the agents or parties duly authorised by it in connection with the retail bond issuance, or for information regarding the policies and practices of such parties in relation to the personal data for purposes relating to retail bonds should be addressed to:

Hong Kong Monetary Authority

Attention: The Data Protection Officer

Address: 55/F, Two International Finance Centre

8 Finance Street, Central, Hong Kong

Fax Number: 2878 8262

Email: hkgbenquiry@hkma.gov.hk

PARTIES INVOLVED IN THE RETAIL BOND ISSUANCE

ISSUER

The Government of the Hong Kong Special Administrative Region of the People's Republic of China

ISSUER'S REPRESENTATIVE AND ISSUING AND PAYING REPRESENTATIVE

Monetary Authority

55th Floor Two International Finance Centre
8 Finance Street
Central
Hong Kong

JOINT LEAD MANAGERS

Bank of China (Hong Kong) Limited

34/F Bank of China Tower
1 Garden Road
Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited

Level 17
HSBC Main Building
1 Queen's Road Central
Hong Kong

COUNSEL TO THE ISSUER AND THE ISSUER'S REPRESENTATIVE

Deacons

5th Floor Alexandra House
18 Chater Road
Central
Hong Kong

Herbert Smith Freehills

23rd Floor Gloucester Tower
15 Queen's Road Central
Central
Hong Kong

COUNSEL TO THE JOINT LEAD MANAGERS

Clifford Chance

27th Floor Jardine House
One Connaught Place
Central
Hong Kong