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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 SHARES

References are made to the announcements of the Company dated 27 May 2014, 28 May 2014, 6 June 2014 and 16 June 2014 in relation to, among other things, (a) the PF Placing; (b) the GM Subscription; (c) the FT Placing; and (d) the CB Subscription (collectively, the “**Announcements**”). Definitions and terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise specified.

COMPLETION OF THE PLACING

The Board is pleased to announce that the FT Placing has been completed as at the date of this announcement, in accordance with the terms and conditions of the Placing Agreement (as revised and supplemented by the supplemental placing agreement dated 16 June 2014) and the CB Lending and Subscription Agreement. An aggregate of 40,000,000 Shares for the FT Placing have been successfully placed by the Joint Placing Agents to two Placees at the Placing Price of HK\$0.8 per FT Placing Share.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners (if applicable) are third parties independent of and not connected with the Company and its connected persons. None of the Placees became substantial shareholders (as defined in the Listing Rules) forthwith the completion of the FT Placing.

The gross proceeds from the FT Placing are approximately HK\$32.0 million. The net proceeds from the FT Placing, after deducting the placing commission, the Praecipium and other related expenses, are approximately HK\$26.6 million.

Pursuant to the CB Lending and Subscription Agreement, FTS shall subscribe for the New CB in such principal amount as is equivalent to the aggregate principal amount of the Convertible Bonds being converted into FT Placing Shares for the purpose of the FT Placing and the Company shall use its best endeavours to ensure the issuance of such New CB. In the course of Placing, FTS has converted the Convertible Bonds in the principal amount of HK\$40,000,000 for the purpose of the FT Placing. Pursuant to the CB Lending and Subscription Agreement, FTS shall subscribe for New CB in the principal amount of HK\$40,000,000 which is to be issued by the Company.

Following the completion of the Placing, the Company has been in negotiation with placing agents regarding further possible fund raising activities. As at the date of this announcement, no concrete details or arrangements of any further possible fund raising activities have been finalised. The Company will make further announcement(s) as and when appropriate.

EFFECTS ON THE SHAREHOLDING STRUCTURE

For illustration purposes only, the table below sets out the changes to the shareholding structure of the Company (i) immediately before the completion of the FT Placing; and (ii) immediately after the completion of the FT Placing:

Shareholders	Immediately before completion of the FT Placing		Immediately after completion of the FT Placing	
	<i>No. of Shares</i>	<i>approx.</i>	<i>No. of Shares</i>	<i>approx.</i>
Placees	–	0.00%	40,000,000	4.16%
Other Public Shareholders	<u>922,237,066</u>	<u>100.00%</u>	<u>922,237,066</u>	<u>95.84%</u>
Total	<u><u>922,237,066</u></u>	<u><u>100.00%</u></u>	<u><u>962,237,066</u></u>	<u><u>100.00%</u></u>

By order of the Board

The Hong Kong Building and Loan Agency Limited

So Yuen Chun

Executive Director

Hong Kong, 4 July 2014

As at the date of this announcement, the Board comprises Mr. So Yuen Chun being executive Director; Mr. Lam Kwok Hing, Wilfred being non-executive Director and Mr. Yeung Wai Hung, Peter and Ms. Yuen Wai Man being independent non-executive Directors.