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If you are in any doubt as to any aspect of this document or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Hong Kong Building and Loan Agency Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of The Hong Kong Building and Loan Agency Limited to 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. is set out on pages 11 to 15 of this document.

Whether or not you are able or intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of The Hong Kong Building and Loan Agency Limited at Room 2301, 23rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy shall not preclude shareholders from attending and voting in person at the Annual General Meeting should they so desire.

29th April, 2005

LETTER FROM THE BOARD



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)

Non-executive Directors:

Mr. Ning Gaoning (*Chairman*)
Mr. Leon Nim Leung Chan
Mr. Michael Kwok Shung Chan
Mr. Wai Lam Chan

Registered Office:

Room 2301, 23rd Floor
Tower One
Lippo Centre
89 Queensway
Hong Kong

Executive Directors:

Mr. David T. Yeh
Mr. Jark Pui Lee, O.B.E., J.P.
Mr. Jonathan Miles Foxall
Mr. Tai Chiu Ng

Independent Non-executive Directors:

Dr. Nai Kong Leung, B.B.S., J.P.
Mr. Victor Ha Kuk Yung
Mr. King Fai Tsui

29th April, 2005

To the shareholders of the Company

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this document is to provide shareholders (the "Shareholders") of The Hong Kong Building and Loan Agency Limited (the "Company") with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions mentioned herein and which, inter alia, will be dealt

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with at the annual general meeting of the Company to 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. (the "Annual General Meeting") and to convene the Annual General Meeting, notice of which is set out on pages 11 to 15 of this document (the "AGM Notice").

At the Annual General Meeting, it will be proposed as an ordinary resolution to grant the directors of the Company (the "Directors") a general mandate to repurchase shares of HK\$1.00 each in the capital of the Company (the "Shares") since the previous general mandate granted to the Directors at the annual general meeting of the Company held on 10th May, 2004 will expire on conclusion of the Annual General Meeting. In accordance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), all proposed repurchases of securities by the Company must be approved by the Shareholders in general meeting by way of ordinary resolution, either granting a general mandate or specific approval of a particular transaction. Furthermore, the Company is required under the Listing Rules to send to its Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution set out in the AGM Notice approving the grant of a mandate to the Directors to exercise the powers of the Company to repurchase Shares. It will also be proposed at the Annual General Meeting as special resolutions that the articles of association of the Company (the "Articles") be amended to provide that the chairman of the general meetings of the Company (the "Chairman") must demand a poll in certain circumstances when a poll is required by the Listing Rules and that every Director shall be subject to retirement by rotation at least once every three years in light of the recent amendments to the Listing Rules. In addition, details of the proposed renewal of the general mandate to issue Shares and re-election of retiring Directors are set out below.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution, as set out in the AGM Notice, will be proposed which, if passed, will give the Directors a general and unconditional mandate to allot, issue and otherwise deal with new Shares representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting. In addition, conditional upon the proposed resolution to authorise the repurchase of Shares as is more particularly described under the section headed "General Mandate to Repurchase Shares" being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase.

GENERAL MANDATE TO REPURCHASE SHARES

Explanatory Statement

General information

At the Annual General Meeting, an ordinary resolution, as set out in the AGM Notice, will be proposed which, if passed, will give the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase issued

LETTER FROM THE BOARD

Shares subject to the criteria set out in this document. In particular, Shareholders should note that the maximum number of Shares that may be repurchased pursuant to such mandate will be limited to such number of Shares representing 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting. For your information, on 27th April, 2005, being the latest practicable date prior to the printing of this document for ascertaining certain information referred to herein (the "Latest Practicable Date"), there were in issue an aggregate of 225,000,000 fully paid Shares. On the basis of this figure and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, not more than 22,500,000 Shares may be repurchased on the Stock Exchange by the Company pursuant to the general mandate proposed to be granted at the Annual General Meeting.

While it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, the Directors believe that the grant of a general mandate to repurchase Shares would allow the Company additional flexibility that would be beneficial to the Company. The exercise of the repurchase mandate to repurchase Shares may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such repurchases in circumstances where the Directors consider to be in the best interests of the Company and its Shareholders. On the basis of the consolidated financial position of the Company as at 31st December, 2004 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital or gearing position of the Company at that time and the number of Shares in issue at present, there may be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed repurchases were to be carried out in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company unless the proposed purchases are on terms favourable to the Company.

The Company is empowered by its memorandum of association (the "Memorandum") and Articles to repurchase its Shares. The Company proposes to make the repurchases out of retained profits or other funds which shall be legally available for such purpose in accordance with the Memorandum and Articles and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong).

Directors and connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any associates (as defined in the Listing Rules) of any of the Directors have any present intention, in the event that the resolution as set out in the AGM Notice is approved by the Shareholders, to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares.

