
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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** (the “Company”), you should at once hand this circular together with the enclosed form of proxy and the 2015 annual report of the Company 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)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GRANT OF GENERAL MANDATES
TO ISSUE AND BUY-BACK SHARES,
EXTEND GENERAL MANDATE TO ISSUE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “AGM”) to be held at LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 24 June 2016 at 11:00 a.m. is set out in Appendix III to 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 of Unit F, 7/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the AGM 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 AGM or any adjournment thereof (as the case may be) if you so wish.

22 April 2016

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DEFINITION

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

“AGM”	the annual general meeting of the Company to be held at LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 24 June 2016 at 11:00 a.m., the notice of which is set out from pages 17 to 20 of this circular; or only adjournment thereof
“AGM Notice”	the notice for convening the AGM as set out from pages 17 to 20 of this circular
“Articles”	the articles of association adopted by the Company as may be amended from time to time and “Article” shall mean an article of the articles of association
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to buy-back Shares of a total amount not exceeding 10% of the total number of the Shares in issue as at the date of passing of the relevant resolution at the AGM
“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 Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that the Issue Mandate shall be extended by the addition of shares of the Company bought back under the Buy-back Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITION

“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	18 April 2016, 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	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. So Yuen Chun
Dr. Li Ai Guo
Mr. Chong Kok Leong
Ms. Khoo Pui Wun

Non-executive Directors:

Mr. Lam Kwok Hing, Wilfred
Mr. Huang Lizhi

Independent Non-executive Directors:

Ms. Yuen Wai Man
Mr. Yeung Wai Hung, Peter
Mrs. Chu Ho Miu Hing

Registered Office:

Unit F, 7/F.
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

22 April 2016

*To the Shareholders, and holders of convertible bonds of
the Company, for information only*

Dear Sirs or Madams,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GRANT OF GENERAL MANDATES
TO ISSUE AND BUY-BACK SHARES,
EXTEND GENERAL MANDATE TO ISSUE SHARES,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information regarding the resolutions to be proposed at the AGM relating to, among others, (i) the re-election of retiring Directors; (ii) the Issue Mandate; (iii) the Buy-back Mandate; and (iv) the Extension Mandate. The AGM Notice is set out from pages 17 to 20 of this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Article 110 of the Articles provides, among others, 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.

Pursuant to Article 110, Mr. Chong Kok Leong (“**Mr. Chong**”) and Ms. Khoo Pui Wun (“**Ms. Khoo**”) who were appointed to fill the casual vacancy arising from resignations of Mr. Cai Wen Wei on 1 October 2015 and Ms. Diana Liu He on 31 December 2015 respectively shall hold office only until the next following annual general meeting of the Company, that is, the AGM. Mr. Chong and Ms. Khoo, each being eligible, offer themselves for re-election as Directors at the AGM.

Mr. Chong and Ms. Khoo do not have unexpired service contracts with the Group which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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 an 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. Lam Kwok Hing, Wilfred (“**Mr. Lam**”), Mr. Yeung Wai Hung, Peter (“**Mr. Yeung**”) and Mrs. Chu Ho Miu Hing (“**Mrs. Chu**”) shall retire by rotation and, each being eligible, offer themselves for re-election as Directors at the AGM.

Particulars of the retiring Directors are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

At the annual general meeting of the Company held on 26 June 2015, the Shareholders passed the ordinary resolutions on granting the existing general mandates to the Directors to allot, issue and deal with Shares and to buy-back Shares. Such mandates will expire at the conclusion of the AGM. At the AGM, ordinary resolutions will be proposed to grant the Issue Mandate, the Buy-back Mandate and the Extension Mandate.

LETTER FROM THE BOARD

The Issue Mandate

At the AGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Issue Mandate which will enable the Directors to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company not exceeding 20% of the total number of Shares in issue at the date of passing of such resolution.

As at the Latest Practicable Date, the number of Shares in issue comprised 1,922,086,816 Shares. Assuming that there is no change in the issued number of Shares during the period from the Latest Practicable Date to the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 384,417,363 Shares.

