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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)

- (I) SUPPLEMENTAL AGREEMENT REGARDING
THE VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE ACQUISITION OF
WELDTECH TECHNOLOGY CO. LIMITED;**
- (II) COMPLETION OF
THE VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE ACQUISITION OF
WELDTECH TECHNOLOGY CO. LIMITED;**
- (III) SUPPLEMENTAL PLACING AGREEMENT REGARDING
THE FT PLACING AND THE CB SUBSCRIPTION;**
- (IV) COMPLETION OF PLACING OF
EXISTING SHARES AND SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE;**
- AND**
- (V) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Future Ordinance (Cap. 571, Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 6 December 2013, and the circular of the Company dated 11 April 2014 (the “**VSA Circular**”) in relation to, among other things, the acquisition of the entire issued share capital in Weldtech Technology Co. Limited which constituted a very substantial acquisition of the Company; (ii) the announcements of the Company dated 27 May 2014, 28 May 2014 and 6 June 2014 in relation to, among other things, (a) the placing of 87,000,000 existing Shares; (b) the subscription of 87,000,000 new Shares under the General Mandate; and (c) the FT Placing and the CB Subscription (collectively, the “**Placing Announcements**”). Definitions and terms used in this announcement shall have the same meanings as those defined in the VSA Circular and the Placing Announcements unless otherwise specified.

(I) SUPPLEMENTAL AGREEMENT IN RELATION TO THE ACQUISITION

On 13 June 2014 (after trading hours), the Company, the Purchaser and the Vendors entered into a supplemental agreement to amend certain terms of the Sale and Purchase Agreement in relation to the Acquisition (the “**Supplemental Agreement**”).

Pursuant to the Sale and Purchase Agreement, the cash portion of the Consideration (the “**Cash Consideration**”), in the aggregate amount of HK\$33,100,000 shall be satisfied by way of cashier orders to the Vendors upon completion of the Acquisition. Upon arm’s length negotiations between the parties to the Supplemental Agreement, it has been agreed that the payment terms of the Cash Consideration shall be revised and the Cash Consideration shall be satisfied by way of cashier orders issued by a licensed bank in Hong Kong from the Purchaser to the Vendors (a) within 3 months upon completion of the Acquisition; or (b) within 30 days upon completion (including Transfer), termination or cancellation of the FT Placing in accordance with the Placing Agreement (as defined in the Placing Announcements) (whichever is earlier).

Save for the amendment of the terms in relation to the payment of the Cash Consideration, all terms and conditions of the Sale and Purchase Agreement remain unchanged and continue to be in full force and effect.

(II) COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all the conditions precedent under the Sale and Purchase Agreement have been fulfilled and completion of the Acquisition took place on 13 June 2014. Upon the completion of the Acquisition, the Consideration CBs (as defined in the Placing Announcements), the Promissory Notes and the Consideration Shares (as defined in the VSA Circular) have been issued by the Company to the Vendors as the Consideration (other than the Cash Consideration).

Following the completion of the Acquisition on 13 June 2014, the Weldtech Group becomes an indirect wholly-owned subsidiary of the Company and its results will be consolidated into the financial statements of the Group.

(III) SUPPLEMENTAL PLACING AGREEMENT REGARDING THE FT PLACING AND THE CB SUBSCRIPTION

On 16 June 2014, the Company and the Joint Placing Agents entered into a supplemental agreement to amend certain terms of the Placing Agreement (as defined in the Placing Announcements) (the “**Supplemental Placing Agreement**”).

Upon arm’s length negotiations between the parties to the Supplemental Placing Agreement (the “**Parties**”), it has been agreed that:

- (i) the Last Settlement Date shall be postponed from not later than 5:00 p.m. on 18 June 2014 (or such other date and time as the Parties may mutually agree in writing) to not later than 5:00 p.m. on 3 July 2014 (or such other date and time as the Parties may mutually agree in writing);
- (ii) the last date of Return shall be postponed from close of business on 18 June 2014 (or such other date and time as the Parties may mutually agree in writing) to close of business on 3 July 2014 (or such other date and time as the Parties may mutually agree in writing);

- (iii) the end of the Placing Period shall be postponed from 5:00 p.m. on 16 June 2014 to 5:00 p.m. on 30 June 2014; and
- (iv) the last date of the Placing (as defined in the Placing Announcements) of the last Tranche shall be postponed from 16 June 2014 to 30 June 2014.

Save as disclosed above, all other terms and conditions of the Placing Agreement (as defined in the Placing Announcements) remain unchanged and continue to be in full force and effect.

(IV) COMPLETION OF THE PF PLACING AND THE GM SUBSCRIPTION

The Board is pleased to announce that the PF Placing and the GM Subscription were completed on 13 June 2014 in accordance with the terms and conditions of the Placing Agreement and the Stock Lending and Subscription Agreements. An aggregate of 87,000,000 Shares for the PF Placing have been successfully placed by the Joint Placing Agents to not fewer than six Placees at the Placing Price of HK\$0.8 per PF Placing Share. An aggregate of 87,000,000 GM Subscription Shares, representing approximately 11.04% of the issued share capital of the Company as enlarged by the GM Subscription as at the date of this announcement, have been allotted and issued to the Other Vendors by the Company at the Subscription Price of HK\$0.8 per Share on 13 June 2014.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners (if applicable) are third parties independent of and not connected with the Company and its connected persons. None of the Placees became substantial Shareholders (as defined in the Listing Rules) forthwith upon the completion of the PF Placing.

