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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 by The Hong Kong Building and Loan Agency Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a more than 200% increased in loss attributable to equity shareholders of the Company for the six months ended 30 June 2017 as compared to the corresponding period in 2016.

The expected increasing in loss for the Company for the six months ended 30 June 2017 was mainly attributable to an one-off gain of approximately HK\$40.9 million on disposal of subsidiaries during the six months ended 30 June 2016 while there was no disposal of subsidiaries during the six months ended 30 June 2017.

As the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 30 June 2017 prepared by the management of the Company and the information currently available, and hence may or may not be accurate. Shareholders and potential investors of the Company are advised to read carefully the Company's interim results announcement for the six months ended 30 June 2017, which is expected to be published on or around 18 August 2017.

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

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

Hong Kong, 2 August 2017

As at the date of this announcement, the Board comprises Mr. So Yuen Chun, Dr. Li Ai Guo, Mr. Chong Kok Leong and Mr. Zhuang Miao Zhong being the executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being the non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mr. Choy Hiu Fai, Eric being the independent non-executive Directors.