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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE PURCHASE OF
9.45% EQUITY INTEREST IN THE TARGET COMPANY**

THE PURCHASE

The Company is pleased to announce that on 10 August 2015 (after trading hours of the Stock Exchange), the Company entered into the Share Purchase Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and the Company has agreed to purchase the Sale Shares in the Target Company, a company listed on the Taiwan Stock Exchange, at the Consideration of TWD82.2 million (equivalent to approximately HK\$20.1 million) to be settled in cash on the Completion Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as referred to in Chapter 14 of the Listing Rules in relation to the Transaction are more than 5% but less than 25%, the Purchase constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 30 June 2015 in relation to the Memorandum of Understanding in respect of the possible purchase of certain equity interest in the Target Company, a company listed on the Taiwan Stock Exchange.

The Company is pleased to announce that on 10 August 2015 (after trading hours of the Stock Exchange), the Company entered into the Share Purchase Agreement with the Vendor, pursuant to which the Vendor has agreed to sell and the Company has agreed to purchase the Sale Shares in the Target Company.

SHARE PURCHASE AGREEMENT

The principal terms of the Share Purchase Agreement are set out below:

Date

10 August 2015 (after trading hours of the Stock Exchange)

Parties

Vendor: Ms. Chen Bi Chu, a shareholder of the Target Company who intends to sell approximately 9.45% of the entire equity interest in the Target Company as at the date of this announcement

Purchaser: the Company

(collectively, the “**Parties**”)

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be purchased

Pursuant to the Share Purchase Agreement, the Vendor has agreed to sell and the Company has agreed to purchase the Sales Shares in the Target Company at the purchase price of TWD13.48 per Sale Share. The Sales Shares represent approximately 9.45% of the entire equity interest of the Target Company as at the date of this announcement.

Consideration for the Purchase

The Consideration for the Purchase is TWD82.2 million (equivalent to approximately HK\$20.1 million), which will be settled by the Company in cash on the Completion Date. The Vendor shall bear the Taiwan transaction tax on both the sale and purchase of the Sale Shares.

The purchase price of TWD13.48 per Sale Share represents a premium of approximately 21.99% to the closing price of TWD11.05 per share of the Target Company as quoted on the Taiwan Stock Exchange on 10 August 2015, which is the date of the Share Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the Company and the Vendor with reference to the average closing price of the Sale Shares of the Target Company on the Taiwan Stock Exchange for the 5 trading days prior to and including the date of the Memorandum of Understanding. The Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable.

Conditions Precedent

Completion pursuant to the Share Purchase Agreement is conditional upon the satisfaction of, among others, the following conditions precedent:

- (a) all necessary approvals, authorizations, permissions and consents required for the Transaction have been obtained and such approvals, authorizations, permissions and consents remain effective;
- (b) no party to the Share Purchase Agreement is prohibited or restricted by any applicable law or relevant government authorities, stock exchanges or court orders from engaging in the Transaction;

- (c) since the date of the Share Purchase Agreement, the members of the Target Group have been operated by their management in the ordinary course of business and have not engaged in any business or transaction which are beyond the scope of their ordinary operations; and
- (d) the Company is satisfied with the due diligence review on the Target Company and the Sale Shares.

Conditions (c) and (d) may be waived by the Company in writing. If any of the conditions precedent set out in the Share Purchase Agreement, including the conditions above, have neither been fulfilled nor waived in accordance with the Share Purchase Agreement, neither the Vendor nor the Company shall be obliged to complete the Transaction pursuant to the Share Purchase Agreement.

If the conditions precedent of the Share Purchase Agreement have not been fulfilled or waived within 6 months after the date of the Share Purchase Agreement, either the Company or the Vendor may terminate the Share Purchase Agreement by notice in writing to the other Parties.

Completion

Completion shall take place on or before the 10th Taiwan Business Day after the fulfillment or waiver of the conditions precedent of the Share Purchase Agreement (or such other date as the Parties may agree in writing).

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in Taiwan with limited liability, whose shares are listed on the Taiwan Stock Exchange.

It is engaged in the business of trading of media discs and stampers and its customers are located in Taiwan, South-East Asia and Japan. Moreover, it is also engaged in the provision of LED lighting solutions. The LED business is undergoing the expansion stage and the Target Company has completed the development of LED products and begun production.

