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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Hong Kong Building and Loan Agency Limited, you should at once hand this circular, the accompanying form of proxy and the 2009 Annual Report to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSAL FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of The Hong Kong Building and Loan Agency Limited to be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 May 2010 at 11:00 a.m., is set out in Appendix III to this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of The Hong Kong Building and Loan Agency Limited at Room 3501, 35th Floor, China Online Centre, No. 333 Lockhart Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

1 April 2010

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held on Friday, 28 May 2010 at 11:00 a.m.
“Articles”	the articles of association adopted by the Company from time to time
“Board”	the board of Directors
“Company”	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 March 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market
“Repurchase Code”	Hong Kong Code on Share Repurchases
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“2009 Annual Report”	annual report of the Company for the year ended 31 December 2009
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Lau Yu Fung, Wilson

Mr. Chan Chun Wai

Mr. Au Tin Fung

Non-executive Director:

Mr. Tang Yu Ming, Nelson (*Chairman*)

Independent Non-executive Director:

Mr. Chan Chi Yuen

Mr. So Yuen Chun

Mr. Ng Cheuk Fan, Keith

Registered office:

Room 3501

35th Floor, China Online Centre

No. 333 Lockhart Road

Wanchai

Hong Kong

1 April 2010

To the Shareholders,

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates to issue securities and repurchase Shares representing up to, respectively, 20% and 10% of the aggregate nominal amount of the Company's issued share capital as at the date of passing of such resolutions. A notice of the AGM is set out on pages 19 to 23 of the circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Article 110 of the Articles provides that the Directors shall have power from time to time and at any time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election. Any Director who retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

The Board currently consists of seven Directors, namely, Messrs. Tang Yu Ming, Nelson, Lau Yu Fung, Wilson, Chan Chun Wai, Au Tin Fung, Chan Chi Yuen, So Yuen Chun and Ng Cheuk Fan, Keith. All of them are appointed by the Board after the Company's last annual general meeting held on 7 May 2009. They will hold office only until the next following general meeting or until the AGM and, being eligible, offer themselves for re-election as Directors.

Article 123 further provides that no person other than a retiring Director shall, unless recommended by the Directors for election, be eligible for the office of a Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company in each case, during the period (being a period of at least seven days) commencing on the day after the despatch of the notice of the general meeting at which elections to the office of Director are to be considered and ending on the day that falls seven days before the date of the general meeting (both days inclusive).

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the registered office of the Company at Room 3501, 35th Floor, China Online Centre, No. 333 Lockhart Road, Wanchai, Hong Kong on or before 21 May 2010.

Brief biographical details of the retiring Directors are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 7 May 2009, ordinary resolutions were passed for the granting of general mandates to the Directors (i) to allot, issue and deal with additional securities of the Company representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue at that date (“Existing Issue Mandate”); and (ii) to repurchase Shares representing up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at that date (“Existing Repurchase Mandate”).

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in the Company’s affairs and are in the interests of the Shareholders, and that the same shall continue to be adopted by the Company.

New general mandates to allot, issue and deal with additional securities of the Company representing up to 20% of the issued share capital of the Company (“Issue Mandate”) and to repurchase Shares representing up to 10% of the issued share capital of the Company as at the date of passing of the resolutions (“Share Repurchase Mandate”) as set out in Resolutions 4(A) and 4(B) respectively of the notice of the AGM will be proposed at the AGM. A resolution authorising the extension of the Issue Mandate to include the aggregate nominal amount of the Shares repurchased (if any) under the Share Repurchase Mandate is set out as Resolution 4(C) at the AGM.

Save per the announcement issued by the Company dated 24 March 2010 in relation to, among other matters, an open offer of 562,500,000 offer shares on the basis of one offer share for every four Shares with option to subscribe for convertible bonds pursuant to the general mandate granted at the annual general meeting of the Company held on 7 May 2009, the Directors wish to state that they have no immediate plans to issue any new securities or repurchase any Shares pursuant to the relevant proposed new general mandates.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to take an informed view on whether to vote for or against Resolution 4(B) to be proposed at the AGM in relation to the proposed Share Repurchase Mandate are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

Notice of the AGM to be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 May 2010 at 11:00 a.m. is set out in Appendix III to this circular. A copy of the 2009 Annual Report of the Company is being despatched to the Shareholders together with this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandates to issue securities and repurchase Shares will be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office at Room 3501, 35th Floor, China Online Centre, No. 333 Lockhart Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

