

---

**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 2018 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**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 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 3 June 2019 at 12:00 noon 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 share registrar of Level 22, Hopewell Centre, 183 Queen’s Road East, 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.

30 April 2019

---

## CONTENTS

---

|  | <i>Page</i> |
|--|-------------|
| <b>DEFINITIONS</b> .....   | 1           |
| <b>LETTER FROM THE BOARD</b>   |             |
| Introduction .....   | 3           |
| Re-election of Directors .....   | 4           |
| General Mandates to Issue and Buy-back Shares .....  | 5           |
| AGM .....  | 6           |
| Recommendation .....   | 7           |
| General information .....  | 7           |
| Responsibility Statement .....   | 7           |
| <b>APPENDIX I – PARTICULARS OF DIRECTORS PROPOSED TO BE<br/>                    RE-ELECTED</b> ..... | 8           |
| <b>APPENDIX II – EXPLANATORY STATEMENT ON<br/>                    THE BUY-BACK MANDATE</b> .....     | 11          |
| <b>APPENDIX III – NOTICE OF AGM</b> .....  | 15          |

---

## DEFINITIONS

---

*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 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 3 June 2019 at 12:00 noon   |
| “AGM Notice”        | the notice for convening the AGM as set out from pages 15 to 19 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 an aggregate number of Shares 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 Exchange  |
| “Director(s)”       | the director(s) of the Company   |
| “Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “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   |

---

## DEFINITIONS

---

|                           |  |
|---------------------------|--|
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “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” | 24 April 2019, 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 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   |
| “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:*

Dr. Li Ai Guo

Mr. Chong Kok Leong

Mr. Zhuang Miaozhong

*Independent Non-executive Directors:*

Mr. Choy Hiu Fai, Eric

Mr. Huang Lizhi

Mr. Ng Kay Kwok

*Registered Office:*

Rooms 1801-4

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

30 April 2019

*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 15 to 19 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.

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 110 of the Articles, Mr. Ng Kay Kwok shall retire by rotation and being eligible, offer himself for re-election as Director at the AGM.

Pursuant to Article 120 of the Articles, Mr. Zhuang Miaozhong and Mr. Choy Hiu Fai, Eric shall retire by rotation and, each being eligible, offer themselves for re-election as Directors at the AGM.

Mr. Choy Hiu Fai, Eric and Mr. Ng Kay Kwok, being independent non-executive Directors, have provided their confirmations of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed their commitment in devoting sufficient time as required to discharge their responsibilities as Directors. The nomination committee of the Company reviewed their respective skills, knowledge and experience having regard to the director nomination policy and board diversity policy of the Company. It is considered that they have extensive experience in their respective own field, which will continue to bring valuable contributions to the Board for its efficient and effective functioning. The nomination committee has recommended them to the Board for re-election and the Board has endorsed the recommendation of the nomination committee of the Company that Mr. Choy Hiu Fai, Eric and Mr. Ng Kay Kwok be proposed to stand for re-election at the AGM.

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

---

## LETTER FROM THE BOARD

---

### GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

At the annual general meeting of the Company held on 25 May 2018, 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.

#### **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 2,306,502,816 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 461,300,563 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 2,306,502,816 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 230,650,281 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.

---

## LETTER FROM THE BOARD

---

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.

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 15 to 19 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 Exchange and the Company by way of an announcement.



---

## LETTER FROM THE BOARD

---

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 share registrar of Level 22, Hopewell Centre, 183 Queen's Road East, 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.

### GENERAL INFORMATION

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.

### RESPONSIBILITY STATEMENT

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.

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. ZHUANG Miao Zhong (“Mr. Zhuang”)**, aged 50, was appointed as an executive director of the Company on 16 January 2017. Mr. Zhuang also has been appointed as a director of certain subsidiaries of the Company. Mr. Zhuang was an independent director of China CEFC Energy Company Limited until June 2018, the managing director of CEFC Hong Kong International Holdings Co., Limited until December 2018, an executive director of China Energy Fund Committee until June 2018 and a director of CITIC International Assets Management Limited until May 2018. He has over 15 years of work experience in petroleum industry, which includes working in state-owned enterprises in China, overseas corporations and large-scale enterprises. Mr. Zhuang has extensive knowledge and contacts within this field.

Save for disclosed above, Mr. Zhuang 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. Zhuang has entered into a letter of appointment with the Company for a term of 2 years from 16 January 2019 to 15 January 2021, subject to the retirement by rotation at the annual general meeting of the Company in accordance with the articles of association. Mr. Zhuang is entitled to a director’s fee of HK\$240,000 per annum, which was determined by the board of directors of the Company (the “Board”) with reference to his duties, experience and responsibilities in the Company as well as the prevailing market conditions.