Financial information of the Target Company

The audited consolidated net asset value of the Target Company as of 31 December 2014 was approximately TWD631,683,000 (equivalent to approximately HK\$154.4 million).

The audited consolidated revenue and net profit before and after taxation of the Target Company for each of the two years ended 31 December 2013 and 2014 are set out below:

| | For the year ended | |
|-----------------------------------|--------------------|----------------|
| | 31 December | |
| | 2013 | 2014 |
| | <i>TWD'000</i> | <i>TWD'000</i> |
| Revenue | 945,826 | 640,046 |
| Net profit/(loss) before taxation | (312,993) | 151,051 |
| Net profit/(loss) after taxation | (313,218) | 150,298 |

REASONS FOR AND BENEFITS OF THE PURCHASE

The Company is incorporated in Hong Kong with limited liability and its shares are listed on the main board of the Stock Exchange. The Group is principally engaged in investment holding, treasury investments, provision of loan financing and design and provision of energy saving solutions.

The Company's operations are focused in the PRC and Hong Kong. The Company has identified the Target Company as an ideal platform to expand the Group's presence to Taiwan and cover the Greater China region. The Purchase opens up a new geographical market for the Group's business, particularly the provision of energy saving solutions. Moreover, the Purchase expands the product spectrum of the Group in the energy saving business and the Group may leverage on the Target Company's LED capability to develop the PRC market.

The Directors (including the independent non-executive Directors) are of the view that the Consideration for the Purchase is fair and reasonable and the Transaction is on normal commercial terms and the entering into of the Share Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as referred to in Chapter 14 of the Listing Rules in relation to the Transaction are more than 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

| | |
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| “Board” | the board of Directors |
| “Completion” | the completion of the Purchase pursuant to the terms and conditions of the Share Purchase Agreement |
| “Completion Date” | the date on which the Completion takes place |
| “Company” | The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 145) |
| “Consideration” | the total consideration payable by the Company in respect of the Purchase |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

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|--------------------------------|--|
| “Independent Third Party(ies)” | third party who is independent of the Company and is not connected person (as defined under the Listing Rules) of the Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Memorandum of Understanding” | the memorandum of understanding dated 30 June 2015 entered into between the Company and three shareholders of the Target Company in relation to the Purchase |
| “PRC” | the People’s Republic of China and, for the purpose of this announcement only, excluding Hong Kong and Taiwan |
| “Purchase” | the purchase of approximately 9.45% equity interest in the Target Company pursuant to the Share Purchase Agreement |
| “Sale Share(s)” | 6,100,000 shares of the Target Company and to be purchased by the Company pursuant to the Share Purchase Agreement, which represent approximately 9.45% of the entire equity interest in the Target Company legally and beneficially owned by the Vendor immediately prior to Completion |
| “Share Purchase Agreement” | the share purchase agreement dated 10 August 2015, including its amendments or replacement, entered into between the Vendor and the Company in relation to the Transaction |
| “Share(s)” | the ordinary share(s) of the Company |
| “Shareholder(s)” | the holder(s) of issued Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

| | |
|-------------------------|---|
| “Taiwan Business Day” | a day on which licensed banks in Taiwan are open for general banking business throughout their normal business hours |
| “Taiwan Stock Exchange” | The Taiwan Stock Exchange Corporation |
| “Target Company” | Infodisc Technology Co., Ltd. (吉祥全球實業股份有限公司), a company established in Taiwan with limited liability, whose shares are listed on the Taiwan Stock Exchange (stock code: 2491) |
| “Target Group” | the Target Company and its subsidiaries |
| “Transaction” | the purchase by the Company and the sale by the Vendor of the Sale Shares |
| “TWD” | New Taiwan dollars, the lawful currency of Taiwan |
| “Vendor” | Ms. Chen Bi Chu, a shareholder of the Target Company who intends to sell approximately 9.45% of the entire equity interest in the Target Company |

By Order of the Board
The Hong Kong Building and Loan Agency Limited
Diana Liu He
Executive Director

Hong Kong, 10 August 2015

As at the date hereof, the board of directors of the Company comprises Mr. So Yuen Chun, Ms. Diana Liu He, Dr. Li Ai Guo and Mr. Cai Wen Wei being executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mrs. Chu Ho Miu Hing being independent non-executive Directors.

In this announcement, New Taiwan dollars is translated into Hong Kong dollars at the exchange rate of TWD4.09 to HK\$1.