

Government launches seventh batch of Silver Bond

The Government announced today (August 9) the launch of the seventh batch of Silver Bond under the retail part of the Government Bond Programme for subscription by eligible Hong Kong residents.

With a view to offering senior citizens an investment option with steady returns, the Financial Secretary announced in the 2022-23 Budget that the Government will issue Silver Bond this year. The target issuance size of the seventh batch of Silver Bond is HK\$35 billion, and, having regard to market conditions, the Government may exercise discretion to increase the issuance size to a maximum of HK\$45 billion. Hong Kong residents who turn 60 in or before 2023 (i.e. those born in 1963 or before) holding a valid Hong Kong identity card will be eligible for subscription.

The current issue of Silver Bond will be offered at HK\$10,000 per unit with 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 per cent, which is higher than the minimum rate of 3.5 per cent of the sixth batch issued in August last year. There will be no secondary market for Silver Bond. Bond holders may sell their bonds before maturity to the Government at par together with accrued but unpaid interest. To prevent an over-concentration of holdings in retail bonds by a small number of investors, a maximum allocation amount of HK\$1 million per investor will be imposed, meaning that each investor will be allocated 100 units of retail bond at most.

The subscription period of the Silver Bond will start at 9am on August 23 and end at 2pm on September 2. The bond will be issued on September 14. Eligible Hong Kong residents may apply for the bond through one of the 20 placing banks and 27 designated securities brokers.

The Financial Secretary, Mr Paul Chan, said, "Silver Bond is one of our tools in promoting financial inclusion. It offers senior citizens a safe and reliable investment option with steady returns amid an uncertain investment environment. Both the target issuance size and the maximum issuance size, as well as the minimum interest rate of this issuance, are higher than those of our previous issuances, which would help promote greater participation by senior citizens."

Details of the offering terms and subscription arrangements are available at the Hong Kong Government Bonds website (www.hkgb.gov.hk).