

Tender of one-year HONIA-indexed Floating Rate Notes under Institutional Bond Issuance Programme to be held on February 16

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

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announced today (February 7) that a tender of one-year HONIA-indexed Floating Rate Notes (Notes) under the Institutional Bond Issuance Programme will be held on February 16 (Wednesday), for settlement on February 17 (Thursday).

A total of HK\$1.0 billion one-year Notes will be tendered. The Notes will mature on February 17, 2023 and will carry interest indexed to the Hong Kong Dollar Overnight Index Average (HONIA), payable quarterly in arrears.

Under the Institutional Bond Issuance Programme, tender is open only to Recognized Dealers which are appointed as Primary Dealers. Anyone wishing to apply for the Notes on offer can do so through any of the Primary Dealers on the current published list, which can be obtained from the Government Bond Programme's website at www.hkgb.gov.hk. Each tender must be for an amount of HK\$50,000 or integral multiples thereof.

Tender results will be published on the HKMA's website, the Government Bond Programme's website, the Refinitiv screen (HKGBINDEX), and Bloomberg (GBHK <GO>) not later than 3pm on the tender day.

HKSAR Government Institutional Bond Issuance Programme tender information

Tender information of one-year HONIA-indexed Floating Rate Notes under the Institutional Bond Issuance Programme:

Issue Number	: 01GH2302
Stock Code	: 4251 (HKGB FRN 2302)
Tender Date and Time	: February 16, 2022 (Wednesday) 9.30am to 10.30am
Issue and Settlement Date for Tender Amount	: February 17, 2022 (Thursday)
Amount on Offer	: HK\$1.0 billion
Issue Price	: At par
Maturity	: one year
Maturity Date	: February 17, 2023

Interest Rate	:	Indexed to the sum of the annualised compounded average of daily HONIA in each interest period and the highest accepted spread at tender, subject to a minimum of 0 per cent per interest period. Details on calculation of interest rate are available at the Information Memorandum on the Government Bond Programme's website at www.hkgeb.gov.hk .
Interest Period	:	May 18, 2022
End Dates	:	August 18, 2022 November 18, 2022 February 17, 2023
Interest Payment Dates	:	May 20, 2022 August 22, 2022 November 22, 2022 February 21, 2023
Method of Tender	:	Competitive tender
Tender Amount	:	Each competitive tender must be for an amount of HK\$50,000 or integral multiples thereof. Any tender applications for the Notes must be submitted through a Primary Dealer on the current published list.
Other Details	:	Please see Information Memorandum available on the Government Bond Programme's website at www.hkgeb.gov.hk or approach Primary Dealers.
Expected Listing Date	:	February 18, 2022

Survey on Small and Medium-Sized Enterprises' Credit Conditions for Fourth Quarter 2021

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

The Hong Kong Monetary Authority (HKMA) published today (February 7) the results of Survey on Small and Medium-Sized Enterprises (SMEs)' Credit Conditions for the fourth quarter of 2021.

Regarding SMEs' perception of banks' credit approval stance relative to six months ago, excluding respondents who answered "no idea/don't know", 87 per cent perceived similar or easier credit approval stance in the fourth quarter of 2021, compared with 88 per cent in the previous quarter. 13 per cent perceived more difficult credit approval stance, compared with 12 per cent in the previous quarter (Chart 1 in the Annex). The perception of more

difficult credit approval stance may not necessarily reflect actual difficulties faced by SMEs in obtaining bank credit as the perception could be affected by a number of factors, such as media/news reports, business conditions and opinions of relatives and friends.

Of respondents with existing credit lines, 95 per cent reported that banks' stance on existing credit lines was easier or unchanged in the fourth quarter of 2021, and 5 per cent of the respondents reported tighter banks' stance on existing credit lines, broadly similar to the results of the previous quarter (Chart 2 in the Annex). In this survey, tighter stance on existing credit lines denotes a range of possible measures or arrangements, such as reducing unused and used credit lines, raising the interest rate, imposing additional collateral requirements, or shortening loan tenor. Therefore, respondents' indication of banks' stance on existing credit lines may not directly reflect banks' supply of credit to SMEs.