The maximum gross proceeds from the GM Subscription are approximately HK\$69.6 million. The maximum net proceeds from the GM Subscription, after deducting the placing commission and other related expenses, are approximately HK\$65.6 million.

As at the date of this announcement, the FT Placing and the CB Subscription have not been completed. The Company will make further announcement(s) immediately after the completion of the FT Placing and the CB Subscription.

EFFECTS ON THE SHAREHOLDING STRUCTURE

The table below sets out the changes to the shareholding structure of the Company as a result of (I) (i) immediately before completion of the PF Placing and the GM Subscription and (ii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs; (II) (i) immediately after completion of the PF Placing but (ii) before the GM Subscription, and (iii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iv) before the exercise of the conversion rights attaching to the Consideration CBs; (III) (i) immediately after completion of the PF Placing and the GM Subscription, and (ii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs; (IV) (i) immediately after completion of the PF Placing and the GM Subscription, and (ii) after completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs; and (V) (i) immediately after completion of the PF Placing and the GM Subscription, and (ii) after completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) after the exercise of the conversion rights attaching to the Consideration CBs:

	(I) (i) Immediately before completion of the PF Placing and the GM Subscription and (ii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs		(II) (i) Immediately after completion of the PF Placing but (ii) before the GM Subscription, and (iii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iv) before the exercise of the conversion rights attaching to the Consideration CBs		(III) (i) Immediately after completion of the PF Placing and the GM Subscription, and (ii) before completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs		(IV) (i) Immediately after completion of the PF Placing and the GM Subscription, and (ii) after completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) before the exercise of the conversion rights attaching to the Consideration CBs		(V) (i) Immediately after completion of the PF Placing and the GM Subscription, and (ii) after completion of the Acquisition (issuance of the Consideration Shares and the Consideration CBs), and (iii) after the exercise of the conversion rights attaching to the Consideration CBs <i>(Note 1)</i>	
	<i>No. of Shares</i>	<i>approx.</i>	<i>No. of Shares</i>	<i>approx.</i>	<i>No. of Shares</i>	<i>approx.</i>	<i>No. of Shares</i>	<i>approx.</i>	<i>No. of Shares</i>	<i>approx.</i>
Vendors:										
Other Vendors	87,000,000	12.41%	-	-	87,000,000	11.04%	87,000,000	9.08%	87,000,000	3.43%
Placees	-	-	87,000,000	12.41%	87,000,000	11.04%	87,000,000	9.08%	87,000,000	3.43%
	<u>87,000,000</u>	<u>12.41%</u>	<u>87,000,000</u>	<u>12.41%</u>	<u>174,000,000</u>	<u>22.08%</u>	<u>174,000,000</u>	<u>18.16%</u>	<u>174,000,000</u>	<u>6.86%</u>
CIAM	-	-	-	-	-	-	73,462,878	7.67%	755,425,253	29.79%
Ample Richness	-	-	-	-	-	-	29,089,327	3.04%	299,128,114	11.79%
Smart Promise	-	-	-	-	-	-	22,679,814	2.37%	233,218,539	9.19%
Infinite Soar	-	-	-	-	-	-	12,917,633	1.35%	132,833,171	5.24%
Cross Cone	-	-	-	-	-	-	10,058,005	1.05%	103,427,355	4.08%
Newmargin	-	-	-	-	-	-	9,860,789	1.03%	101,399,364	4.00%
Carbon Reserve	-	-	-	-	-	-	7,001,160	0.73%	71,993,547	2.84%
Season Best	-	-	-	-	-	-	4,930,394	0.51%	50,699,669	2.00%
Sub-total of Vendors:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,000,000</u>	<u>17.75%</u>	<u>1,748,125,012</u>	<u>68.93%</u>
Public:										
Public Shareholders	613,885,866	87.59%	613,885,866	87.59%	613,885,866	77.92%	613,885,866	64.09%	613,885,866	24.21%
Total	<u>700,885,866</u>	<u>100.00%</u>	<u>700,885,866</u>	<u>100.00%</u>	<u>787,885,866</u>	<u>100.00%</u>	<u>957,885,866</u>	<u>100.00%</u>	<u>2,536,010,878</u>	<u>100.00%</u>

Note 1:

The shareholding structure set out in this column is shown for illustration purpose only. Pursuant to the conversion restrictions under the terms and conditions of the Consideration CBs, no conversion right may be exercised to the extent that following such exercise (a) the minimum 25% public float requirement of the Company as required under the Listing Rules cannot be satisfied; or (b) a holder of the Consideration CBs and parties acting in concert with it would be required to make a mandatory general offer for all issued shares of the Company under the Takeovers Code. Pursuant to the instrument of the Consideration CBs, fraction of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof.

(V) RESUMPTION OF TRADING

Trading in the Shares has been halted with effect from 9:00 a.m. on 16 June 2014, pending the release of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 17 June 2014.

By order of the Board
The Hong Kong Building and Loan Agency Limited
So Yuen Chun
Executive Director

Hong Kong, 16 June 2014

As at the date of this announcement, the Board comprises Mr. So Yuen Chun and Mr. Yeung Kwok Leung being executive Directors; Mr. Lam Kwok Hing, Wilfred, J.P. being non-executive Director; and Mr. Yeung Wai Hung, Peter, Mr. Lam Raymond Shiu Cheung and Ms. Yuen Wai Man being independent non-executive Directors.