In compliance with the relevant requirements under the Listing Rules as amended, the Chairman of the Board would direct that each of the resolutions set out in the notice of the AGM be voted on by poll. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions as set out in the notice of the AGM are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

This circular, for which the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
**THE HONG KONG BUILDING AND
LOAN AGENCY LIMITED**
Au Tin Fung
Executive Director

The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

Mr. Tang Yu Ming, Nelson, aged 39, has been appointed as the Chairman and Non-Executive Director of the Company on 2 October 2009. He is also the Chairman of Nomination Committee and Remuneration Committee of the Company. Mr. Tang is the Managing Director of Shikumen Capital Management Limited and is responsible for its investment activity, operations and business development. Prior to co-founding Shikumen Capital Management Limited, during the period from 1992 to 2007, Mr. Tang spent 15 years in financial asset management industry. He graduated from Wharton School, University of Pennsylvania with a Bachelor of Science and Economics degree majoring in finance and accounting in 1992. He did not hold any other directorships in listed public companies during the past three years.

On 15 January 2010, Mr. Tang entered into a director's service agreement with the Company for a term of one (1) year commencing with retrospective from his appointment date (i.e. 2 October 2009), subject to the retirement by rotation provisions in the Articles. Pursuant to his service agreement, he will be entitled to receive a monthly director emolument of HK\$40,000.00 which has been determined with reference to his duties, experience and responsibilities in the Group as well as the prevailing market conditions. As at the Latest Practicable Date, save as his deemed interest in 688,250,000 Shares of the Company (representing an approximately 30.59% of the issued share capital of the Company) held by virtue of his controlling interests in Island New Finance Limited ("Island New Finance") and Hyde Park Group Limited ("Hyde Park"), both companies are incorporated in the British Virgin Islands with limited liability and have entered into a contract to sell shares of the associated corporation, Mr. Tang does not have any relationships with other Directors, senior management, Substantial Shareholders (as defined under the Listing Rules) or Controlling Shareholders (as defined under the Listing Rules) of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Tang that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Tang's re-election that needed to be brought to the attention of the Shareholders.

Mr. Chan Chun Wai, aged 40, was appointed an Executive Director of the Company on 2 October 2009. He holds several directorships in subsidiaries in the group. Mr. Chan graduated from the University of Central Oklahoma with a Bachelor Degree in Computer Sciences and Mathematics. He has over 18 years of experience in the field of information technology in Hong Kong and the United States of America.

During the period from 22 March 2005 to 29 May 2007, Mr. Chan served as an independent non-executive director of Carico Holdings Limited (now known as Jia Sheng Holdings Limited). Mr. Chan was also an independent non-executive director and a member of the audit committee and the remuneration committee of China Public Procurement Limited (formerly known as Sunny Global Holdings Limited) from 27 August 2007 to 7 August 2009. Save as disclosed, he did not hold any other directorships in listed public companies during the past three years.

On 15 January 2010, Mr. Chan entered into a director's service agreement with the Company for a term of one (1) year commencing with retrospective from his appointment date (i.e. 2 October 2009), subject to the retirement by rotation provisions in the Articles. Pursuant to his service agreement, he will be entitled to receive a monthly director emolument of HK\$40,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. Chan does not have any relationships with other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Chan that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Chan's re-election that needed to be brought to the attention of the Shareholders.

Mr. Lau Yu Fung, Wilson, aged 45, was appointed an Executive Director of the Company on 2 October 2009. He is also a director of several subsidiaries in the group. Mr. Lau graduated from the University of Adelaide with Bachelor of Laws and South Australian Institute of Technology with Graduate Diploma in Legal Practice. He has 20 years of experience in legal and commercial practice in Australia and Hong Kong. Mr. Lau is a partner of Lau Kwong & Hung, a legal firm of Hong Kong. He did not hold any other directorships in listed public companies during the past three years.

On 15 January 2010, Mr. Lau entered into a directors' service agreement with the Company for a term of one (1) year commencing with retrospective from his appointment date (i.e. 2 October 2009), subject to retirement by rotation provisions in the Articles. Pursuant to his service agreement, he will be entitled to receive a monthly director emolument of HK\$40,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. Lau does not have any relationships with other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Lau that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Lau's re-election that needed to be brought to the attention of the Shareholders.

