

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 OPTIONS TO
SUBSCRIBE FOR CONVERTIBLE BONDS**

The Board is pleased to announce that, with the conditions of the Second Placing Agreement having been fulfilled, completion of the Second Placing took place on 8 October 2012 in accordance with the terms and conditions of the Second Placing Agreement in which a total of 100 Options had been successfully placed to not less than six Places at the premium of HK\$7,830 per Option.

The net proceeds from the Second Placing are approximately HK\$653,000. The net placing price per Option is approximately HK\$6,530.

Reference is made to the announcement (the “Announcement”) of the Company dated 24 July 2012 in relation to, among others, the Second Placing of up to a total of 100 options entitling optionholder(s) to subscribe for, in aggregate, convertible bonds of the Company in the principal amount of up to HK\$15,660,000 at the subscription price of HK\$15,660,000. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF THE SECOND PLACING

The Board is pleased to announce that, with the conditions of the Second Placing Agreement having been fulfilled, completion of the Second Placing took place on 8 October 2012 in accordance with the terms and conditions of the Second Placing Agreement in which a total of 100 Options had been successfully placed to not less than six Placees at the premium of HK\$7,830 per Option. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placees and, if applicable, their ultimate beneficial owners, are Independent Third Party.

The net proceeds from the Second Placing are approximately HK\$653,000. The net placing price per Option is approximately HK\$6,530.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after conversion of the Convertible Bonds at the Conversion Price of HK\$0.10 (assuming the Conversion Shares being issued before completion of the Capital Reorganisation); and (iii) immediately after (a) conversion of the Convertible Bonds at the Conversion Price of HK\$0.10 (assuming the Conversion Shares being issued before completion of the Capital Reorganisation) and (b) completion of the Capital Reorganisation:

	(i) as at the date of this announcement		(ii) immediately after conversion of the Convertible Bonds at the Conversion Price of HK\$0.10 (assuming the Conversion Shares being issued before completion of the Capital Reorganisation)		(iii) immediately after (a) conversion of the Convertible Bonds at the Conversion Price of HK\$0.10 (assuming the Conversion Shares being issued before completion of the Capital Reorganisation) and (b) completion of the Capital Reorganisation	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
CGI (HK) Limited	303,904,000	6.98%	303,904,000	6.74%	30,390,400	6.74%
Holder of the Convertible Bonds	–	–	156,600,000	3.47%	15,660,000	3.47%
Other public Shareholders	4,047,584,667	93.02%	4,047,584,667	89.79%	404,758,466	89.79%
Total	4,351,488,667	100%	4,508,088,667	100%	450,808,866	100%

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Capital Reorganisation; and (iii) immediately after completion of the Capital Reorganisation and conversion of the Convertible Bonds at the Conversion Price of HK\$0.18 (being the higher of HK\$0.18 and the par value of the Adjusted Share):

	(i) as at the date of this announcement		(ii) immediately after completion of the Capital Reorganisation		(iii) immediately after completion of the Capital Reorganisation and conversion of the Convertible Bonds at the Conversion Price of HK\$0.18	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
CGI (HK) Limited	303,904,000	6.98%	30,390,400	6.98%	30,390,400	5.82%
Holder of the Convertible Bonds	–	–	–	–	87,000,000	16.66%
Other public Shareholders	4,047,584,667	93.02%	404,758,466	93.02%	404,758,466	77.52%
Total	4,351,488,667	100%	435,148,866	100%	522,148,866	100%

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

Hong Kong, 8 October 2012

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 and Mr. Lam Raymond Shiu Cheung being independent non-executive Directors.