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

Save for disclosed above, the Board is not aware of any other matters relating to Mr. Zhuang’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. CHOY Hiu Fai, Eric (“Mr. Choy”)**, aged 41, was appointed as an independent non-executive director of the Company on 8 July 2016. He was also appointed as the chairman of each of the audit, nomination and remuneration committees of the Company, all with effect from 1 November 2017. Mr. Choy resigned as the chairman but remained as a member of the audit committee of the Company effective from 15 August 2018. He has more than 18 years of experience working in accounting firms in Hong Kong, including one of the Big 4 CPA firms. Mr. Choy graduated from The University of Hong Kong with a degree in Business Administration in 2000. He is also a member of The Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong and American Institute of CPAs.

Mr. Choy is currently an independent non-executive director of Wing Fung Group Asia Limited (stock code: 8526), a company listed on GEM of the Exchange.

Save for disclosed above, Mr. Choy 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. Choy has entered into a service contract with the Company for a fixed term of 3 years from 8 July 2016 to 7 July 2019, subject to the retirement by rotation at the annual general meetings of the Company in accordance with the articles of association. Mr. Choy is entitled to receive a director’s fee of HK\$240,000 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. Choy confirmed that he is not aware of any information in relation to his re-election as a director of the Company to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Rules Governing the Listing Securities of the Exchange.

Save for disclosed above, the Board is not aware of any other matters relating to Mr. Choy’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. NG Kay Kwok (“Mr. Ng”)**, aged 56, was appointed as an independent non-executive director, the chairman of audit committee and members of remuneration and nomination committees of the Company on 15 August 2018. Mr. Ng graduated from the Australian National University with a bachelor’s degree in Economics and obtained a graduate diploma in Accounting from Macquarie University. He is a member of CPA Australia and has extensive experience in accounting and financial management. Mr. Ng is an independent non-executive director of China Fortune Financial Group Limited (Stock Code: 290), a company listed on the Main Board of the Exchange. Mr. Ng is also an independent non-executive director of Merdeka Financial Services Group Limited (Stock Code: 8163), a company listed on GEM of the Exchange.

Save for disclosed above, Mr. Ng 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. Ng has entered into a letter of appointment with the Company for a fixed term of 3 years from 15 August 2018 to 14 August 2021, subject to the retirement by rotation at the annual general meeting of the Company in accordance with the articles of association. Mr. Ng is entitled to receive a director’s fee of HK\$240,000 per annum, which was determined with reference to his duties, experience and responsibilities in the Company as well as the market conditions.

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

Save for disclosed above, the Board is not aware of any other matters relating to Mr. Ng’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 2,306,502,816.

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 230,650,281 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 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 2018, 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 Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

|   | Shares Price           |                       |
|---|------------------------|-----------------------|
|   | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2018</b>                               |                        |                       |
| April                                     | 0.101                  | 0.081                 |
| May                                       | 0.089                  | 0.074                 |
| June                                      | 0.084                  | 0.074                 |
| July                                      | 0.080                  | 0.049                 |
| August                                    | 0.058                  | 0.034                 |
| September                                 | 0.178                  | 0.041                 |
| October                                   | 0.069                  | 0.050                 |
| November                                  | 0.072                  | 0.053                 |
| December                                  | 0.067                  | 0.049                 |
| <b>2019</b>                               |                        |                       |
| January                                   | 0.059                  | 0.050                 |
| February                                  | 0.072                  | 0.051                 |
| March                                     | 0.088                  | 0.062                 |
| April (up to the Latest Practicable Date) | 0.088                  | 0.057                 |

**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 Buy-back Mandate is exercise in full on the date of the AGM |
|---|------------------|-----------------------|---|---|
| State Energy HK Limited<br>("State Energy") <i>(Note)</i> | Beneficial owner | 567,933,709 (L)       | 24.62%  | 27.36%  |
| Hong Kong Mengzai<br>Material Co., Limited                | Beneficial owner | 384,416,000 (L)       | 16.66%  | 18.52%  |

*(L)* denotes the long position held in the Shares

*Note:*

These shares comprise (i) 454,268,172 shares held by State Energy and (ii) 113,665,537 conversion shares to be allotted and issued to State Energy. Mr. Liu Quanhui and Ms. Niu Fang are interested in State Energy. By virtue of the SFO, Mr. Liu Quanhui and Ms. Niu Fang are deemed to be interested in the shares held by State Energy.

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 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 1804A, 18/F., Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on Monday, 3 June 2019 at 12:00 noon, 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 2018.
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, 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, 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 “**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 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, 30 April 2019

*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 share registrar of Level 22, Hopewell Centre, 183 Queen’s Road East, 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. For ascertaining the shareholders’ entitlement to attend and vote at the AGM, the register of Members will be closed from Wednesday, 29 May 2019 to Monday, 3 June 2019, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Tengis Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 28 May 2019.

5. 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.
  
6. 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 Exchange website to notify shareholders of the Company 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, Dr. Li Ai Guo, Mr. Chong Kok Leong and Mr. Zhuang Miao Zhong being executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Ng Kay Kwok being independent non-executive Directors.*