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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 GUARANTEE IN RESPECT OF
THE ACQUISITION OF THE ENTIRE SHARE CAPITAL
IN WELDTECH TECHNOLOGY CO. LIMITED**

References are made to the Company's announcements dated 6 December 2013 and 16 June 2014 (the "Announcements") and circular dated 11 April 2014 (the "Circular") relating to the Acquisition. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Circular.

Pursuant to the Sale and Purchase Agreement, the Vendors have irrevocably warranted and undertaken to the Purchaser that the audited consolidated profit before tax of the Weldtech Group for the year ending 31 December 2015 (the "2015 Actual Profit") shall not be less than HK\$160,000,000 (the "2015 Profit Guarantee"). If the 2015 Actual Profit falls below the 2015 Profit Guarantee, all of the Promissory Notes C shall become null and void.

The Board would like to inform the Shareholders that the audited consolidated loss before tax of the Weldtech Group for the year ended 31 December 2015 is approximately HK\$32,887,000. Accordingly, the 2015 Profit Guarantee is not met and all of the Promissory Notes C have become null and void.

By Order of the Board
The Hong Kong Building and Loan Agency Limited
Chong Kok Leong
Executive Director

Hong Kong, 31 March 2016

As at the date of this announcement, the Board comprises Mr. So Yuen Chun, Dr. Li Ai Guo, Mr. Chong Kok Leong and Ms. Khoo Pui Wun being executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mrs. Chu Ho Miu Hing being independent non-executive Directors.