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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 2010 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,  
GRANT OF GENERAL MANDATES  
TO ISSUE SECURITIES AND REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of The Hong Kong Building and Loan Agency Limited to be held at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 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 meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

7 April 2011

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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 at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 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 issued 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”	28 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“2010 Annual Report”	annual report of the Company for the year ended 31 December 2010
“%”	per cent



**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. Au Tin Fung  
Mr. So Yuen Chun  
Mr. Soong Kok Meng

*Independent Non-executive Directors:*

Mr. Ng Cheuk Fan, Keith  
Mr. Lam Kwok Hing, Wilfred  
Mr. Yeung Wai Hung, Peter

*Registered office:*

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

7 April 2011

*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 retiring Directors; (ii) the grant of the Issue Mandate; (iii) the grant of the Share Repurchase Mandate; and (iv) the grant of the Extension Mandate. A notice of the AGM is set out on pages 16 to 20 of the circular.

**RE-ELECTION OF DIRECTORS**

The Board currently consists of six Directors, namely, Messrs. Au Tin Fung, So Yuen Chun, Soong Kok Meng, Ng Cheuk Fan, Keith, Lam Kwok Hing, Wilfred and Yeung Wai Hung, Peter.

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

## LETTER FROM THE BOARD

retires under this Article shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Messrs. Soong Kok Meng, Lam Kwok Hing, Wilfred and Yeung Wai Hung, Peter were appointed by the Board after the Company's last annual general meeting held on 28 May 2010. 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 120 of the Articles provides that subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. A Director retiring at the annual general meeting shall retain office until the close or adjournment of the relevant annual general meeting.

Pursuant to Article 120 of the Articles, Mr. Au Ting Fung shall retire by rotation and being eligible, offer himself for re-election at the AGM.

Brief biographical details of the retiring Directors are set out in Appendix I to this circular.

### **GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 28 May 2010, ordinary resolutions were passed for the grant of general mandates to the Directors 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 (the "General 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 (the "Existing Repurchase Mandate"). At the extraordinary general meeting (the "EGM") of the Company held on 24 September 2010, an ordinary resolution has been passed for approving the refreshment of the General Mandate to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the EGM. (the "Existing Issue Mandate").

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the grant of the general mandates and the repurchase mandates shall increase the flexibility in the Company's affairs and are in the interests of the Company and the Shareholders as a whole, and that the same shall continue to be adopted by the Company.

## LETTER FROM THE BOARD

The 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 (the "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 (the "Share Repurchase Mandate") as set out in Resolutions 4(A) and 4(B), respectively, of the notice of AGM will be proposed at the AGM. Further, a resolution authorising the extension of the Issue Mandate by the addition of the aggregate nominal amount of the Shares repurchased (if any) under the Share Repurchase Mandate (the "Extension Mandate") as set out in Resolution 4(C) in the notice of AGM will also be proposed at the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 4,003,793,558 Shares in issue. Subject to the passing of the resolutions for the approval of the Issue Mandate and the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 800,758,711 Shares and under the Share Repurchase Mandate to repurchase a maximum of 400,379,355 Shares, respectively.

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

### AGM

A notice convening the AGM to be held at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 11:00 a.m. is set out in Appendix III to this circular. A copy of the 2010 Annual Report of the Company is being despatched to the Shareholders together with this circular. Ordinary resolutions in respect of the re-election of retiring Directors, the grant of the Issue Mandate, the Share Repurchase Mandate and the Extension Mandate 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 (as the case may be). 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.

All resolutions to be proposed at the AGM shall 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.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the proposed ordinary resolutions as set out in the notice of 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.

