

Government launches retail green bond

The Government announced today (February 15) the launch of the inaugural retail green bond, under the Government Green Bond Programme, for subscription by Hong Kong residents.

"I announced in the 2021-22 Budget the initiative to issue retail green bonds so that residents can directly contribute to greening Hong Kong and share the fruit of the sustainable development of Hong Kong through participating in the green and sustainable finance market. This inaugural retail green bond issuance marks another important milestone in the development of the local green finance market," the Financial Secretary, Mr Paul Chan, said.

The target issue size of the retail green bond is HK\$6 billion. 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 provide information on the allocation of the proceeds and expected environmental benefits of green projects 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 2 per cent.

The subscription period of the retail green bond will start from 9am on March 1 and end at 2pm on March 11. Hong Kong residents may apply for the retail green bond through a placing bank, securities broker or the Hong Kong Securities Clearing Company Limited.

The retail green bond will be issued on March 22 and listed on the Stock Exchange of Hong Kong on the following business day (March 23). It can be traded in the secondary market afterwards.

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