The Buy-back Mandate

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Buy-back Mandate which will enable the Directors to exercise the powers of the Company to buy-back Shares up to 10% of the aggregate number of Shares in issue as at the date of passing of such resolution. The Company's authority is restricted to buy-back Shares in the market in accordance with the Listing Rules.

As at the Latest Practicable Date, the number of Shares in issue comprised of 1,922,086,816 Shares. Assuming that there is no change in the issued number of Shares during the period from the Latest Practicable Date to the date of passing the resolution approving the Buy-back Mandate, the maximum number of Shares which may be bought back pursuant to the Buy-back Mandate will be 192,208,681 Shares.

Pursuant to the Listing Rules, an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Buy-back Mandate is set out in Appendix II to this circular.

Both of the Issue Mandate and the Buy-back Mandate will expire at the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of Hong Kong to be held;
or
- (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

LETTER FROM THE BOARD

The Board considers that the grant of the Issue Mandate and Buy-back Mandate 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.

General Extension Mandate to Issue Shares

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate representing the total number of Shares that bought back by the Company pursuant to the Buy-back Mandate, provided that such extended amount shall not exceed 10% of the total number of issued Shares at the date of passing of that resolution.

AGM

The AGM Notice is set out from pages 17 to 20 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

At the AGM, ordinary resolutions will be proposed to approve, among others, the re-election of retiring Directors, the grant of the Issue Mandate, Buy-back Mandate and Extension Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, the proposed ordinary resolutions as set out in the AGM Notice will be taken by way of poll at the AGM. The results of the poll will be posted on the websites of the Stock Exchange and the Company by way of an announcement.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's registered office of Unit F, 7/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as soon as possible, and in any event not later than 48 hours before the time appointed for holding the AGM 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 AGM or any adjournment thereof (as the case may be) should you so wish.

RECOMMENDATION

The Board considers that the proposed ordinary resolutions as set out in the AGM Notice are in the interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders to vote in favour of the re-election of retiring Directors, the grant of the Issue Mandate, Buy-back Mandate and Extension Mandate to be proposed at the AGM.

LETTER FROM THE BOARD

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 and the AGM Notice. In case of any conflicts, the English version of this circular shall prevail over its Chinese version.

Yours faithfully

By Order of the Board

The Hong Kong Building and Loan Agency Limited

Chong Kok Leong

Executive Director

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

As at the Latest Practicable Date, the biographical details of the Directors who will retire and, being eligible, will offer themselves for re-election at the AGM pursuant to the Articles and the Listing Rules, are as follows:

Mr. Chong Kok Leong (“**Mr. Chong**”), aged 52, was appointed as an executive Director on 1 October 2015. Mr. Chong has also been appointed as a director of a wholly-owned subsidiary of the Company since 3 August 2015. Mr. Chong has over 21 years of senior management experience with multinational companies in the Asia Pacific Region, of which 12 years have been in China. The management expertise of Mr. Chong has been with sales & marketing and channel management at regional and country levels, with key responsibilities covering sales & marketing, business strategies and channel development. Prior to joining the Company, Mr. Chong has been the Managing Partner of a successful digital solution and media network company based in Shanghai. From June 2009 to April 2013, Mr. Chong was the Managing Director of PC-Ware (Beijing) Commercial Co., Ltd., where its parent company PC-Ware GmbH was the second largest software distribution and IT solution company in Europe. From February 2006 to April 2009, Mr. Chong worked as the General Manager (Software Division) and the Senior Business Development Director, China of Ingram Micro Asia Holdings Limited, a B2B technology company. From 1996 to 2006, Mr. Chong worked at Hewlett-Packard Asia Pacific, primarily responsible for its channel development in China and South & South East Asian markets. Mr. Chong graduated with a Bachelor’s Degree in Engineering (Mechanical) from the National University of Singapore in 1988, obtained a Master’s Degree in Business Administration from Monash University in Melbourne, Australia in 1993, and was admitted as member of the CPA Australia in 1995.