LETTER FROM THE BOARD

Listing Rules

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution set out in the AGM Notice and in accordance with the Listing Rules, all applicable laws of Hong Kong and the regulations set out in the Memorandum and Articles.

Hong Kong Code on Takeovers and Mergers

If, on the exercise of the power to repurchase Shares in accordance with the resolution set out in the AGM Notice, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeover Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Lippo China Resources Limited ("LCR") was beneficially interested in 168,313,038 Shares, representing approximately 74.8 per cent. of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the shareholding of LCR in the Company would be increased to approximately 83.1 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a general offer for shares under Rule 26 of the Takeover Code.

The Directors are not aware of any obligation which would arise under the Takeover Code as a consequence of any purchases by the Company of its Shares.

Miscellaneous

During the six months preceding the Latest Practicable Date, no Shares were purchased by the Company.

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as set out in the Appendix.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (the "Code"). The Code, which is contained in Appendix 14 of the Listing Rules, came into effect on 1st January, 2005.

Paragraph E.2.1 of the Code provides, inter alia, that the chairman of the general meetings of a listed issuer must demand a poll in the general meetings of the listed issuer whenever voting by way of a poll is required under the Listing Rules.

LETTER FROM THE BOARD

Paragraph A.4.2 of the Code provides, inter alia, that every director of a listed issuer, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In order to bring the Articles in line with the Code, special resolutions will be proposed at the Annual General Meeting that Article 86 of the Articles be amended to provide, inter alia, that the Chairman must demand a poll in certain circumstances when a poll is required by the Listing Rules and that Article 120 of the Articles be amended to provide, inter alia, that every Director shall be subject to retirement by rotation at least once every three years.

Full details of the proposed amendments to the Articles are set out in the relevant resolutions contained in the AGM Notice on pages 11 to 15 of this document.

RECOMMENDATION

The Directors are of the opinion that the proposed general mandates to issue and repurchase Shares and the proposed amendments to the Articles are in the best interests of the Company and recommend that you vote in favour of the ordinary and special resolutions to be proposed at the Annual General Meeting.

PARTICULARS CONCERNING DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

In accordance with Article 110 of the Articles, Dr. Nai Kong Leung and Messrs. King Fai Tsui and Victor Ha Kuk Yung will retire from office and, being eligible, will offer themselves for re-election at the Annual General Meeting .

In accordance with Article 120 of the Articles, Messrs. Michael Kwok Shung Chan and Tai Chiu Ng will retire from office by rotation at the Annual General Meeting. Mr. Tai Chiu Ng, who being eligible, will offer himself for re-election. Mr. Michael Kwok Shung Chan has given notice in writing to the Company that he will retire from office by rotation and not offer himself for re-election at the Annual General Meeting owing to his business commitment. Mr. Chan has confirmed that there are no matters relating to his retirement that need to be brought to the attention of the Shareholders.

Details of the Directors proposed to be re-elected at the Annual General Meeting are as follows:-

Dr. Nai Kong Leung, B.B.S., J.P.

Dr. Nai Kong Leung, B.B.S., J.P., aged 62, was appointed an independent non-executive Director and a member of the audit committee of the Company on 30th September, 2004. Dr. Leung is a respected medical practitioner with extensive expertise experience in Paediatrics. He was the Hospital Chief Executive of Princess Margaret Hospital and had served and contributed to Princess Margaret Hospital for over 20 years. Dr. Leung is currently an Honorary Professor of The University of Hong Kong and The Chinese University of Hong Kong. He is also an Honorary Consultant of Princess Margaret Hospital and Kwong Wah Hospital. Dr. Leung has been active in public and community services and is a member of various community bodies. He is the Medical Consultant of Children's Cancer Foundation and Council

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Member of Hong Kong Red Cross and The Spastics Association of Hong Kong. He is also the Chairman of Council for the AIDS Trust Fund, National Committee for the Certification of Wild Poliovirus Eradication, and Scientific Committee on Vaccine Preventable Diseases, Centre for Health Protection, Department of Health, and a member of Town Planning Board. Dr. Leung was awarded the Bronze Bauhinia Star of Hong Kong Special Administrative Region in 2000.

Other than the relationship arising from his directorship in the Company, Dr. Leung does not have any relationship with any other Director, senior management, substantial shareholder (as defined in the Listing Rules), or controlling shareholder (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dr. Leung was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the Securities and Futures Ordinance ("SFO").

Dr. Leung was appointed pursuant to a letter of appointment issued by the Company on 27th September, 2004 for a term of two years, which will be terminable by either party by giving not less than three months' prior written notice or in accordance with the provisions of the Articles. Dr. Leung is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. The amount of director's fee payable by the Company to Dr. Leung is HK\$80,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2004, Dr. Leung received a director's fee of HK\$20,384 from the Company.

