

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**The Hong Kong Building and Loan Agency Limited**

**香港建屋貸款有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 145)**

**ANNOUNCEMENT**

**(1) PLACING OF EXISTING SHARES,**

**(2) RESTORATION OF PUBLIC FLOAT**

**AND**

**(3) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

References are also made to (i) the joint announcements dated 28 August 2009, 25 September 2009, 2 October 2009 and 23 October 2009 issued by the Offeror and the Company; and (ii) the offer document dated 2 October 2009 issued by the Offeror and the Company in connection with the Offer.

**PLACING OF EXISTING SHARES AND RESTORATION OF PUBLIC FLOAT**

The Company has been informed by the Offeror that it has entered into the Placing Agreement with the Placing Agent on 4 November 2009, after trading hours, pursuant to which, 56,500,000 Shares owned by Island New shall be placed at a placing price of HK\$1.83 per Placing Share by the Placing Agent, on a best effort basis, subject to the terms and conditions of the Placing Agreement. The Placing Shares represent approximately 25.12% of the existing issued share capital of the Company. Upon completion of the Placing, assuming all Placing Shares will be successfully placed by the Placing Agent, the Offeror's interests in the Company, through holding Island New and parties acting in concert with it, will be reduced from 169,325,000 Shares, representing approximately 75.26% of the existing issued share capital of the Company, to 112,825,000 Shares, representing approximately 50.14% of the existing issued share capital of the Company. Accordingly, upon completion of the Placing, the minimum public float of 25% as prescribed under the Listing Rules will also be restored.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:40 a.m. on 5 November 2009 pending for the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 November 2009.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

Reference are also made to (i) the joint announcements dated 28 August 2009, 25 September 2009, 2 October 2009 and 23 October 2009 issued by the Offeror and the Company; and (ii) the offer document dated 2 October 2009 issued by the Offeror and the Company in connection with the Offer.

## **PLACING OF EXISTING SHARES AND RESTORATION OF PUBLIC FLOAT**

The Company has been informed by the Offeror that it has entered into the Placing Agreement with the Placing Agent on 4 November 2009, after trading hours, pursuant to which, 56,500,000 Shares owned by Island New shall be placed at a placing price of HK\$1.83 per Placing Share by the Placing Agent, on a best effort basis, subject to the terms and conditions of the Placing Agreement. The principal terms of the Placing Agreement are summarized below.

### **Parties:**

Parties to the Placing Agreement are:

- (1) the Offeror, which is beneficially wholly-owned by Mr. Tang Yu Ming, Nelson, who is a non-executive Director of the Company as at the date of this announcement; and
- (2) Sun Hung Kai Investment Services Limited as the Placing Agent, which is not a connected person of the Company under the Listing Rules.

As at the date of this announcement, the Offeror, through holding Island New and parties acting in concert with it, were interested in an aggregate of 169,325,000 Shares, representing approximately 75.26% of the issued share capital of the Company.

### **Number of Placing Shares:**

Up to 56,500,000 Shares owned by Island New, representing approximately 25.12% of the existing issued share capital of the Company

**Placing Price:**

The placing price was HK\$1.83 per Share, which is identical to the offer price under the Offer and representing a discount of approximately 18.67% to the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on 4 November 2009, being the last trading day before the suspension of trading on 5 November 2009, and a discount of approximately 16.74% to the average closing price of approximately HK\$2.198 per Share as quoted on the Stock Exchange for the last five trading days up to and including 4 November 2009.

**Completion of the Placing:**

Completion of the Placing is currently expected to take place within 3 business days (as defined in the Listing Rules) from the date of this announcement. Upon completion of the Placing, assuming all Placing Shares will be successfully placed by the Placing Agent, the Offeror's interests in the Company, through holding Island New and parties acting in concert with it, will be reduced from 169,325,000 Shares, representing approximately 75.26% of the existing issued share capital of the Company to 112,825,000 Shares, representing approximately 50.14% of the issued share capital of the Company. On this basis, 112,175,000 Shares, representing approximately 49.86% of the issued share capital of the Company, will be held by public shareholders of the Company after the completion of the Placing. Accordingly, upon Completion of the Placing, the Company's minimum public float of 25% as prescribed under the Listing Rules will also be restored.