Save for disclosed above, Mr. Chong has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, 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. Chong has entered into a service contract with the Company for a term of two years from 1 October 2015 to 30 September 2017, unless terminated by either party giving to the other not less than one month’s prior notice in writing. Mr. Chong is also subject to re-election by the Shareholders at the next annual general meeting of the Company in accordance with the Articles. He is also subject to retirement by rotation and re-election by the Shareholders at the subsequent annual general meetings of the Company. Mr. Chong is entitled to a director’s fee of HK\$100,000 per month, which was determined by the Board with reference to his duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Mr. Chong confirmed that he is not aware of any information in relation to his re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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

Ms. Khoo Pui Wun ("**Ms. Khoo**") *CFA, CPA*, aged 43, was appointed as an executive Director on 31 December 2015. Ms. Khoo is an asset management and investment banking professional with comprehensive buy-side and sell-side experience, inclusive of portfolio management, fundamental/quantitative/pre-deal research covering Asian and China markets, multi-asset class investment, and Big 4 business advisory with financial institutions such as Agricultural Bank of China International Asset Management, HSBC Global Asset Management, Citigroup, Deutsche Bank, Credit Suisse and PricewaterhouseCoopers.

Ms. Khoo owns 128,000 Shares and 1,000,000 share options at an exercise price of HK\$0.8 which was granted by the Company on 31 December 2015. Therefore, Ms. Khoo is interested in 1,128,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save for disclosed above, Ms. Khoo has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, 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.

Ms. Khoo has entered into a service contract with the Company for a term of two years from 31 December 2015 to 30 December 2017, unless terminated by either party giving to the other not less than three months' prior notice in writing. Ms. Khoo is also subject to re-election by the Shareholders at the next following general meeting of the Company in accordance with the Articles. She is also subject to retirement by rotation and re-election by the Shareholders at the subsequent annual general meetings of the Company in accordance with the Articles. Ms. Khoo is entitled to a director's fee of HK\$240,000 per annum, a special bonus in the sum of HK\$60,000 after completion of each 12 months service, which was determined by the Board with reference to her duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Ms. Khoo confirmed that she is not aware of any information in relation to her re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing Securities of the Stock Exchange.

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

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Lam Kwok Hing, Wilfred, J.P. (“**Mr. Lam**”), aged 56, was appointed as an independent non-executive Director on 1 December 2010 and re-designated as a non-executive Director on 21 October 2011. He was also appointed as a member of each of the audit, nomination and the remuneration committees of the Company, all with effect from 1 December 2010.

He is a Justice of the Peace of the Hong Kong Special Administrative Region and was awarded Queen’s Badge of Honour in January 1997. Mr. Lam holds a bachelor’s degree in Law with honours from The University of Hong Kong and is a practising solicitor in Hong Kong and is a consultant lawyer of WT Law Offices and Lam, Lee & Lai Solicitors & Notaries. He also holds the professional qualification of Estate Agent’s (Individual) Licence in Hong Kong.

Mr. Lam is a non-executive director (re-designated from an executive director on 1 July 2015) of Hong Kong Resources Holdings Company Limited (stock code: 2882), a company listed on the Main Board of the Stock Exchange. Mr. Lam is a chairman and an executive director of Chinese Strategic Holdings Limited (stock code: 8089), a company listed on the Growth Enterprise Market (the “**GEM**”) of the Stock Exchange.

Mr. Lam was initially appointed as an independent non-executive director of National Arts Entertainment and Culture Group Limited (stock code: 8228), a company listed on the GEM of the Stock Exchange in May 2009 and he resigned from his final positions of vice chairman and non-executive director in July 2014. Mr. Lam was also a chairman and an executive director of China New Energy Power Group Limited (stock code: 1041), a company listed on the Main Board of the Stock Exchange from June 2015 to March 2016, and then appointed as a consultant thereafter. He was also an independent non-executive director of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379) and Value Convergence Holdings Limited (stock code: 821), both companies listed on the Main Board of the Stock Exchange, from April 2011 to December 2014 and January 2010 to May 2013 respectively.

Save for disclosed above, Mr. Lam has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, 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 Securities and Futures Ordinance.

