



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Hong Kong Building and Loan Agency Limited (the “Company”) will be held at Granville Room, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 3rd June, 2005 at 10:00 a.m. for the following purposes:–

1. To receive and adopt the audited Financial Statements of the Company and the Reports of the Directors and the Auditors for the year ended 31st December, 2004.
2. To consider the re-election of the retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To consider the re-appointment of Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:–

A. “THAT:–

- (a) subject to paragraph (c) below, pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares of the Company, the making or granting of which might require the exercise of such powers by the Directors of

the Company to allot, issue and deal with additional shares in the capital of the Company after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraphs (a) and (b), otherwise than pursuant to a Rights Issue (as hereinafter defined), or pursuant to the exercise of any options granted under any share option scheme adopted by the Company or an issue of shares upon exercise of subscription rights pursuant to warrants (if any) issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the Company's Articles of Association, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution, and the said approval shall be limited accordingly;

- (d) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Hong Kong or the Company's Articles of Association to be held; and
- (iii) the authority set out in this resolution being revoked or varied by way of ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange); and

- (e) the authority conferred by this resolution shall be in substitution for all previous authorities granted to the Directors of the Company, except that it shall be without prejudice to and shall not affect the exercise of the power of the Directors of the Company pursuant to such authorities to allot additional shares of the Company up to and in accordance with the approval therein contained prior to the date of this resolution.”

B. “THAT:–

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation granted to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors of the Company;
- (c) the aggregate nominal amount of shares which are authorised to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:–
 - “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Hong Kong or the Company’s Articles of Association to be held; and

(iii) the authority set out in this resolution being revoked or varied by way of ordinary resolution of the Company in general meeting.”

C. “THAT conditional on the passing of the resolution set out in paragraph 4B of the notice convening this meeting of which this resolution forms part, the general mandate granted to the Directors of the Company to allot and issue shares pursuant to the resolution set out in paragraph 4A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 4B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution.”

5. As special business, to consider and, if thought fit, pass the following resolutions as Special Resolutions:–

A. “THAT Article 86 of the Articles of Association of the Company be amended by inserting the words “voting by way of a poll is required by the rules of the Stock Exchange or” immediately after the words “decided on a show of hands unless”.”

B. “THAT the existing Article 120 of the Articles of Association of the Company be deleted in its entirety and replaced with the following new Article 120:–

“120. At each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not greater than one-third) shall retire from office by rotation. In addition, there shall also be required to retire by rotation any Director who at an annual general meeting of the Company shall have been a Director at each of the preceding two annual general meetings of the Company and who was not elected or re-elected at either such annual general meeting and who has not otherwise ceased to be a Director (either by resignation, retirement, removal or otherwise) and been re-elected by a general meeting of the Company at or since either such annual general meeting, notwithstanding any other provisions in these Articles and/or that the total number of Directors to retire at the relevant annual general meeting would as a result exceed one-third of the Directors for the time being. A Director

retiring at an annual general meeting shall retain office until the close or adjournment of the relevant annual general meeting.””

By Order of the Board
Marisa Mak
Secretary

Hong Kong, 29th April, 2005

Registered Office:–
Room 2301, 23rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

Note:–

1. Any member entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified true copy thereof) must be deposited at the Company’s registered office at Room 2301, 23rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.
3. The Memorandum and Articles of Association of the Company are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of Resolutions No. 5A and 5B on amendments to the Articles of Association of the Company is a translation for reference only. Should there be any discrepancies between the English and Chinese versions, the English version shall prevail.

As at the date of this notice, the Board of Directors of the Company comprises eleven directors, of which Messrs. Ning Gaoning, Leon Nim Leung Chan, Michael Kwok Shung Chan and Wai Lam Chan as non-executive Directors, Messrs. David T. Yeh, Jark Pui Lee, Jonathan Miles Foxall and Tai Chiu Ng as executive Directors and Dr. Nai Kong Leung and Messrs. King Fai Tsui and Victor Ha Kuk Yung as independent non-executive Directors.