Mr. Au Tin Fung, aged 51, was appointed an Independent Non-Executive Director on 2 October 2009 and re-designated as an Executive Director of the Company on 23 October 2009. He holds several directorships in subsidiaries in the group. Mr. Au graduated from the business management department of the Hong Kong Baptist University and holds a Master Degree in Business Administration from the Upper Iowa University, the United States of America. He has worked for Wong's Kong King International (Holdings) Limited as the corporate assistant general manager and the director general of Shenzhen Dengcheng Realities Development Company Limited.

Mr. Au was an independent non-executive director of China Conservational Power Holdings Limited (currently known as China Fortune Group Limited), a company listed on the Main Board of the Stock Exchange, during the period from 23 December 2005 to 10 May 2006. Mr. Au was also an independent non-executive director and a member of the audit committee and the remuneration committee of China Public Procurement Limited (formerly known as Sunny Global Holdings Limited) during the period from 27 August 2007 to 30 September 2009. Save as disclosed, he did not hold any other directorships in listed public companies during the past three years.

Mr. Au entered into a service contract with the Company on 2 October 2009 in respect of his appointment as an Independent Non-Executive Director of the Company on the same day, following his re-designation to an Executive Director, the said service contract was rescinded with mutual consent and has no further effect with effect from 23 October 2009. On 15 January 2010, Mr. Au entered into a director's service agreement with the Company for a term of one (1) year commencing with retrospective from the date of his re-designation as an Executive Director (i.e. 23 October 2009), subject to the retirement by rotation provisions in the Articles. Pursuant to this director's service agreement, he will be entitled to receive a monthly director emolument of HK\$40,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. Au does not have any relationships with other Directors, senior management, Substantial Shareholders or Controlling Shareholder of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Au that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Au's re-election that needed to be brought to the attention of the Shareholders.

Mr. Chan Chi Yuen, aged 43, holds a Bachelor Degree with honours in Business Administration and a Master of Science Degree in Corporate Governance and Directorship. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and is an associate of The Institute of Chartered Accountants in England and Wales. Mr. Chan is a practicing certified public accountant and has extensive experience in financial management, corporate finance and corporate governance.

Mr. Chan is currently an independent non-executive director of Asia Energy Logistics Group Holdings Limited, China Gamma Group Limited, China Gogreen Assets Investment Limited, Superb Summit International Timber Company Limited, Richly Field China Development Limited, China Grand Forestry Green Resources Group Limited and Rojam Entertainment Holdings Limited. Mr. Chan was an executive director of New Times Energy Corporation Limited since 10 May 2006 and was re-designated as a non-executive director from 25 October 2006 onwards. He was also an executive director of Kong Sun Holdings Limited from February 2007 to November 2009, Amax Holdings Limited from August 2005 to January 2009 and China E-Learning Group Limited from July 2007 to September 2008. Save as disclosed, he did not hold any other directorships in listed public companies during the past three years.

Mr. Chan entered into a service contract with the Company for a fixed term of three (3) years commencing with effect from his appointment date (i.e. 2 October 2009), subject to retirement by rotation provisions in the Articles. Pursuant to his service contract, he will be entitled to receive an annual director emolument of HK\$200,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. Chan does not have any relationships with other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Chan that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Chan's re-election that needed to be brought to the attention of the Shareholders.

Mr. So Yuen Chun, aged 37, has been appointed as an Independent Non-Executive Director, a member of Audit Committee, Nomination Committee and Remuneration Committee of the Company on 15 January 2010. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. So possesses more than 14 years of experience in the fields of auditing, accounting and finance. During the past three years, Mr. So did not hold any directorship in other listed companies.

Mr. So entered into a service contract with the Company for a fixed term of three (3) years commencing with effect from his appointment date (i.e. 15 January 2010), subject to retirement by rotation provisions in the Articles. Pursuant to his service contract, he will be entitled to receive an annual director emolument of HK\$100,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. So does not have any relationships with other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. So that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. So's re-election that needed to be brought to the attention of the Shareholders.

