

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a net loss for the six months ended 30 June 2010 as compared to a net profit (unaudited) for the corresponding period in 2009.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by The Hong Kong Building and Loan Agency Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

Based on preliminary review on the Company’s management accounts, the board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that the Company is expected to record a net loss for the six months ended 30 June 2010 as compared with the net profit (unaudited) recorded by the Company for the corresponding period in 2009. The expected loss in the Company’s results for the six months ended 30 June 2010 was mainly attributable to the fair value changes on financial asset held for trading.

In spite of the abovementioned situation, the Board considers that the overall financial condition and operations of the Group as a whole remain sound and healthy.

The Company is in the process of finalizing the unaudited interim results of the Group for the six months ended 30 June 2010 and this profit warning announcement is only based on the preliminary assessment of the information currently available to the Company. Details of the Group's unaudited interim results will be disclosed when the unaudited interim results of the Group for the six months ended 30 June 2010 is announced.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
The Hong Kong Building and Loan Agency Limited
Au Tin Fung
Director

Hong Kong, 9 August 2010

As at the date of this announcement, the Board comprises Mr. Lau Yu Fung, Wilson, Mr. Chan Chun Wai and Mr. Au Tin Fung being executive Directors; Mr. Chan Chi Yuen, Mr. So Yuen Chun and Mr. Ng Cheuk Fan, Keith being independent non-executive Directors.