

MANDATORY UNCONDITIONAL CASH OFFER BY



SUN HUNG KAI INTERNATIONAL LIMITED

for and on behalf of

ISLAND NEW FINANCE LIMITED

(Incorporated in the British Virgin Islands with limited liability)

an indirect non wholly-owned subsidiary of



ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

for all the issued shares of

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)

(other than shares already owned or agreed to be acquired by

ISLAND NEW FINANCE LIMITED)

DESPATCH OF OFFER DOCUMENT

Reference is made to the joint announcements of AGL and the Offeror dated 6th July, 2005 and 7th September, 2005, respectively, in relation to the Offer.

The Offeror wishes to announce that an offer document containing terms and details of the Offer, together with the accompanying form of acceptance and transfer, was despatched to the Shareholders on Wednesday, 14th September, 2005.

The latest time for acceptance of the Offer is 4:00 p.m. on Wednesday, 12th October, 2005. The Offer, which is unconditional, will close on Wednesday, 12th October, 2005. The Offeror has no intention to extend the Offer under any circumstance, including the situation where the response document is not despatched by the Company on or before 28th September, 2005. An announcement on the result of the Offer will be posted on the website of the Stock Exchange by 7:00 p.m. on Wednesday, 12th October, 2005. Such announcement will be published in the newspapers in Hong Kong on Thursday, 13th October, 2005.

The Company is required under the Takeovers Code to despatch to the Shareholders a response document on or before 28th September, 2005, that is, within 14 days from the posting of the offer document. **Shareholders are strongly encouraged to wait for such response document, which will contain, among other things, the recommendation of the independent board committee of the Company in connection with the Offer and the advice from the independent financial advisor of the Company in connection with the Offer, before deciding whether to accept the Offer.**

As at the date of this announcement, the directors of the Offeror are Mr. Akihiro Nagahara, Mr. Li Kwong Yan and Mr. Stephen Lo Kam Fai.

DEFINITIONS

"AGL"	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
"Company"	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, with its securities listed on the Main Board of the Stock Exchange
"Offer"	mandatory unconditional cash offer for all Shares in respect of which the Offer is made, being Shares not already owned or agreed to be acquired by the Offeror
"Offeror"	Island New Finance Limited, a company incorporated in the British Virgin Islands with limited liability and (through Onspeed Investments Limited) an indirect wholly-owned subsidiary of UAF
"Shareholders"	holders of Shares, except, for the purposes of the Offer, the Offeror
"Shares"	ordinary shares of nominal value of HK\$1.00 each in the issued share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Code on Takeovers and Mergers
"UAF"	United Asia Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect non wholly-owned subsidiary of AGI

By Order of the Board
Island New Finance Limited
Akihiro Nagahara
Director

Hong Kong, 14th September, 2005

The directors of Island New Finance Limited jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.