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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)

ANNOUNCEMENT

APPOINTMENT OF DIRECTORS

The Board is pleased to announce that, following the despatch of the composite document dated 2 October 2009 jointly issued by the Offeror and the Company, Mr. Chan Chun Wai and Mr. Lau Yu Fung, Wilson have been appointed as executive Directors; Mr. Tang Yu Ming, Nelson has been appointed as non-executive Director; and Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung have been appointed as independent non-executive Directors.

All the above appointments have taken effect from 2 October 2009 immediately after the despatch of the composite document dated 2 October 2009 jointly issued by the Offeror and the Company as required by the Takeovers Code.

Reference is made to the joint announcements dated 28 August 2009 and 25 September 2009 issued by the Offeror and the Company in relation to, among other things, the details of the Offer and completion of the sale and purchase agreement dated 21 August 2009 entered into between the Offeror and Mercurius Partners Investments Limited in relation to the sale and purchase of the entire issued share capital in Island New.

The Board is pleased to announce that, following the despatch of the composite document dated 2 October 2009 jointly issued by the Offeror and the Company, Mr. Chan Chun Wai and Mr. Lau Yu Fung, Wilson have been appointed as executive Directors; Mr. Tang Yu Ming, Nelson has been appointed as non-executive Director; and Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung have been appointed as independent non-executive Directors.

All the above appointments have taken effect from 2 October 2009 immediately after the despatch of the composite document dated 2 October 2009 jointly issued by the Offeror and the Company as required by the Takeovers Code.

Set out below are the biographical details of the Newly Appointed Directors:

Executive Directors

Mr. Chan Chun Wai

Mr. Chan, aged 40, graduated from the University of Central Oklahoma with a bachelor degree in computer sciences and mathematics. He has over 18 years of experience in the field of information technology in Hong Kong and the United States of America. Mr. Chan was an independent non-executive director of Carico Holdings Limited (currently known as Jia Sheng Holdings Limited) from 22 March 2005 to 29 May 2007.

Mr. Chan was also an independent non-executive director and a member of the audit committee and the remuneration committee of China Public Procurement Limited (formerly known as Sunny Global Holdings Limited) from 27 August 2007 to 7 August 2009.

Mr. Lau Yu Fung, Wilson

Mr. Lau, aged 45, graduated from the University of Adelaide with Bachelor of Laws and South Australian Institute of Technology with graduate diploma in legal practice. He has 20 years of experience in legal and commercial practice in Australia and Hong Kong. Mr. Lau is a partner of Lau Kwong & Hung, a legal firm of Hong Kong.

Non-executive Director

Mr. Tang Yu Ming, Nelson

Mr. Tang, aged 39, is a managing director of Shikumen Capital Management Limited. He is responsible for its investment activity, operations and business development.

Prior to co-founding Shikumen Capital Management Limited, Mr. Tang, from 1992 to 2007, spent 15 years in financial asset management industry. Mr. Tang was an active investor in publicly traded companies, PIPEs, pre-IPOs, private equities and structured transactions.

Mr. Tang graduated from Wharton School, University of Pennsylvania with a bachelor of science and economics degree majoring in finance and accounting in 1992.

Save for being a director of the Offeror, Mr. Tang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. As at the date of this announcement, save for the 168,750,000 Shares held by Island New, Mr. Tang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Independent non-executive Directors

Mr. Yu Kam Kee, Lawrence, BBS, MBE, J.P.

Mr. Yu, aged 64, has underwent training at Bayer AG and Cassella AG in Germany and has accumulated many years of extensive experience in the chemical industry. Mr. Yu is the honorary life president of the Hong Kong Dyestuffs Merchants Association Limited. He also serves on many charitable and social organizations. He is now the co-chairman of the Campaign Committee of The Community Chest of Hong Kong, governor of the Hong Kong Automobile Association, director of the Hong Kong Football Association Limited and the chairman of the Campaign Committee of The Road Safety Council.

Mr. Yu is an independent non-executive director of both Great China Holdings Limited and Global Flex Holdings Limited and the senior advisor of China Renji Medical Group Limited. He was the chairman and executive director of See Corporation Limited from 24 August 2004 to 1 October 2009, the executive director of China Renji Medical Group Limited from 6 March 1989 to 18 April 2007 and the executive director of Wing On Travel (Holdings) Limited from 9 October 2003 to 1 December 2007. The shares of the above companies are listed on the Main Board. Mr. Yu was also the non-executive chairman of Trasy Gold Ex Limited, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange, from 16 November 2007 to 1 October 2009.

