

Government launches retail green bond

The Government announced today (September 5) the launch of a new batch of retail green bond, under the Government Green Bond Programme, for subscription by Hong Kong residents.

The target issue size of the retail green bond is HK\$15 billion. The Government may further increase the issuance size to a maximum of HK\$20 billion having regard to market conditions. As set out in the Government's Green Bond Framework, the proceeds raised under the Programme will be credited to the Capital Works Reserve Fund to finance or refinance green projects that provide environmental benefits and support the sustainable development of Hong Kong. The Government will publish information on the allocation of the proceeds and expected environmental benefits on an annual basis.

The bond will have a tenor of three years. Bond holders will be paid interest once every six months at a rate linked to inflation in Hong Kong, subject to a minimum rate of 4.75 per cent.

The subscription period of the retail green bond will start from 9am on September 18 and end at 2pm on September 28. Hong Kong residents may make applications through a placing bank, securities broker or the Hong Kong Securities Clearing Company Limited.

The retail green bond will be issued on October 10 and listed on the Stock Exchange of Hong Kong on the following business day (October 11). It can be traded in the secondary market afterwards.

"The Government issued last year the inaugural retail green bond which received overwhelming support from the public. It was also the world's largest retail green bond issuance at that time, marking an important milestone for the development of green finance in Hong Kong. The Government's issuance of a new batch of retail green bond will further facilitate market development and at the same time promote financial inclusiveness, offering members of the public investment options with steady returns so that they can also participate in and benefit from the green finance development," the Financial Secretary, Mr Paul Chan, said.

The Secretary for Financial Services and the Treasury, Mr Christopher Hui, said, "Through continuing to issue green bonds, we hope to enrich the green and sustainable finance ecosystem in Hong Kong, and showcase to potential issuers that Hong Kong can provide one-stop services and is the premier platform for issuance of green and sustainable financial products."

Details of the offering terms, subscription arrangements and the use of proceeds of the retail green bond are available on the Government Bonds website (www.hkgb.gov.hk/en/greenbond/greenbondintroduction.html).

