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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

Reference is made to the announcement of The Hong Kong Building and Loan Agency Limited (the “**Company**”) dated 1 November 2013 in respect of the suspension of trading in shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on 1 November 2013 pending the release of an announcement relating to a proposed very substantial acquisition (the “**Acquisition**”).

This announcement is made to inform the shareholders of the Company of the current status of the Acquisition.

On 31 October 2013, Total Global Holdings Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, and the Company entered into a sale and purchase agreement (the “**Agreement**”) with the Vendors (as defined below), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of Weldtech Technology Co. Limited (“**Weldtech Technology**”) at a total consideration of HK\$2,476,000,010 (the “**Consideration**”).

The deposit in the amount of HK\$10,000,000 shall be paid by the Purchaser within 14 days upon the execution of the Agreement. The remaining of the Consideration shall be satisfied upon completion of the Acquisition pursuant to the Agreement (the “**Completion**”): (i) as to HK\$33,100,000 by way of cashier orders upon Completion; (ii) as to HK\$1,262,500,010 by way of issue of convertible bonds by the Company upon Completion; (iii) as to HK\$1,034,400,000 by way of issue of the promissory notes by the Company upon Completion; and (iv) as to HK\$136,000,000 by way of allotment and issue of the consideration shares by the Company upon Completion.

Weldtech Technology is a company incorporated in Hong Kong with limited liability, of which 1,724 shares are issued and fully paid (the “**Sale Shares**”) as at the date of the Agreement. It is the holding company of the entire equity interest in Haoxin Technology (Shanghai) Company Limited* (濠信節能科技(上海)有限公司) (“**Haoxin**”). Haoxin was established in the PRC with limited liability. The business scope of Haoxin includes development, consultation and proprietary technology transfer of energy and energy-saving

technologies; energy performance contracting; design and development of computer softwares, automatic control system, intelligent products on building energy consumption monitoring and proprietary products transfer and related supporting services; wholesale and import and export of mechanical and electrical products as well as heating ventilation and air-conditioning equipment.

As at the date of the Agreement, Weldtech Technology is owned by eight vendors including (i) CITIC International Assets Management Limited as to approximately 43.21%, (ii) Ample Richness Investments Limited as to approximately 17.11%, (iii) Smart Promise Limited as to approximately 13.34%, (iv) Infinite Soar Limited as to approximately 7.60%, (v) Cross Cone Holdings Limited as to approximately 5.92%, (vi) Newmargin Partners Ltd. as to approximately 5.80%, (vii) Carbon Reserve Investments Limited as to approximately 4.12% and (viii) Season Best Investments Limited as to approximately 2.90% (the “**Vendors**”).

The Company is currently in the process of preparing and finalising the announcement in relation to the Acquisition. The directors of the Company consider that additional time is required for such purpose. The announcement setting out the details of the Acquisition in compliance with the Rules Governing the Listing of Securities on the Stock Exchange will be published by the Company as soon as practicable.

Trading in the Shares will remain suspended pending the publication of such announcement in relation to the Acquisition.

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

Hong Kong, 5 November 2013

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 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.

* *for identification purpose only*