### GENERAL INFORMATION

This circular, for which the Directors collectively and individually accept full responsibility, 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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 retiring Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

**Mr. Soong Kok Meng**, aged 48, was appointed as an executive director of the Company on 1 December 2010. Mr. Soong possesses over 20 years of experience in sales and marketing. He graduated from Singapore Polytechnic with an advanced diploma in plastic technology and holds a Master degree of Science from University of Manchester Institute of Science and Technology. He is currently an executive director of Chinese Global Investors Group Limited (formerly known as Auswin Holdings Limited) (stock code: 5CJ.SI), a substantial shareholder of the Company and listed on the Catalist board of the Singapore Exchange Securities Trading Limited. He was an independent non-executive director of PME Group Limited during the period from 11 July 2007 to 14 January 2011, a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Soong has not previously held any position with the Company or any of its subsidiaries, and has not been a director in any other listed public companies in the last three years. Mr. Soong also does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules), and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Soong has entered into a director's service agreement with the Company for a term of one year with effect from 1 December 2010, subject to the retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Soong is entitled to receive a monthly director emolument of HK\$20,000 which was determined by reference to his duties, experience and responsibilities in the Company as well as the market conditions.

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

Save as disclosed above, the Board is not aware of any other matters relating to Mr. Soong's re-election that need to be brought to the attention of the Shareholders.

**Mr. Lam Kwok Hing, Wilfred**, aged 51, was appointed as an independent non-executive director, members of audit committee, remuneration committee and nomination committee of the Company on 1 December 2010. Mr. Lam holds a bachelor degree of Law with honours from the University of Hong Kong and is a practising solicitor in Hong Kong. He also holds a professional qualification of Estate Agent's (Individual) Licence in Hong Kong. He is a Senior Associate of Philip KH Wong, Kennedy YH Wong & Co., Solicitors & Notaries. He is currently the group vice president of 3D-GOLD Jewellery and director of Business Operations (China) & Aide-de-Camp, Brand Promotion of Hong Kong Resources Holdings Company Limited, a company listed on the Main Board of the Stock Exchange; the non-executive vice-chairman and a non-executive director of National Arts Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange; and an independent non-executive director of Value Convergence Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Lam has not previously held any position with the Company or any of its subsidiaries, and has not been a director in any other listed public companies in the last three years. Mr. Lam also does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules), and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam has entered into a service contract with the Company for a fixed term of three years with effect from 1 December 2010, subject to the retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Lam is entitled to receive a director fee of HK\$100,000 per annum which was determined by reference to his duties, experience and responsibilities in the Company as well as the market conditions.

Other than the fact that a bankruptcy order was made against Mr. Lam on 28 August 2003 but was subsequently discharged by the High Court on 18 September 2007, the Board is not aware of any information in relation to Mr. Lam which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters relating to Mr. Lam's re-election that need to be brought to the attention of the Shareholders.

**Mr. Yeung Wai Hung, Peter**, aged 53, was appointed as an independent non-executive director, members of audit committee, remuneration committee and nomination committee of the Company on 1 February 2011. Mr. Yeung holds a bachelor of laws degree from the University of London and a postgraduate certificate in laws from the University of Hong Kong. He is a solicitor of the High Court of Hong Kong. Mr. Yeung has been a practicing solicitor for over 20 years and a partner of Messrs. Hau, Lau, Li & Yeung, Solicitors & Notaries since 1992. He possesses extensive experience in the areas of mergers and acquisitions and commercial contracts. He is currently an independent non-executive director of ROJAM Entertainment Holdings Limited, a company listed on the Growth Enterprise Market of the Stock Exchange.

Save as disclosed above, Mr. Yeung has not previously held any position with the Company or any of its subsidiaries, and has not been a director in any other listed public companies in the last three years. Mr. Yeung also does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules), and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Yeung has entered into a service contract with the Company for a fixed term of three years with effect from 1 February 2011, subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Yeung is entitled to receive a director fee of HK\$100,000 per annum, which was determined by reference to his experience, and duties and responsibilities in the Company as well as the market conditions.

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

Save as disclosed above, the Board is not aware of any other matters relating to Mr. Yeung's re-election that need to be brought to the attention of the Shareholders.

**Mr. Au Tin Fung**, aged 52, was appointed as an independent non-executive director of the Company on 2 October 2009 and re-designated as an executive director of the Company on 23 October 2009. 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 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 Public Procurement Limited during the period from 27 August 2007 to 30 September 2009, a company listed on the Main Board of the Stock Exchange.

