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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF A SUBSIDIARY

THE DISPOSAL

The Board is pleased to announce that on 10 June 2015 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Share, which represent the entire issued share capital of the Target Company, for a total cash Consideration of HKD 1,000,000.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE SALE AND PURCHASE AGREEMENT

Parties

Date: 10 June 2015

Parties: (i) Assets Talent Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company, as the Vendor

(ii) All Success Global Limited, a company incorporated in BVI with limited liability, as the Purchaser

(collectively, the “**Parties**” and each individually as a “**Party**”)

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company (as defined under the Listing Rules).

Assets to be disposed

The Sale Share represents the entire issued share capital of the Target Company as at the date of this announcement.

Consideration and payment terms

The total Consideration for the Sale Share is HKD 1,000,000. The Consideration has been determined after arm's length negotiations between the Purchaser and the Vendor and taking into account of the financial position of the Target Company. The Consideration shall be payable in cash upon the Completion. The Directors consider that the Consideration and its payment terms are fair and reasonable and on normal commercial terms.

Subject to audit, the Group is expected to realise a gain on disposal of approximately HK\$1,022,500, which is calculated on the basis of the net deficit of the Target Company of approximately HK\$22,500 as at 31 May 2015, and the Consideration to be received in respect of the Disposal before the deduction of expenses.

The Company intends to use the proceeds from the Disposal as general working capital of the Group.

Completion

Completion shall take place forthwith upon execution of the Sale and Purchase Agreement, and Completion shall not be subject to any condition precedent whatsoever.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in BVI with limited liability. As at the date of the Sale and Purchase Agreement, the Purchaser is principally engaged in investment holding.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in BVI with limited liability. As at the date of this announcement, the Target Company is principally engaged in lending business.

Set out below are certain financial information of the Target Company for the two financial years ended 31 December 2014:

	Year ended 31 December 2014	Year ended 31 December 2013
	(unaudited)	(unaudited)
	<i>HK\$</i>	<i>HK\$</i>
	<i>approximately</i>	<i>approximately</i>
Revenue	–	–
Loss before and after taxation	(7,000)	(7,700)
Net liabilities	(14,700)	(7,700)

The Target Company will cease to be a subsidiary of the Group, and its assets and liabilities and its profits and losses will no longer be consolidated into the consolidated financial statements of the Company after Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in investment holding, treasury investments, provision of loan financing and design and provision of energy saving solutions.

The Directors believe that the Disposal (i) offers an opportunity to reduce the administrative costs of the Group; and (ii) streamlines the business and commit the available resources of the Group to its existing and prospective businesses. In view of the above, the Directors consider that the entering of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Directors considered that the Disposal will not cause any material adverse impact to the business, operations and financial position of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of the Hong Kong Limited
“Completion”	completion of the Disposal which take shall take place forthwith upon the execution of the Sale and Purchase Agreement
“Consideration”	a total of HK\$1,000,000 to be paid by the Purchaser to the Vendor at Completion in accordance with the Sale and Purchase Agreement
“Disposal	the disposal of the Sale Share from the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	All Success Global Limited, a company incorporated in BVI with limited liability
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 June 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Sale Share”	1 ordinary share of US\$1.00 in the share capital of the Target Company, representing the entire issued share capital in it as at the date of the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) in the share capital of the Company as at the date of this announcement
“Shareholder(s)”	holder(s) of the Share(s)
“Target Company”	Revelry Gains Limited, a company incorporated in BVI
“Vendor”	Assets Talent Limited, a company incorporated in BVI with limited liability and is wholly owned by the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“US\$” United States dollar(s), the lawful currency of the United States of America

“%” per cent

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

Hong Kong, 10 June 2015

As at the date hereof, the Board of Directors of the Company comprises Mr. So Yuen Chun, Ms. Diana Liu He, Dr. Li Ai Guo and Mr. Cai Wen Wei being executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mrs. Chu Ho Miu Hing being independent non-executive Directors.