Mr. Ng Cheuk Fan, Keith, aged 48, has been appointed as an Independent Non-Executive Director, a member of Audit Committee, Nomination Committee and Remuneration Committee of the Company on 15 January 2010. He is a member of the CPA Australia and the Hong Kong Institute of Certified Public Accountants. Mr. Ng graduated from the University of Alberta, Canada, with a Bachelor's Degree in Commerce, majoring in Accounting. He also obtained a Master of Commerce Degree in Professional Accounting from the University of New South Wales, Australia. Mr. Ng has over 20 years of accounting and management experience.

Mr. Ng was appointed as an executive director of China Fortune Group Limited ("China Fortune") and Winbox International (Holdings) Limited ("Winbox") on 4 April 2007 and 1 September 2009 respectively, both companies are listed on the Stock Exchange. On 4 December 2007, he was further appointed as managing director of China Fortune.

On 17 August 2009, a winding up petition was filed with the High Court of Hong Kong against Yew Sang Hong Limited ("YSH"), a company incorporated in Hong Kong and is a wholly-owned subsidiary of China Fortune, by the Hong Kong Housing Authority (the "HAHK") demanding repayment of unpaid legal fees and the interests accrued thereon. YSH is principally engaged in electrical engineering contracting business. Mr. Ng resigned as director of YSH on 6 August 2009. The Company finally reached an amicable settlement with HAHK and the High Court of Hong Kong granted an order directing the withdrawal of the winding-up petition against YSH on 19 October 2009, thereby the winding up proceedings discontinued.

During the period from May 2004 to June 2008, Mr. Ng served as an executive director, financial controller, qualified accountant and company secretary of LeRoi Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange.

From April 1996, he served as an executive director of Fujian Group Limited (now known as Fujian Holdings Limited) ("Fujian"), a company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange and is principally engaged in property investment and development, hotel operation and investment holding. Mr. Ng resigned as director of Fujian on 27 July 2001. After his resignation, a Winding-up Petition (HCCW74/2002) dated 21 January 2002 was served on Fujian by 6 former employees involving an amount of HK\$489,425.20. This Winding-up Petition related to redundancy payments and was dismissed by the High Court on 29 July 2002 upon the satisfaction of the payment of the claim.

From May 1999, he served another listed company, Fu Hui Holdings Limited (“Fu Hui”) (now known as Fushan International Energy Group Limited), a company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange with its business engaged in investments holdings and sale & marketing of jewellery products. Fu Hui underwent a proceeding regarding a corporate restructuring involving subscription of new shares, bank compromise, whitewash waiver and change of name. The proceeding commenced on 20 July 2001 and the amount involved for subscription of new shares was HK\$100,000,000.00 and for bank compromise was HK\$95,474,962.94. The corporate restructuring was completed on 14 September 2001 and the name of Fu Hui was changed to Fushan Holdings Limited with effect from 3 October 2001. Mr. Ng resigned as director of Fu Hui on 14 September 2001.

Save as disclosed above, Mr. Ng has not held any other directorship in any listed companies during the past three years.

Mr. Ng entered into a service contract with the Company for a fixed term of three (3) years commencing with effect from his appointment date (i.e. 15 January 2010), subject to retirement by rotation provisions in the Articles. Pursuant to his service contract, he will be entitled to receive an annual director emolument of HK\$100,000.00 which has been determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the prevailing market conditions. Mr. Ng does not have any relationships with any other Directors, senior management, Substantial Shareholders or Controlling Shareholders of the Company, nor does he have any interest in the Shares, underlying shares or debenture of the Company or any of its associated corporations within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Ng that needed to be disclosed.

Save as disclosed above, there are no other matters relating to Mr. Ng’s re-election that needed to be brought to the attention of the Shareholders.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$225,000,000 divided into 2,250,000,000 Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 225,000,000 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and the Shareholders and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2009, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing level which, in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed mandate to repurchase Shares would be financed out of funds legally available for the purpose in accordance with the Company's memorandum of association and the Articles and the applicable laws of Hong Kong and the Listing Rules. Such funds include, but are not limited to, profits available for distribution.

EFFECT OF THE TAKEOVERS CODE AND REPURCHASE CODE

Upon the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interest, may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Directors were aware, the Substantial Shareholders of the Company (within the meaning of the Listing Rules) are Hyde Park Group Limited ("Hyde Park"), a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Tang Yu Ming, Nelson, the Chairman and Non-Executive Director of the Company.