Save as disclosed above, Mr. Au has not previously held any position with the Company or any of its subsidiaries, and has not been a director in any other listed public companies in the last three years. Mr. Au also does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules), and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Au entered into a service contract for a one-year term with the Company on 23 October 2010, pursuant to which he is entitled to receive a monthly director emolument of HK\$40,000.00 which was determined with reference to his duties, academic background, working experience and responsibilities in the Group as well as the market conditions.

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

Save as disclosed above, the Board is not aware of any other matters relating to Mr. Au's re-election that need 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\$400,379,355 divided into 4,003,793,558 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 400,379,355 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 as a whole.

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 as a whole 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 statement of financial position of the Company as at 31 December 2010, being the date to which the latest published audited consolidated 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 consolidated 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 of the Company and the Articles, 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

A repurchase of Shares by the Company may result in an increase in the proportionate interests of Shareholder(s) in the voting rights of the Company, which may give rise to an obligation to make a mandatory offer in accordance with Rules 26 of the Takeovers Code. As at the Latest Practicable Date, as per register required to be kept by the Company under section 336 of the SFO, the following persons were interested in the shares and underlying shares of the Company as set out below:

Name of Shareholder	No. of Shares and Underlying Shares interested	Approximate percentage of shareholding in the Company	
		As at the Latest Practicable Date (Note 1)	Exercise in full of the Share Repurchase Mandate
Chinese Global Investors Group Limited (Note 2)	554,000,000 (b)	13.84	15.37
CGI (Offshore) Limited (Note 2)	554,000,000 (b)	13.84	15.37
CGI (HK) Limited (Note 2)	554,000,000 (a)	13.84	15.37
Ni Rong Kun	316,825,000 (a)	7.91	8.79
Liang Gui Lian (Note 3)	316,825,000 (b)	7.91	8.79
Best Leader Asia Investment Limited (Note 3)	316,825,000 (b)	7.91	8.79
Express Advantage Limited (Note 3)	316,825,000 (a)	7.91	8.79
Newmargin Partners Ltd. ("Newmargin") (Note 4)	1,406,250,000 (a)	35.12	39.03
Zhuang Yan (Note 4)	1,406,250,000 (b)	35.12	39.03
Cross Cone Holdings Limited ("Cross Cone") (Note 5)	703,125,000 (a)	17.56	19.51
Xe Yedong (Note 5)	703,125,000 (b)	17.56	19.51
SV Technology Company Limited ("SV Technology") (Note 6)	5,906,250,000 (a)	147.52	163.91
JCW Technology Company Limited (Note 6)	5,906,250,000 (b)	147.52	163.91
Wu Gang (Note 6)	5,906,250,000 (b)	147.52	163.91
Wong Ho Yuen (Note 7)	5,906,250,000 (b)	147.52	163.91
Chong Yan Ling (Note 7)	5,906,250,000 (b)	147.52	163.91

Name of Shareholder	No. of Shares and Underlying Shares interested	Approximate percentage of shareholding in the Company	
		As at the Latest Practicable Date (Note 1)	Exercise in full of the Share Repurchase Mandate
Smart Promise Limited ("Smart Promise") (Note 8)	3,234,375,000 (a)	80.78	89.76
Cheng Lut Tim (Note 8)	3,234,375,000 (b)	80.78	89.76
Carbon Reserve Investments Limited ("Carbon Reserve") (Note 9)	2,109,375,000 (a)	52.68	58.54
China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited (Note 9)	2,109,375,000 (b)	52.68	58.54
中國節能環保集團公司 (Note 9)	2,109,375,000 (b)	52.68	58.54
Season Best Investments Limited ("Season Best") (Note 10)	703,125,000 (a)	17.56	19.51
CCB International Asset Management Limited (Note 10)	703,125,000 (b)	17.56	19.51
CCB International Asset Management (Cayman) Limited (Note 10)	703,125,000 (b)	17.56	19.51
CCB International (Holdings) Limited (Note 10)	703,125,000 (b)	17.56	19.51
CCB Financial Holdings Limited (Note 10)	703,125,000 (b)	17.56	19.51
CCB International Group Holdings Limited (Note 10)	703,125,000 (b)	17.56	19.51
China Construction Bank Corporation (Note 10)	703,125,000 (b)	17.56	19.51
Central Huijin Investment Limited (Note 10)	703,125,000 (b)	17.56	19.51