Mr. Lam has entered into a service contract with the Company for a fixed term of one year from 21 October 2015 to 20 October 2016, unless terminated by either party giving to the other not less than three months’ prior notice in writing. Mr. Lam is also subject to the retirement by rotation at the annual general meetings of the Company in accordance with the Articles. Mr. Lam is entitled to receive a director fee of HK\$40,000 per month which was determined by reference to his duties, experience and responsibilities in the Company as well as the market conditions.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Save for disclosed above, Mr. Lam confirmed that he is not aware of any information in relation to his re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing Securities of the Stock Exchange.

Save for 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 (“**Mr. Yeung**”), aged 58, was appointed as an independent non-executive Director on 1 February 2011. He was also appointed as a member of each of the audit, nomination and remuneration committees of the Company, all with effect from 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 possesses experience in the areas of mergers and acquisition and commercial contracts. He is a solicitor of High Court of Hong Kong. Mr. Yeung has been a practicing solicitor for over 26 years and a partner of Messrs. Hau, Lau, Li & Yeung, Solicitors & Notaries since 1992. Mr. Yeung is currently also an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), a company listed on the GEM of the Stock Exchange.

Save for disclosed above, Mr. Yeung has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, 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 Securities and Futures Ordinance.

Mr. Yeung has entered into a service contract with the Company for a fixed term of three years from 1 February 2014 to 31 January 2017, unless terminated by either party giving to the other not less than three months' prior notice in writing. Mr. Yeung is also subject to the retirement by rotation at the annual general meetings of the Company in accordance with the Articles. Mr. Yeung is entitled to receive a director's fee of HK\$120,000 per annum which was determined by reference to his duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Mr. Yeung confirmed that he is not aware of any information in relation to his re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing Securities of the Stock Exchange.

Save for 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.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mrs. Chu Ho Miu Hing (“**Mrs. Chu**”), aged 74, was appointed as an independent non-executive Director on 29 July 2014. She has more than 41 years of experience in the securities industry. Mrs. Chu holds a Bachelor’s Degree in Chemistry from Mount Holyoke College and a Bachelor’s Degree in Music from New England Conservatory of Music, both in the United States. Mrs. Chu was a Council Member of the Stock Exchange from 1994 to 2000. Mrs. Chu was also a member of the Hong Kong Special Administrative Region Election Committee from 1998 to 2000. She was the vice-chairman of The Chamber of Hong Kong Listed Companies and is now a member of the general committee of the same.

Save for disclosed above, Mrs. Chu has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, 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 Securities and Futures Ordinance.

Mrs. Chu has entered into a service contract with the Company for a term of three years commencing from 29 July 2014 to 28 July 2017, unless terminated by either party giving to the other not less than one month’s prior notice in writing. Mrs. Chu is also subject to the retirement by rotation at the annual general meeting of the Company in accordance with the Articles. Mrs. Chu is entitled to a director’s fee of HK\$240,000 per annum, which was determined by the Board with reference to her duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Mrs. Chu confirmed that she is not aware of any information in relation to her re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Rules Governing the Listing Securities of the Stock Exchange.

Save for disclosed above, the Board is not aware of any other matters relating to Mrs. Chu’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 Buy-back Mandate.

1. NUMBER OF SHARES IN ISSUE

As at the Latest Practicable Date, the issued number of Shares was 1,922,086,816.

Subject to the passing of the ordinary resolution granting the proposed Buy-back Mandate and on the basis that no further Shares are issued or bought back before the AGM, the Company will be allowed to buy-back a maximum of 192,208,681 Shares, representing 10% of the issued number of 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 the Articles or the applicable law of Hong Kong or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

2. REASONS FOR BUY-BACK

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 buy-back Shares on the Stock Exchange. Such buy-backs 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 buy-backs will benefit the Company and the Shareholders as a whole.

The Board has no present intention to buy-back any Shares and the power would only be exercised to buy-back in circumstances where it is considered to be in the interests of the Company and the Shareholders as a whole and in circumstances where the Shares can be bought back on the terms favourable to the Company. On the basis of the consolidated statement of financial position of the Company as at 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up, the Board considers that if the Buy-back Mandate were to be exercised in full during the proposed buy-back period, it may constitute a material adverse impact on the working capital or gearing position of the Company. The Board does not propose to exercise the Buy-back Mandate to such an extent as it would, in the circumstances, constitute a material adverse effect on the working capital of the Company as compared with the position disclosed in the latest published audited consolidated financial statements or the gearing position which, in the opinion of the Board, are from time to time appropriate for the Company.