To the best of the Company's directors' knowledge, information and belief and having made all reasonable enquiry, the placees are institutional investors while the Placing Agent and the placees and their respective ultimate beneficial owners are all independent from and not connected with the Company, any of the connected persons of the Company or any of their respective associates as defined under the Listing Rules, and there will not be any new substantial shareholder within the meaning of the Listing Rules as a result of the Placing.

Set out below is a table showing the shareholding structure of the Company (i) immediately after the close of the Offer and before the Placing; and (ii) after completion of the Placing:

|  | Immediately after the<br>close of the Offer and<br>before the Placing |               | After completion<br>of the Placing |               |
|--|---|---------------|------------------------------------|---------------|
|  | Number of Shares  | Approximate % | Number of Shares                   | Approximate % |
| The Offeror, through Island New and parties acting in concert with it: | 169,325,000   | 75.26         | 112,825,000                        | 50.14         |
| Placees  | -   | -             | 56,500,000                         | 25.12         |
| Other public Shareholders  | 55,675,000  | 24.74         | 55,675,000                         | 24.74         |
| Sub-total of public Shareholders                                       | <u>55,675,000</u>   | <u>24.74</u>  | <u>112,175,000</u>                 | <u>49.86</u>  |
| <b>Total</b>   | <b>225,000,000</b>  | <b>100.00</b> | <b>225,000,000</b>                 | <b>100.00</b> |

*Note: Assuming all 56,500,000 Shares will be successfully placed by the Placing Agent*

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:40 a.m. on 5 November 2009 pending for the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 6 November 2009.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

|             |   |
|-------------|---|
| “Board”     | the board of Directors  |
| “BVI”       | British Virgin Islands  |
| “Company”   | The Hong Kong Building and Loan Agency Limited (stock code: 145), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “Directors” | directors of the Company  |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China   |

|                     |   |
|---------------------|---|
| “Island New”        | Island New Finance Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Offeror as at the date of this announcement   |
| “Listing Rules”     | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Offer”             | the mandatory unconditional cash offer to be made by Sun Hung Kai International Limited on behalf of the Offeror for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code |
| “Offeror”           | Hyde Park Group Limited, a company incorporated in the BVI with limited liability which is beneficially and wholly-owned by Mr. Tang Yu Ming, Nelson who is a non-executive Director of the Company as at the date of this announcement   |
| “Placing”           | the placing of Placing Shares at a placing price of HK\$1.83 per Placing Share by the Placing Agent, subject to the terms and conditions of the Placing Agreement   |
| “Placing Agent”     | Sun Hung Kai Investment Services Limited  |
| “Placing Agreement” | the placing agreement dated 4 November 2009 between the Offeror and the Placing Agent   |
| “Placing Shares”    | up to 56,500,000 Shares owned by Island New   |
| “Share(s)”          | ordinary share(s) of HK\$1.00 each in the issued share capital of the Company   |
| “Shareholder(s)”    | holder(s) of Share(s)   |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited   |
| “Takeovers Code”    | The Hong Kong Code on Takeovers and Mergers   |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong   |

“%”

per cent.

By order of the Board  
**The Hong Kong Building and  
Loan Agency Limited**  
**Tang Yu Ming, Nelson**  
*Chairman*

Hong Kong, 5 November 2009

*As at the date of this announcement, the Board comprises Mr. Lau Yu Fung, Wilson, Mr. Chan Chun Wai and Mr. Au Tin Fung being executive Directors; Mr. Tang Yu Ming, Nelson (Chairman) being non-executive Director; and Mr. Yu Kam Kee, Lawrence and Mr. Chan Chi Yuen being independent non-executive Directors.*