The survey also gauged the results of new credit applications from SMEs. 6 per cent of the respondents reported that they had applied for new bank credit during the fourth quarter of 2021. Among the respondents who had already known their application outcomes, 92 per cent reported fully or partially successful applications, compared with 89 per cent in the previous quarter (Chart 3 in the Annex). 8 per cent reported unsuccessful applications, compared with 11 per cent in the previous quarter.

Owing to small sample sizes of SMEs with existing credit lines (29 per cent of surveyed SMEs) and with new credit applications (6 per cent of surveyed SMEs) during the quarter, the results could be prone to large fluctuations, and hence should be interpreted with care.

About Survey on SMEs' Credit Conditions

In light of the importance of SMEs to the Hong Kong economy and concerns about potential funding difficulties facing SMEs over the past few years, the HKMA has appointed the Hong Kong Productivity Council (HKPC) to carry out this survey, starting from the third quarter of 2016. This survey is conducted on a quarterly basis, covering about 2 500 SMEs from different economic sectors each time. The results of this survey can help monitor the development of SMEs' access to bank credit from a demand-side perspective.

The results of this survey should be interpreted with caution. Similar to other opinion surveys, views collected in this survey may be affected by changes in sentiment due to idiosyncratic events that occurred over the survey period, which can make the results prone to fluctuations. Readers are advised to interpret the results together with other economic and financial information. In addition, views collected are limited to the expected direction of inter-quarter changes (e.g. "tighter", "no change" or "easier") without providing information about the magnitude of these changes.

Detailed tables and technical information of this survey are published on the website of the HKPC (smecc.hkpc.org).

Legal Aid Department staff member preliminarily tested positive for COVID-19

The Legal Aid Department (LAD) today (February 7) said that a Legal Aid Counsel had preliminarily tested positive for coronavirus disease 2019 (COVID-19).

The officer, who had no recent travel history, works at LAD headquarters on 26/F, Queensway Government Offices, and is responsible for processing civil legal aid applications and last performed duties on February 4 without any contact with members of the public. The officer's body temperature was normal on the last day of work and had been wearing a mask while performing duties.

The LAD has closed the Application and Processing Section on 24/F, the Information and Application Services Unit on 25/F, and Civil Litigation (1) on 26/F of the Queensway Government Offices for arranging thorough cleaning and disinfection at the premises concerned. In the meantime, all LAD staff of the offices concerned will work from home. For urgent civil legal aid applications, members of the public can attend Kowloon Branch Office at G/F, Mongkok Government Offices, 30 Luen Wan Street, Mong Kok, Kowloon.

The LAD is highly concerned about the COVID-19 epidemic. Staff are reminded to pay attention to personal hygiene and to stay vigilant. They should seek medical advice immediately if feeling unwell.

Import of poultry meat and products from areas in Germany, Spain and Canada suspended

The Centre for Food Safety (CFS) of the Food and Environmental Hygiene Department announced today (February 7) that in view of notifications from the World Organisation for Animal Health (OIE) about outbreaks of highly pathogenic H5N1 avian influenza in Oberbergischer Kreis District in the State of Nordrhein-Westfalen in Germany, Huelva Province of Andalucía in Spain and Kings County of Nova Scotia Province in Canada, the CFS has instructed the trade to suspend the import of poultry meat and products (including poultry

eggs) from the above-mentioned areas with immediate effect to protect public health in Hong Kong.

A CFS spokesman said that according to the Census and Statistics Department, Hong Kong imported about 470 tonnes of frozen poultry meat and about 1.06 million poultry eggs from Germany, about 860 tonnes of chilled and frozen poultry meat and about 1.78 million poultry eggs from Spain, and about 1 020 tonnes of chilled and frozen poultry meat from Canada last year.

"The CFS has contacted the German, Spanish and Canadian authorities over the issues and will closely monitor information issued by the OIE and the relevant authorities on the avian influenza outbreaks. Appropriate action will be taken in response to the development of the situation," the spokesman said.

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