(a) denotes shareholder held shares in the capacity of beneficial owner pursuant to the SFO

(b) denotes the shares represented interest of corporation controlled by the shareholder pursuant to the SFO

Notes:

- (1) Based on the number of 4,003,793,558 shares of the Company in issue as at the Latest Practicable Date.
- (2) CGI (HK) Limited is wholly owned by CGI (Offshore) Limited which in turn is wholly owned by Chinese Global Investors Group Limited (formerly known as Auswin Holdings Limited). Accordingly, CGI (Offshore) Limited and Chinese Global Investors Group Limited were taken to be interested in the Shares in which CGI (HK) Limited was interested.
- (3) These 316,825,000 Shares comprise (i) 273,125,000 Shares and (ii) unlisted physically settled derivatives that may be converted into a maximum of 43,700,000 Shares, representing approximately 6.82% and 1.09% of the total issued share capital of the Company as at the Latest Practicable Date, respectively. Express Advantage Limited is owned 80% by Best Leader Asia Investment Limited, which is wholly owned by Liang Gui Lian. Accordingly, Best Leader Asia Investment Limited and Liang Gui Lian were taken to be interested in the Shares in which Express Advantage Limited was interested.

- (4) These 1,406,250,000 Shares comprise (i) 375,000,000 consideration Shares (representing approximately 9.37% of the total issued share capital of the Company as at the Latest Practicable Date) and (ii) the convertible notes in the aggregate principal amount of HK\$165,000,000 that may be converted into a maximum of 1,031,250,000 conversion Shares (representing approximately 25.76% of the total issued share capital of the Company as at the Latest Practicable Date), that may be issued to Newmargin by the Company pursuant to the sale and purchase agreement dated 23 February 2011, details of which were set out in the announcement of the Company dated 25 February 2011.

Newmargin is wholly owned by Zhuang Yan. Accordingly, Zhuang Yan is taken to be interested in the Shares in which Newmargin was interested.

- (5) These 703,125,000 Shares comprise (i) 187,500,000 consideration Shares (representing approximately 4.68% of the total issued share capital of the Company as at the Latest Practicable Date) and (ii) the convertible notes in the aggregate principal amount of HK\$82,500,000 that may be converted into a maximum of 515,625,000 conversion Shares (representing approximately 12.88% of the total issued share capital of the Company as at the Latest Practicable Date), that may be issued to Cross Cone by the Company pursuant to the sale and purchase agreement dated 23 February 2011, details of which were set out in the announcement of the Company dated 25 February 2011.

Cross Cone is wholly owned by Xu Yedong. Accordingly, Xu Yedong is taken to be interested in the Shares in which Cross Cone was interested.

- (6) These 5,906,250,000 Shares comprise (i) 1,575,000,000 consideration Shares (representing approximately 39.34% of the total issued share capital of the Company as at the Latest Practicable Date) and (ii) the convertible notes in the aggregate principal amount of HK\$693,000,000 that may be converted into a maximum of 4,331,250,000 conversion Shares (representing approximately 17.31% of the total issued share capital of the Company as at the Latest Practicable Date), that may be issued to SV Technology by the Company pursuant to the sale and purchase agreement dated 23 February 2011, details of which were set out in the announcement of the Company dated 25 February 2011.

SV Technology is owned as to 52.5% by JCW Technology Company Limited and 30.5% by Wu Gang. Accordingly, each of JCW Technology Company Limited and Wu Gang is taken to be interested in the Shares in which SV Technology was interested.

- (7) JCW Technology Company Limited is owned as to 60% Wong Ho Yuen and 40% by Chong Yan Ling. Accordingly, each of Wong Ho Yuen and Chong Yan Ling is taken to be interested in the Shares in which JCW Technology Company Limited was interested.