Mr. King Fai Tsui

Mr. King Fai Tsui, aged 55, was appointed an independent non-executive Director and a member of the audit committee of the Company on 30th September, 2004. He has also been appointed as an independent non-executive director of Lippo Limited ("Lippo"), LCR and Hongkong Chinese Limited ("HCL"), which are all listed on the Stock Exchange, with effect from 30th September, 2004. Lippo is the holding company of LCR which in turn is the holding company of each of HCL and the Company. Mr. Tsui has also been appointed as an independent non-executive director of AcrossAsia Limited ("AAL"), a fellow subsidiary of Lippo, which is listed on the Growth Enterprise Market of the Stock Exchange, with effect from 30th September, 2004.

Mr. Tsui is the managing director of a financial services company in Hong Kong. He has extensive experience in finance, management and investment management, particularly in investments in Mainland China. He worked for two leading audit firms in the United States of America and Hong Kong and served in various public listed companies in Hong Kong in a senior capacity. He graduated from the University of Houston, Texas, the United States of America and holds a Master of Science in Accounting degree and a Bachelor of Business Administration degree with first class honours. Mr. Tsui is a Fellow of the Hong Kong Institute of

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Certified Public Accountants, a member of the Institute of Chartered Accountants in Australia and a member of the American Institute of Certified Public Accountants. He is also a member of the finance committee of the Construction Industry Training Authority in Hong Kong.

Other than the relationship arising from his directorships in the Company, HCL, LCR, Lippo and AAL, Mr. Tsui does not have any relationship with any other Director, senior management, substantial shareholder (as defined in the Listing Rules), or controlling shareholder (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, the spouse of Mr. Tsui was interested in 50,000 ordinary shares of HK\$1.00 each in HCL, representing approximately 0.004 per cent. of the issued share capital of HCL. Save as disclosed herein, Mr. Tsui was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Tsui was appointed pursuant to a letter of appointment issued by the Company on 27th September, 2004 for a term of two years, which will be terminable by either party by giving not less than three months' prior written notice or in accordance with the provisions of the Articles. Mr. Tsui is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. The amount of director's fee payable by the Company to Mr. Tsui is HK\$80,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2004, Mr. Tsui received a director's fee of HK\$20,384 from the Company.

Mr. Victor Ha Kuk Yung

Mr. Victor Ha Kuk Yung, aged 51, was appointed an independent non-executive Director and a member of the audit committee of the Company on 30th September, 2004. He has also been appointed as an independent non-executive director of Lippo, LCR and HCL, which are all listed on the Stock Exchange, with effect from 30th September, 2004. Lippo is the holding company of LCR which in turn is the holding company of each of HCL and the Company.

Mr. Yung is a professional accountant with over 30 years of working experience in the financial and accounting fields, and served in management positions in various multinational companies in Hong Kong, Mainland China, Taiwan and Singapore. He also sat on the board of North 22 Technology Services Group Limited (listed in Singapore) from 2000 to 2002 as their independent director and member of the audit committee. He is an independent non-executive director of Wanji Pharmaceutical Holdings Limited (listed in Hong Kong). He was appointed a member of the listings sub-committee of the Stock Exchange of Singapore from 1998 to 1999. Mr. Yung is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Certified Public Accountants of Singapore and the Association of Chartered Certified Accountants of the United Kingdom.

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Other than the relationship arising from his directorships in the Company, HCL, LCR and Lippo, Mr. Yung does not have any relationship with any other Director, senior management, substantial shareholder (as defined in the Listing Rules), or controlling shareholder (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Yung was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Yung was appointed pursuant to a letter of appointment issued by the Company on 27th September, 2004 for a term of two years, which will be terminable by either party by giving not less than three months' prior written notice or in accordance with the provisions of the Articles. Mr. Yung is also subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. The amount of director's fee payable by the Company to Mr. Yung is HK\$80,000 per annum, which was determined by reference to the prevailing market rate for independent non-executive directors of listed companies in Hong Kong. For the year ended 31st December, 2004, Mr. Yung received a director's fee of HK\$20,384 from the Company.

Mr. Tai Chiu Ng

Mr. Tai Chiu Ng, aged 51, was appointed a Director of the Company on 21st August, 2000. He is also a director of certain wholly-owned subsidiaries of the Company. Mr. Ng is a qualified accountant. He holds a master's degree in Business (Electronic Commerce) from Curtin University of Technology in Australia, a master's degree in International Banking and Financial Studies from the Heriot-Watt University in the United Kingdom and a doctor's degree in Business Administration from the University of Hull in the United Kingdom. Mr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators. Mr. Ng has over 20 years' experience in the accounting and corporate finance field in Hong Kong. Mr. Ng is also an independent non-executive director of a public listed company in Hong Kong.

