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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)

HOLDING ANNOUNCEMENT

The Company makes this holding announcement to inform its shareholders of the current status of the Company. Trading in shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on Friday, 23 December 2011, pending the publication of an announcement in relation to the Acquisition and the Second Placing. Suspension of trading in the shares of the Company will continue until the publication of the announcement in relation to the Acquisition and the Second Placing.

Reference is made to the announcements of the Company dated 25 February 2011, 21 April 2011, 19 May 2011, 31 May 2011, 24 June 2011, 20 July 2011, 30 September 2011 and 6 October 2011 (collectively, the “**VSA Announcements**”) and the circular of the Company dated 31 May 2011 (the “**VSA Circular**”) in relation to, among others, a very substantial acquisition of the Company regarding the acquisition of the entire issued share capital in Weldtech Technology Co. Limited. Reference is also made to the announcements of the Company dated 18 October 2011 and 30 November 2011 (the “**Placing Announcements**”) and the circular of the Company dated 15 November 2011 (the “**Placing Circular**”) in relation to the placing of new shares of the Company under the specific mandate. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the VSA Announcements, the VSA Circular, the Placing Announcements and the Placing Circular.

The Company makes this holding announcement to inform its shareholders of the current status of the Company. Trading in shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on Friday, 23 December 2011, pending the publication of an announcement in relation to the Acquisition and the Second Placing. The Company is currently in the process of clearing the announcement in relation to the supplemental agreements of the Acquisition and the Second Placing with the Stock Exchange. The Board considers that additional time is required for such purpose. The announcement setting out the details of the Acquisition and the Second Placing will be published by the Company as and when appropriate.

Suspension of trading in the shares of the Company will continue until the publication of the announcement in relation to the Acquisition and the Second Placing.

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

Hong Kong, 9 January 2012

As at the date of this announcement, the Board comprises Mr. So Yuen Chun being executive Director; Mr. Lam Kwok Hing, Wilfred being non-executive Director; and Mr. Ng Cheuk Fan, Keith and Mr. Yeung Wai Hung, Peter being independent non-executive Directors.