3. FUNDING OF BUY-BACKS

Buy-backs to be made pursuant to the proposed Buy-back Mandate would be financed out of funds legally available for the purpose in accordance with the Articles, the applicable laws of Hong Kong and the Listing Rules. Such funds including, but not limited to, profits available for distribution.

4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2015		
April	0.7700	0.5100
May	1.1800	0.6300
June	1.4900	0.9900
July	1.1600	0.4500
August	0.9400	0.5800
September	0.6200	0.4700
October	0.6400	0.4750
November	0.5700	0.3950
December	0.4400	0.3750
2016		
January	0.4050	0.3100
February	0.4100	0.3150
March	0.3800	0.2950
April (up to the Latest Practicable Date)	0.3300	0.2700

5. EFFECT OF THE TAKEOVERS CODE

A buy-back 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 Rule 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, to the best of the Directors’ knowledge, having made reasonable enquiry, the following Shareholders are interests in 10% or more of the issued Shares:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercise in full on the date of the AGM
Chinese Strategic Holdings Limited (“Chinese Strategic”)	Interest of controlled corporation	403,924,000 (L)	21.01%	23.34%

(L) denotes the long position held in the Shares

Note:

These Shares comprise (i) 304,376,000 Shares held by Sina Winner Investment Limited, which is wholly owned by Chinese Strategic and (ii) 99,548,000 Shares held by other subsidiaries of Chinese Strategic.

The Board does not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeovers Code. In any event, the Board will not exercise the Buy-back Mandate (if granted) to an extent that may result in a public shareholding of less than 25%.

6. BUY-BACK OF SHARES

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

7. GENERAL

To the best of the Directors' knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Buy-back Mandate is approved by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has 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 buy-back of the Shares.

The Board has undertaken to the Stock Exchange that, so far as the same may be applicable, it will only exercise the Buy-back Mandate (if granted) to buy-back Shares in accordance with the Articles, the applicable laws of Hong Kong and the Listing Rules.



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 OF ANNUAL GENERAL MEETING

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 LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Friday, 24 June 2016 at 11:00 a.m., to consider and, if thought fit, transact the following ordinary businesses:

1. To receive, consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the auditors of the Company for the year ended 31 December 2015.
2. To re-elect retiring directors of the Company.
3. To re-appoint Messrs. HLB Hodgson Impey Cheng Limited as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. “**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 the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities, and to make or grant offers, agreements and options which would or 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 (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the total number of Shares 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 options under any share option schemes or similar arrangements adopted by the Company from time to time; or
 - iii. any scrip dividend or similar arrangement(s) providing for the allotment and issuance of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company and other relevant regulations in force from time to time,

shall not exceed 20% of the total number of Shares in issue as 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 of Hong Kong 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, issuance or grant of Shares, warrants, options or other securities pursuant to an offer giving rights to subscribe 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).”

5. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to buy-back 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 Codes on Takeovers and Mergers and Share Buy-backs, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares which may be bought back by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue at the date of 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 date of 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 of Hong Kong 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.”

6. “**THAT** conditional upon the passing of resolutions number 4 and 5 set out 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 number 4 set out in the notice convening this Meeting be and is hereby extended by the addition thereto an amount representing the total number of the Shares bought back by the Company under the authority granted pursuant to the resolution number 5 set out in the notice convening this Meeting, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of passing of this resolution.”

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

Hong Kong, 22 April 2016

Notes:

1. Any member of the Company (“**Member**”) entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf and the proxy so appointed shall have the same rights as the Member to speak at the Meeting. A proxy needs not be a Member. A Member 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 of Unit F, 7/F., China Overseas Building, 139 Hennessy 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). 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 as you so wish.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share of the Company as if he/she/it was solely entitled thereto. 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 in respect of such share shall alone be entitled to vote in respect of such share of the Company.
5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the Company’s website <http://www.hkbla.com.hk> and the “Latest Company Announcements” page of the Stock Exchange website to notify Shareholders of the date, time and place of the rescheduled meeting, if any.

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