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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)**

**CLOSING DATE OF THE SCHEME  
AND  
COMPLETION OF CONNECTED TRANSACTION –  
ISSUE OF NEW SHARES UNDER GENERAL MANDATE  
FOR SCHEME OF ARRANGEMENT**

References are made to the announcements of The Hong Kong Building and Loan Agency Limited (the “**Company**”) dated 10 January 2019, 15 May 2019, 4 June 2019, 14 June 2019, 28 June 2019, 4 July 2019, 20 August 2019 and 29 August 2019 (together, the “**Announcements**”) and the circular of the Company (the “**Circular**”) dated 11 July 2019, in relation to, among other things, the Scheme. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Circular.

**CLOSING DATE OF THE SCHEME**

The Board is pleased to announce that the closing date of the Scheme took place on 25 October 2019 (the “**Closing Date**”). All the Scheme Shares have been allotted and issued to the Creditors on the Closing Date.

### **Final distribution of Scheme Shares to all Creditors**

On the Closing Date, being Friday, 25 October 2019, a total number of 1,418,478,995 Scheme Shares were allotted and issued to the Creditors, which comprised (i) 1,181,447,661 Conversion Shares at the price of HK\$0.8 per Share to settle the outstanding principal amount of the Convertible Bonds in accordance with the original terms and conditions of the Convertible Bonds under the Specific Mandate; (ii) 159,250,000 Promissory Notes Shares for settlement and discharge of all outstanding principal amount of the Promissory Notes on the basis of HK\$0.8 per Share under the General Mandate; and (iii) 77,781,334 Interest Shares to settle outstanding Interest under the General Mandate as at the Effective Date (i.e. 22 August 2019). The number of Scheme Shares ultimately distributed to each Creditor were rounded down to the nearest whole Scheme Shares.

## **COMPLETION OF CONNECTED TRANSACTION – ISSUE OF NEW SHARES UNDER GENERAL MANDATE FOR SCHEME OF ARRANGEMENT**

### **Final distribution of Scheme Shares to State Energy**

The Company is pleased to announce that completion of the Connected Transaction has taken place on 25 October 2019, being the Closing Date. On the Closing Date, 7,483,241 Interest Shares and 159,250,000 Promissory Notes Shares have been allotted and issued to State Energy under the General Mandate.

Upon completion of the Connected Transaction, State Energy is interested in an aggregate 734,666,950 Shares, representing approximately 19.72% of the issued share capital of the Company.

## SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Closing Date, the overall effect on the shareholding in the Company of various parties as a result of the Scheme is set out in the following table (i) immediately before the Closing Date; and (ii) immediately after the Closing Date:

	(i) Immediately before the Closing Date		(ii) Immediately after the Closing Date					Approx.
	No. of Shares	Approx.	Existing Shares	Conversion Shares	Promissory Notes Shares	Interest Shares as at the Effective Date	Total Shares	
<b>The substantial Shareholders</b>								
Hong Kong Mengzai Material Co., Limited	384,416,000	16.66%	384,416,000	-	-	-	384,416,000	10.32%
State Energy (Note 1)	454,268,172	19.70%	454,268,172	113,665,537	159,250,000	7,483,241	734,666,950	19.72%
<b>Other Creditors</b>								
CITIC International Assets Management Limited and its associates (Note 2)								
	102,552,205	4.45%	102,552,205	902,501,162	-	59,416,720	1,064,470,087	28.58%
Cheng Lut Tim (Note 3)	-	-	-	5,000,000	-	329,178	5,329,178	0.14%
Lo Shao Chi Julian (Note 3)	-	-	-	2,500,000	-	164,589	2,664,589	0.07%
Zhao Xiao Hua (Note 3)	-	-	-	1,250,000	-	82,294	1,332,294	0.04%
Spurrey Limited (Note 3)	-	-	-	91,538,575	-	6,026,498	97,565,073	2.62%
Carbon Reserve Investments Limited (Note 4)	7,001,160	0.30%	7,001,160	64,992,387	-	4,278,814	76,272,361	2.05%
Public Shareholders	1,358,265,279	58.89%	1,358,265,279	-	-	-	1,358,265,279	36.46%
<b>Total</b>	<b>2,306,502,816</b>	<b>100.00%</b>	<b>2,306,502,816</b>	<b>1,181,447,661</b>	<b>159,250,000</b>	<b>77,781,334</b>	<b>3,724,981,811</b>	<b>100.00%</b>

