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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of the Company dated 27 May 2014 in relation to, among other things, (i) placing of existing shares; (ii) subscription of new shares under General Mandate; and (iii) subscription of Convertible Bonds under Specific Mandate (the “**Announcement**”). Definitions and terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified.

The Board would like to clarify that there were three inadvertent typographical errors in the Announcement. On page 7 of the Announcement under the section of conditions precedent to completion of each Tranche under the Placing, clause (a) “...the First Vendor having agreed to subscribe the New CB” should be “...FTS having agreed to subscribe the New CB” instead; and clause (e) “the Joint Placing Agents having successfully identified, or having procured, Placee(s) who is/are ready, willing and able to subscribe for not less than 20,000,000 Placing Shares” should be “the Joint Placing Agents having successfully identified, or having procured, Placee(s) who is/are ready, willing and able to subscribe for not less than 10,000,000 Placing Shares” instead pursuant to the Placing Agreement. Also, on page 9 of the Announcement, the completion of the GM Subscription shall be a Business Day within 15 Business Days, instead of 10 Business Days of the execution of the Stock Lending and Subscription Agreement, or such later date as the parties thereof may otherwise agree in writing pursuant to the Stock Lending and Subscription Agreement.

As the Stock Lending and Subscription Agreement has not been entered into as at the date of the Announcement, the Company will publish further announcement(s) to inform its Shareholders in the event that the Stock Lending and Subscription Agreement is entered into by the relevant parties, and to inform Shareholders of the exact date of the long stop date of the GM Subscription. The Company expects the GM Subscription to be completed on or before 20 June 2014. The Company will also publish further announcement(s) immediately after completion of the Placing and the GM Subscription.

By order of the Board
The Hong Kong Building and Loan Agency Limited
So Yuen Chun
Executive Director

Hong Kong, 28 May 2014

As at the date of this announcement, the Board comprises Mr. So Yuen Chun and Mr. Yeung Kwok Leung being executive Directors; Mr. Lam Kwok Hing, Wilfred, J.P. being non-executive Director; and Mr. Yeung Wai Hung, Peter, Mr. Lam Raymond Shiu Cheung and Ms. Yuen Wai Man being independent non-executive Directors.