- (8) These 3,234,375,000 Shares comprise (i) 862,500,000 consideration Shares (representing approximately 21.54% of the total issued capital of the Company as at the Latest Practical Date) and (ii) the convertible notes in the aggregate principal amount of HK\$379,500,000 that may be converted into a maximum of 2,371,875,000 conversion Shares (representing approximately 59.24% of the total issued capital of the Company as at the Latest Practical Date), that may be issued to Smart Promise by the Company pursuant to the sale and purchase agreement dated 23 February 2011, details of which were set out in the announcement of the Company dated 25 February 2011.

Smart Promise is owned as to 60.88% by Cheng Lut Tim. Accordingly, Cheng Lut Tim is taken to be interested in the Shares in which Smart Promise was interested.

- (9) Carbon Reserve is wholly owned by China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited, which is in turn wholly owned by 中國節能環保集團公司. Accordingly, each of China Energy Conservation & Environmental Protection (Hong Kong) Investment Co., Limited and 中國節能環保集團公司 is taken to be interested in the Shares in which Carbon Reserve was interested.

- (10) Season Best is wholly owned by CCB International Asset Management Limited, which is in turn wholly owned by CCB International Assets Management (Cayman) Limited, which is in turn wholly owned by CCB International (Holdings) Limited, which is in turn wholly owned by CCB Financial Holdings Limited, which is in turn wholly owned by CCB International Group Holdings Limited, which is in turn wholly owned by China Construction Bank Corporation, which is in turn owned as to approximately 57.09% by Central Huijin Investment Limited. Accordingly, each of CCB International Asset Management Limited, CCB International Assets Management (Cayman) Limited, CCB International (Holdings) Limited, CCB Financial Holdings Limited, CCB International Group Holdings Limited, China Construction Bank Corporation and Central Huijin Investment Limited is taken to be interested in the Shares in which Season Best was interested.

On the basis that no further Shares are issued or repurchased prior to the AGM and the respective shareholdings of the above-mentioned Shareholders remain unchanged, in the event that the Directors exercise in full the Share Repurchase Mandate (if granted), the interests of the above Shareholders would be increased to such percentages of the issued share capital of the Company as set out in the fourth column of the above table. Accordingly, the Directors are not aware of any consequence that would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code nor, an exercise of the Share Repurchase Mandate whether in whole or in part will result in less than 25% of the Shares being held by the public. In any event, the Directors will not exercise the Share Repurchase Mandate (if granted) to an extent as may result in a public shareholding of 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 Price	
	Highest <i>HK\$</i> <i>(Note)</i>	Lowest <i>HK\$</i> <i>(Note)</i>
<b>2010</b>		
March	0.256	0.200
April	0.238	0.190
May	0.230	0.166
June	0.205	0.168
July	0.193	0.123
August	0.144	0.114
September	0.187	0.117
October	0.255	0.136
November	0.243	0.175
December	0.260	0.200
<b>2011</b>		
January	0.230	0.188
February	0.223	0.185
March (up to the Latest Practicable Date)	0.210	0.183

*Note:* The prices were adjusted on 11 February 2011, being the first day of dealings in the subdivided shares, pursuant to the Share Subdivision details of which were set out in the Company's circular dated 21 January 2010.



**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 approved by the Shareholders.

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 any of them has 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 (if granted) 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 (the “Meeting”) of The Hong Kong Building and Loan Agency Limited (the “Company”) will be held at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Tuesday, 17 May 2011 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company and the auditor for the year ended 31 December 2010.
2. (A) To re-elect Mr. Soong Kok Meng as an executive director.  
(B) To re-elect Mr. Lam Kwok Hing, Wilfred as an independent non-executive director.  
(C) To re-elect Mr. Yeung Wai Hung, Peter as an independent non-executive director.  
(D) To re-elect Mr. Au Tin Fung as an executive director.  
(E) To authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company 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 (the “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 (the “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;
- (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 (the “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, 7 April 2011

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 (as the case may be).
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, 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 hereof, the board of directors of the Company comprises Mr. Au Tin Fung, Mr. So Yuen Chun and Mr. Soong Kok Meng being executive directors and Mr. Ng Cheuk Fan, Keith, Mr. Lam Kwok Hing, Wilfred and Mr. Yeung Wai Hung, Peter being independent non-executive directors.*