### Notes:

- As State Energy is a substantial shareholder of the Company, it is a connected person of the Company under the Listing Rules. As at the Closing Date, State Energy is interested in 734,666,950 Shares, these Shares comprise (i) 454,268,172 Shares which is beneficially owned by State Energy immediately before the Closing Date and (ii) 113,665,537 Conversion Shares, 159,250,000 Promissory Notes Shares and 7,483,241 Interest Shares have been allotted and issued to State Energy under the Scheme on the Closing Date. Mr. Liu Quanhui (“**Mr. Liu**”) and Ms. Niu Fang (“**Ms. Niu**”) are interested in State Energy by 53.3% and 46.7% respectively. By virtue of the SFO, Mr. Liu and Ms. Niu are deemed to be interested in the Shares held by State Energy. To the best of the Directors’ knowledge, information and belief, Mr. Liu and Ms. Niu are the ultimate beneficial owners of these Shares.

2. Save for the 102,552,205 Shares held by CITIC International Assets Management Limited and its associates (the “**CIAM**”), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, CIAM is not a connected person to the Company. As at the Closing Date, CIAM is interested in 1,064,470,087 Shares, these Shares comprise (i) 102,552,205 Shares which is beneficially owned by CIAM immediately before the Closing Date and (ii) 902,501,162 Conversion Shares and 59,416,720 Interest Shares have been allotted and issued to CIAM under the Scheme on the Closing Date. CIAM is owned as to and 46% by CITIC International Financial Holdings Limited (“**CIFH**”), 19% by ITOCHU Corporation, 20% by Ithmaar Holding B.S.C. and 15% by CSI AMC Company Limited. CIFH is a wholly-owned subsidiary of China CITIC Bank Corporation Limited (“**China CITIC Bank**”). China CITIC Bank is over 60% indirectly owned by CITIC Limited (“**CITIC**”), 24.78% directly owned by Hong Kong Securities Clearing Company Nominees Limited and approximately 10% directly owned by other public shareholders. CITIC is indirectly owned as to 58.13% by CITIC Group Corporation (“**CITIC Group**”), approximately 20% directly owned by Chia Tai Bright Investment Company Limited and 21.87% directly owned by other public shareholders. By virtue of the SFO, each of CIFH, China CITIC Bank, CITIC and CITIC Group are deemed to be interested in the Shares held by CIAM. To the best of the Directors’ knowledge, information and belief, CITIC Group is the ultimate beneficial owner of these Shares, and CITIC Group and its ultimate beneficial owners are independent of and not connected with the Company and its connected person(s).
3. Each of the Other Creditors who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected person(s).
4. To the best of the Directors’ knowledge, information and belief, Carbon Reserve Investments Limited is wholly owned by CECEP (Hong Kong) Investment Co., Limited (“**CECEP HK**”), and CECEP HK is wholly owned by China Energy Conservation and Environmental Protection Group (“**CECEP**”). CECEP is the ultimate beneficial owner of these Conversion Shares, and it is independent of and not connected with the Company and its connected persons. CECEP is a China’s centrally-administered state-owned enterprise, with the approval of the State-owned Assets Supervision and Administration Commission of the State Council.

By order of the Board  
**The Hong Kong Building and Loan Agency Limited**  
**Chong Kok Leong**  
*Executive Director*

Hong Kong, 25 October 2019

*As at the date of this announcement, the Board comprises Dr. Li Ai Guo, Mr. Chong Kok Leong and Mr. Zhuang Miao Zhong being the executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Ng Kay Kwok being the independent non-executive Directors.*