

Press Release

Government announces subscription and allocation results of iBond

Thursday, November 12, 2020

The Government announced today (November 12) the subscription and allocation results of the seventh inflation-linked retail bond, or iBond, issued under the Government Bond Programme.

According to the subscription information submitted by Placing Banks and the Hong Kong Securities Clearing Company Limited (HKSCC), as at the close of the subscription period at 2 pm on November 5, 2020, a total of 456,380 valid applications were received for a total of HK\$38,361,860,000 in principal amount of bonds.

A breakdown of valid applications is as follows –

	Total number of valid <u>applications</u>	Total amount of valid <u>applications (HK\$)</u>
Placing Banks	357,829	34,378,950,000
HKSCC (including the subscription applications made through securities brokers)	98,551	3,982,910,000
Total	456,380	38,361,860,000

The final issue amount is HK\$15 billion. Allocation is conducted in accordance with the mechanism set out in the Issue Circular dated October 5, 2020. The valid applications received have been allocated different amounts of bonds up to a maximum of four units. There are a total of 196,391 applications for three or fewer units. They will be allocated the full amounts applied for. The remaining 259,989 valid applications (i.e. those applying for more than three units) will be allocated three units each and then entered into a ballot. Of these applications, 230,930 will be allocated one additional unit.

The iBond will be issued on November 16, 2020 and listed on the Stock Exchange of Hong Kong on November 17, 2020. Notifications on individual allocation results, applicable subscription moneys and amounts of any refund of application moneys will be made by the Placing Banks and the HKSCC in accordance with the schedule set out in the Issue Circular.

The Financial Secretary, Mr Paul Chan, said, “I am pleased to note that the latest batch of iBond is oversubscribed. As a safe and stable investment alternative, it is well received by the market amid prolonged periods of low interest rates and uncertainty in the investment environment. The launch of the iBond will also enhance citizens’ familiarity and interest in bond investment, thus strengthening the development of the local retail bond market.”

Ends