Mr. Chan Chi Yuen

Mr. Chan, aged 43, holds a bachelor degree with honours in business administration and a master of science degree in corporate governance and directorship. He is a fellow of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an executive director of Kong Sun Holdings Limited and an independent non-executive director of China Sciences Conservational Power Limited, Premium Land Limited, Hong Kong Health Check and Laboratory Holdings Company Limited, Superb Summit International Timber Company Limited, Richly Field China Development Limited, China Grand Forestry Green Resources Group Limited and Rojam Entertainment Holdings Limited. Mr. Chan was an executive director of New Times Energy Corporation Limited since 10 May 2006 and was redesignated as a non-executive director from 25 October 2006 onwards. He was also an executive director of Amax Holdings Limited from August 2005 to January 2009 and China E-Learning Group Limited from July 2007 to September 2008 and an independent non-executive director of Golden Resorts Group Limited from September 2004 to October 2005.

Mr. Au Tin Fung

Mr. Au, aged 51, graduated from the business management department of the Hong Kong Baptist University. He holds a master degree in business administration from the Upper Iowa University, the United States of America. He has worked for Wong's Kong King International (Holdings) Limited as the corporate assistant general manager and the director general of Shenzhen Dengcheng Realities Development Company Limited. Mr. Au was an independent non-executive director of China Conservational Power Holdings Limited (currently known as China Fortune Group Limited), a company listed on the Main Board, from 23 December 2005 to 10 May 2006. Mr. Au was also an independent non-executive director and a member of the audit committee and the remuneration committee of China Public Procurement Limited (formerly known as Sunny Global Holdings Limited) from 27 August 2007 to 30 September 2009.

To the best knowledge of the Directors, save as disclosed above, none of the Newly Appointed Directors is interested or deemed to be interested in any shares or underlying shares of the Company pursuant to Part XV of the SFO.

Each of the newly appointed independent non-executive Directors, being Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung, has entered into a service contract with the Company for a fixed term of 3 years with a director's fee of HK\$200,000.00 per annum.

At present, there is neither any proposed length of service with the Company in respect of their directorships nor any service contract between the Company and any of the newly appointed executive Directors, being Mr. Chan Chun Wai and Mr. Lau Yu Fung, Wilson and the newly appointed non-executive Director, being Tang Yu Ming, Nelson. The amount of directors' emoluments of each of the newly appointed executive and non-executive Directors will be determined by the Board with reference to their duties and responsibilities in the Company and prevailing market conditions.

Save as disclosed above, the Newly Appointed Directors do not hold any other major appointments or qualifications, have not held any position nor directorship in any other listed public companies during the last three years preceding the date of this announcement, and do not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other information concerning each of the Newly Appointed Directors needed to be disclosed pursuant to Rules 13.51(2) of the the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Chan Chun Wai, Mr. Lau Yu Fung, Wilson, Mr. Tang Yu Ming, Nelson, Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung for joining the Board.

The resignations of the existing Directors, being Mr. John Zwaanstra, Mr. John Pridjian, Mr. Todd David Zwaanstra, Mr. Jonathon Jarrod Lawless, Mr. Alan Howard Smith, JP, Mr. Stephen King Chang-Min and Mr. Patrick Smulders are expected to take effect immediately upon the closing of the Offer on 23 October 2009.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	The Hong Kong Building and Loan Agency Limited (stock code: 145), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board
“Directors”	directors of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Public of China
“Island New”	Island New Finance Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Offeror as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	Main Board of the Stock Exchange
“Newly Appointed Directors”	Mr. Chan Chun Wai, Mr. Lau Yu Fung, Wilson, Mr. Tang Yu Ming, Nelson, Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung, who together have been appointed as Directors with effect from 2 October 2009 immediately after the despatch of the composite document dated 2 October 2009 jointly issued by the Offeror and the Company
“Offer”	the mandatory unconditional cash offer to be made by Sun Hung Kai on behalf of the Offeror for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code

“Offeror”	Hyde Park Group Limited, a company incorporated in the BVI with limited liability which is beneficially and wholly-owned by Mr. Tang Yu Ming, Nelson who has been appointed as non-executive Director of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Hung Kai”	Sun Hung Kai International Limited, a licensed corporation under the SFO permitted to engage in type 1 (dealings in securities) and type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
The Hong Kong Building and Loan Agency Limited
John Zwaanstra
Chairman

Hong Kong, 2 October 2009

As at the date of this announcement, the Board comprises Mr. John Zwaanstra, Mr. John Pridjian, Mr. Todd David Zwaanstra, Mr. Jonathon Jarrod Lawless, Mr. Chan Chun Wai and Mr. Lau Yu Fung, Wilson being executive Directors; Mr. Tang Yu Ming, Nelson being non-executive Director; and Mr. Alan Howard Smith, JP, Mr. Stephen King Chang-Min, Mr. Patrick Smulders, Mr. Yu Kam Kee, Lawrence, Mr. Chan Chi Yuen and Mr. Au Tin Fung being independent non-executive Directors.