

Government launches new batch of Silver Bond

The Government announced today (September 10) the launch of a new batch of Silver Bond for subscription by eligible Hong Kong residents.

The target issuance size of the Silver Bond is HK\$50 billion, with each unit offered at HK\$10,000 and a tenor of three years. Interest will be paid semi-annually at a rate linked to inflation in Hong Kong, subject to a minimum of 4 per cent. Hong Kong residents who turn 60 in or before 2025 (i.e. those born in 1965 or before) holding a valid Hong Kong identity card will be eligible for subscription.

The bonds are the retail part of the Infrastructure Bond Programme. Proceeds will be credited to the Capital Works Reserve Fund for investment in infrastructure projects in accordance with the Programme framework. The Government will publish information on the allocation of the proceeds on an annual basis.

The Financial Secretary, Mr Paul Chan, said, "The Hong Kong Special Administrative Region Government continues to issue Silver Bond this year to provide a safe, reliable and low-risk investment option with steady returns for senior citizens, while driving the financial industry to tap into the immense potential of the silver market. This batch of Silver Bond is also issued under the Infrastructure Bond Programme, which will support infrastructure projects for the good of the economy and people's livelihood, and provide our citizens with a 'sense of participation' and a 'sense of gain' in support of Hong Kong's long-term development projects."

The Financial Secretary announced in the 2024-25 Budget that the Government will continue to issue HK\$50 billion worth of Silver Bond this year. Subject to market response, the Government may exercise discretion to increase the issuance size to a maximum of HK\$55 billion from the original HK\$50 billion target.

There will be no secondary market for Silver Bond. Bondholders may sell their bonds before maturity to the Government at par together with accrued but unpaid interest. To encourage greater participation from citizens, a maximum allocation of HK\$1 million per investor will be stipulated, meaning that each investor will be allocated 100 units of retail bonds at most.

The subscription period of the Silver Bond will start from 9am on September 30 and end at 2pm on October 14. The bonds will be issued on October 23. Eligible Hong Kong residents may apply for the bonds through one of the placing banks and designated securities brokers. The offering terms and subscription arrangements of the Silver Bond, including the list of placing banks and designated securities brokers, as well as details of the Infrastructure Bond Programme, will be available on the Hong Kong Government

Bonds website (www.hkgb.gov.hk).