Other than the relationship arising from his directorships in the Company and its subsidiaries, Mr. Ng does not have any relationship with any other Director, senior management, substantial shareholder (as defined in the Listing Rules), or controlling shareholder (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Ng was not interested or deemed to be interested in any Shares or underlying Shares pursuant to Part XV of the SFO.

Mr. Ng does not have any service contract with the Company or any of its subsidiaries. He is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Articles. For the year ended 31st December, 2004, Mr. Ng received a director's fee of HK\$15,000 from the Company which is determined by reference to his duties and responsibilities within the Group.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 11 to 15 of this document.

A form of proxy is enclosed with this document for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the enclosed form of proxy to the registered office of the Company at Room 2301, 23rd Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the meeting. Completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person if you so wish.

PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETINGS

Under the Articles, at any general meeting of the members, a resolution shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

- (1) the chairman of the meeting; or
- (2) at least five members present in person or by proxy for the time being entitled to vote at the general meeting; or
- (3) any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the general meeting; or
- (4) a member or members present in person or by proxy and holding Shares conferring a right to vote at the general meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Yours faithfully,
By Order of the Board
The Hong Kong Building and Loan Agency Limited
Ning Gaoning
Chairman

APPENDIX

During each of the twelve months immediately preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:-

Month	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
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2004		
April	0.700	0.570
May	0.670	0.580
June	_*	_*
July	0.580	0.520
August	0.680	0.630
September	0.650	0.570
October	0.630	0.550
November	0.640	0.560
December	0.680	0.600
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2005		
January	0.640	0.600
February	0.650	0.560
March	0.630	0.590
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* – *There were no transactions during the month.*

NOTICE OF ANNUAL GENERAL MEETING



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 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;

NOTICE OF ANNUAL GENERAL MEETING

(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."

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE OF ANNUAL GENERAL MEETING

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.



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)

PROXY FORM

Form of proxy for the Annual General Meeting to 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.

I/We¹ _____
of _____
being the registered holder(s) of² _____ shares of HK\$1.00 each in the capital of
The Hong Kong Building and Loan Agency Limited (the "Company"), hereby appoint³ _____
of _____
or failing him, the Chairman of the meeting, as my/our proxy to attend on my/our behalf at the meeting (and at any adjournment thereof) to vote for me/us in my/our name(s) in respect of the resolutions set out in the notice of the meeting (with or without modifications) as hereunder indicated.

	Resolutions	For⁴	Against⁴
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.		
2A.	(i) To consider the re-election of Dr. Nai Kong Leung as a Director.		
	(ii) To consider the re-election of Mr. King Fai Tsui as a Director.		
	(iii) To consider the re-election of Mr. Victor Ha Kuk Yung as a Director.		
	(iv) To consider the re-election of Mr. Tai Chiu Ng as a Director.		
2B.	To authorise the Board of Directors to fix the Directors' remuneration.		
3.	To re-appoint Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
4A.	To give a general mandate to the Directors to allot and issue additional shares of the Company not exceeding 20 per cent. of the issued share capital of the Company.		
4B.	To give a general mandate to the Directors to repurchase shares of the Company not exceeding 10 per cent. of the issued share capital of the Company.		
4C.	To extend the general mandate to the Directors to allot and issue additional shares of the Company of an amount not exceeding the amount of shares repurchased by the Company.		
5A.	To amend Article 86 of the Articles of Association of the Company.		
5B.	To amend Article 120 of the Articles of Association of the Company.		

Dated this _____ day of _____ 2005 Signature(s)⁷ _____

Note:-

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS.
2. Please insert the number of shares of HK\$1.00 each in the capital of the Company registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
3. Full name and address of proxy to be inserted in BLOCK CAPITALS. IF NOT COMPLETED, THE CHAIRMAN OF THE MEETING WILL ACT AS YOUR PROXY.
4. IMPORTANT: IF YOU WISH TO VOTE FOR ANY RESOLUTION, TICK IN THE BOX MARKED "FOR" BESIDE THE APPROPRIATE RESOLUTION. IF YOU WISH TO VOTE AGAINST ANY RESOLUTION, TICK IN THE BOX MARKED "AGAINST" BESIDE THE APPROPRIATE RESOLUTION. If no direction is given, the proxy will be entitled to vote or abstain as he thinks fit. Your proxy will be entitled to vote or abstain at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
5. To be valid, this form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified true copy of such power or authority, 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.
6. In the case of joint holders of a share, the vote of the person, whether attending in person or by proxy, whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the vote(s) of the other joint holder(s).
7. This form of proxy must be signed by you or your attorney duly authorised in writing or, if you are a corporation, must either be executed under seal or under the hand of an officer or attorney duly authorised.
8. The proxy need not be a member of the Company but must attend the meeting in person to represent you.
9. Completion and delivery of this form of proxy shall not preclude you from attending and voting in person if you so wish.
10. Any alterations to this form of proxy must be initialled by the person who signs it.