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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)

RESTORATION OF PUBLIC FLOAT

The Offeror has notified the Company that, on 23 July 2007, it has disposed of 8,228 HKBLA Shares (representing approximately 0.0037% of the entire issued share capital of the Company) on market.

As at the date of this announcement, the Offeror after the aforesaid disposal, directly and indirectly through holding Island New Finance Limited, held an aggregate of 168,750,000 HKBLA Shares (representing approximately 75% of the existing issued share capital of the Company) and there are 56,250,000 HKBLA Shares (representing approximately 25% of the existing issued share capital of the Company) in public hands. Accordingly, the Company has fulfilled the minimum public float requirement under Rule 8.08 of the Listing Rules.

Reference is made to the joint announcement dated 3 July 2007 (the “Announcement”) of Mercurius Partners Investments Limited (the “Offeror”) and The Hong Kong Building and Loan Agency Limited (the “Company”) and the offer document issued by the Offeror dated 4 June 2007 (the “Offer Document”) in relation to the mandatory unconditional cash offer for all the issued shares in the Company other than those already owned by the Offeror and parties acting in concert with it. Unless otherwise defined, terms defined in the Offer Document shall have the same meanings when used in this announcement.

The Offeror has notified the Company that, on 23 July 2007, it has disposed of 8,228 HKBLA Shares (representing approximately 0.0037% of the entire issued share capital of the Company) on market. Immediately after the disposal of the 8,228 HKBLA Shares by the Offeror on market, the number of HKBLA Shares held by the Offeror directly and indirectly through holding Island New Finance Limited, decreased from 168,758,228 HKBLA Shares (representing approximately 75.0037% of the existing issued share capital of the Company) to 168,750,000 HKBLA Shares (representing approximately 75% of the existing issued share capital of the Company). The number of HKBLA

Shares held in public hands as at the date of this announcement is 56,250,000 HKBLA Shares, representing approximately 25% of the existing issued share capital of the Company. Accordingly, the Company has fulfilled the minimum public float requirement under Rule 8.08 of the Listing Rules.

By Order of the board of directors of
The Hong Kong Building and Loan Agency Limited
John Pridjian
Executive Director

Hong Kong, 23 July 2007

As at the date of this announcement, the Board of Directors of the Company comprises Mr. John Zwaanstra, Mr. John Pridjian, Mr. Todd David Zwaanstra and Mr. Jonathon Jarrod Lawless being executive Directors; and Mr. Alan Howard Smith, JP, Mr. King Chang-Min Stephen and Mr. Patrick Smulders being independent non-executive Directors. The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.