Hyde Park is interested in an aggregate of 688,250,000 Shares, representing approximately 30.59 % of the issued share capital of the Company as at the Latest Practicable Date. The interest held by Hyde Park represents (i) it's beneficial interest in 5,750,000 Shares and (ii) it's deemed interest in 682,500,000 Shares held through its wholly-owned subsidiary, Island New Finance Limited.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate (on the basis of 2,250,000,000 Shares in issue before the exercise of the Repurchase Mandate), the attributable shareholdings Hyde Park and its parties acting in concert with it would be increased to approximately 33.99% of the then issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases of Shares made under the Share Repurchase Mandate. In the event that the Share Repurchase Mandate is exercised in full, the number of Shares of the Company held by the public would fall below 25% of the total number of Shares in issue. The Directors have no present intention to repurchase Shares to such an extent which will result in the number of the Shares held by the public being reduced to less than 25%.

PRICE OF THE SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
April	0.065	0.054
May	0.090	0.060
June	0.097	0.075
July	0.095	0.076
August	0.270	0.087
September	0.240	0.160
October	0.230	0.182
November	0.578	0.200
December	0.430	0.292
2010		
January	0.385	0.244
February	0.284	0.224
March (up to the Latest Practicable Date)	0.295	0.234

REPURCHASE OF SHARES

No Shares have been repurchased by the Company or any of its subsidiaries during the six months immediately preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries if the Share Repurchase Mandate is exercised by the Company.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, nor has he or she or it undertaken not to do so in the event that the Company is authorised to make repurchase of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws of Hong Kong.



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“Meeting”) of The Hong Kong Building and Loan Agency Limited (香港建屋貸款有限公司) (“Company”) will be held at Falcon Room I, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 28 May 2010 at 11:00 a.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and Reports of the Directors and the Auditor for the year ended 31 December 2009.
2. To re-elect each of the following individuals:
 - (A) Mr. Tang Yu Ming, Nelson as a Non-Executive Director.
 - (B) Mr. Lau Yu Fung, Wilson as an Executive Director.
 - (C) Mr. Chan Chun Wai as an Executive Director.
 - (D) Mr. Au Tin Fung as an Executive Director.
 - (E) Mr. Chan Chi Yuen as an Independent Non-Executive Director.
 - (F) Mr. So Yuen Chun as an Independent Non-Executive Director.
 - (G) Mr. Ng Cheuk Fan, Keith as an Independent Non-Executive Director.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditor and authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (A) **“THAT:**
 - (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

- (b) the approval given in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company from time to time,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- (C) “**THAT** conditional upon the passing of the resolutions set out as Resolutions 4(A) and 4(B) in the notice convening this Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to the resolution set out as Resolution 4(A) in the notice convening this Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted pursuant to the resolution set out as Resolution 4(B) in the notice convening this Meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

By Order of the Board
**THE HONG KONG BUILDING AND
LOAN AGENCY LIMITED**
Au Tin Fung
Executive Director

Hong Kong, 1 April 2010

Registered office:

Room 3501
35th Floor, China Online Centre
No. 333 Lockhart Road
Wanchai
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting will be entitled to appoint another person as his proxy to attend and vote in his stead. A proxy need not be a member of the Company. A member of the Company may appoint more than one proxy to attend the Meeting.
2. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's registered office at Room 3501, 35th Floor, China Online Centre, No. 333 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.
4. Where there are joint holders of any Share, any one of such joint holders may vote at the Meeting either personally or by proxy in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Share.
5. In respect of Resolution 4(A) above, the Directors wish to state that they have no immediate plans to issue any new securities of the Company under this mandate. Approval is being sought from members as a general mandate, in compliance with the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any securities of the Company up to 20% of the existing issued share capital at the date of the passing of the resolution.
6. The general purpose of the authority to be conferred on the Directors by Resolution 4(B) above is to increase flexibility and to provide discretion to the Directors in the event that it becomes desirable to repurchase Shares representing up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the resolution on the Stock Exchange.

As at the date of this circular, the Board of Directors of the Company comprises Mr. Lau Yu Fung, Wilson, Mr. Chan Chun Wai and Mr. Au Tin Fung being executive Directors; Mr. Tang Yu Ming, Nelson (Chairman) being non-executive Director; and Mr. Chan Chi Yuen, Mr. Ng Cheuk Fan, Keith and Mr. So Yuen Chun being independent non-executive Directors.