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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)

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 substantial increase in loss for the year ended 31 December 2010 as compared to a profit 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 substantial increase in loss for the year ended 31 December 2010 as compared with the profit recorded by the Company for the corresponding period in 2009. The expected loss in the Company’s results for the year ended 31 December 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 results of the Group for the year ended 31 December 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 audited financial results will be disclosed when the audited financial results of the Group for the year ended 31 December 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, 14 March 2011

As at the date of this announcement, the Board comprises Mr. Au Tin Fung, Mr. So Yuen Chun and Mr. Soong Kok Meng being executive Directors; Mr. Ng Cheuk Fan, Keith, Mr. Lam Kwok Hing, Wilfred and Mr. Yeung Wai Hung, Peter being independent non-executive Directors.