

Government launches sixth batch of Silver Bond

The Government announced today (June 29) the launch of the sixth batch of Silver Bond under the retail part of the Government Bond Programme for subscription by eligible Hong Kong residents.

In view of the warm response of the public to the Silver Bond subscription last year, the Financial Secretary announced in the 2021-22 Budget that the Government will issue no less than HK\$24 billion of Silver Bond this year and lower the eligible age for subscription from 65 to 60. The target issuance size of the sixth batch of Silver Bond will therefore be increased substantially from HK\$10 billion last year to HK\$24 billion, and the Government may exercise discretion to increase the issuance size to a maximum of HK\$30 billion having regard to market conditions. Hong Kong residents who turn 60 in or before 2022 (i.e. those born in 1962 or before) while holding a valid Hong Kong identity card will be eligible for subscription.

The current issue of Silver 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 3.5 per cent. 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 from 9am on July 20 and end at 2pm on July 30. The bond will be issued on August 10. Eligible applicants may apply for the bond through one of the 20 placing banks and 24 designated securities brokers.

The Acting Financial Secretary, Mr Christopher Hui, said, "Lowering the eligible age for subscription to 60 will not only allow more citizens to benefit from steady returns in face of the current investment environment of low interest rate clouded by uncertainties, but it will also encourage the financial sector to tap into the immense potential of the silver market."

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