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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)

**COMPLETION OF PLACING OF
NEW SHARES UNDER A SPECIFIC MANDATE**

Placing Agent



KINGSTON SECURITIES LTD.

The Board is pleased to announce that all conditions under the Placing Agreement have been satisfied in full and completion of the Placing took place on 28 December 2010, pursuant to which a total of 1,135,000,000 new Shares, representing approximately 28.41% of the Company's issued share capital of 3,994,637,958 Shares as enlarged by the Placing, have been successfully placed by the Placing Agent to no fewer than six independent Placees at the placing price of HK\$0.11 per Placing Share.

Reference is made to the announcements of The Hong Kong Building and Loan Agency Limited (the "**Company**") dated 13 August 2010, 24 September 2010 and 24 December 2010, respectively, as well as the circular of the Company dated 6 September 2010, in relation to, among others, the placing of new Shares under a Specific Mandate (the "**Circular**"). Terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise defined.

COMPLETION OF PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE

The Board is pleased to announce that all conditions under the Placing Agreement dated 12 August 2010 have been satisfied in full and completion of the Placing took place on 28 December 2010, pursuant to which the Company allotted and issued 1,135,000,000 Shares, representing approximately 28.41% of the Company's issued share capital of 3,994,637,958 Shares as enlarged by the Placing, have been successfully placed by the Placing Agent to no fewer than six independent Placees at the Placing Price of HK\$0.11 per Placing Share.

The total gross proceeds of the Placing amounted to approximately HK\$124.85 million. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, amounted to approximately HK\$121.45 million.

The net proceeds from the Placing will be used for general working capital and/or future potential investments of the Group.

CHANGES IN SHAREHOLDING STRUCTURE

The following table sets out the illustrative shareholding structure of the Company immediately before and immediately after completion of the Placing:

	Immediately before the completion of the Placing		Immediately after the completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<i>Substantial Shareholders:</i>				
Auswin Holdings Limited (Note 1)	554,000,000	19.37	554,000,000	13.87
Ms. Liang Gui Lian (Note 2)	316,825,000	11.08	316,825,000	7.93
Mr. Ni Rong Kun	316,825,000	11.08	316,825,000	7.93
<i>Public:</i>				
Placees	–	–	1,135,000,000	28.41
Other public Shareholders	1,671,987,958	58.47	1,671,987,958	41.86
Total	<u>2,859,637,958</u>	<u>100.00</u>	<u>3,994,637,958</u>	<u>100.00</u>

Notes:

1. Auswin Holdings Limited (“**Auswin**”) is deemed to be interested in 554,000,000 Shares by virtue of its 100% beneficial holding in CGI (Offshore) Limited. CGI (Offshore) Limited is deemed to be interested in 554,000,000 Shares by virtue of its 100% beneficial holding in CGI (HK) Limited.
2. Ms. Liang Gui Lian, is deemed to be interested in 316,825,000 Shares by virtue of her 100% beneficial holding in Best Leader Investment Limited (“**Best Leader**”). Best Leader is deemed to be interested in 316,825,000 Shares by virtue of its 80% beneficial holding in Express Advantage Limited.

By order of the Board
The Hong Kong Building and Loan Agency Limited
Au Tin Fung
Executive Director

Hong Kong, 28 December 2010

As at the date of this announcement, the Board comprises Mr. Au Tin Fung, Mr. Chan Chun Wai, Mr. So Yuen Chun and Mr. Soong Kok Meng being executive Directors; Mr. Chan Chi Yuen, Mr. Ng Cheuk Fan, Keith and Mr. Lam Kwok Hing, Wilfred being independent non-executive Directors.