

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 stock broker, or other licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

This circular appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities in The Hong Kong Building and Loan Agency Limited.



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)

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EGM**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 7 to 14 of this circular.

A notice convening the EGM to be held at Room 1801-4, 18/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 19 August 2020 at 11:45 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form is also enclosed. Whether or not you are able to attend the EGM or any adjourned meeting in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and deposit it with the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 11:45 a.m. on Monday, 17 August 2020) before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- compulsory body temperature check
- compulsory wearing of surgical face mask
- no distribution of corporate gifts and no serving of refreshments

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.

3 August 2020

CONTENTS

| | <i>Page</i> |
|---|-------------|
| PRECAUTIONARY MEASURES FOR THE EGM | 1 |
| DEFINITIONS | 2 |
| EXPECTED TIMETABLE | 4 |
| LETTER FROM THE BOARD | 7 |
| NOTICE OF EGM | EGM-1 |

PRECAUTIONARY MEASURES FOR THE EGM

The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the COVID-19, the Company will implement the following at the EGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the main entrance of the EGM venue. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the EGM venue and be requested to leave the EGM venue.
- (2) Every attendee must wear a surgical face mask throughout the EGM and inside the EGM venue. Please note that no masks will be provided at the EGM venue and attendees should bring and wear their own masks. The Company will maintain a safe distance between seats.
- (3) No corporate gifts will be distributed and no refreshments will be served.

Attendees who do not comply with the precautionary measures referred to in (1) and (2) above may be denied entry to the EGM venue, at the absolute discretion of the Company as permitted by law. For the health and safety of Shareholders, the Company encourages Shareholders to exercise their right to vote at the EGM by appointing the Chairman of the EGM as their proxy and to return their proxy forms before the prescribed time, instead of attending the EGM in person.

The proxy form, which can also be downloaded from the Company's website (<http://www.hkbla.com.hk>), is enclosed to this circular. If you are not a registered Shareholder (i.e., if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. The Shareholders should check the HKEXnews' website (www.hkexnews.hk) for any future announcements and updates on the EGM arrangements.

DEFINITIONS

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

| | |
|-------------------------|---|
| “Announcement” | the announcement of the Company dated 22 July 2020 in relation to, among others, the proposed Share Consolidation |
| “Board” | the board of Directors |
| “Business Day(s)” | a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities |
| “CCASS” | the Central Clearing and Settlement System established and operated by the HKSCC |
| “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 (Stock Code: 0145) |
| “Consolidated Share(s)” | Share(s) of the Company immediately following the Share Consolidation becoming effective |
| “Directors” | directors of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation |
| “Existing Share(s)” | ordinary share(s) of the Company before the Share Consolidation becomes effective |
| “Group” | the Company and its subsidiaries (from time to time) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

DEFINITIONS

| | |
|---------------------------|--|
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Kingsway” | Kingsway Financial Services Group Limited, a corporation licensed to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Latest Practicable Date” | 30 July 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Committee” | has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | Existing Share(s) and/or Consolidated Share(s), as the case may be |
| “Share Consolidation” | the proposed consolidation of every ten (10) Existing Shares in the share capital of the Company into one (1) Consolidated Share |
| “Shareholder(s)” | holder(s) of the Existing Shares and/or the Consolidated Shares, as the case may be |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

| |
|---------------------------|
| EXPECTED TIMETABLE |
|---------------------------|

The expected timetable for the implementation of the Share Consolidation is as follows:

| Event | Time and Date |
|---|--|
| Latest date and time for lodging transfers of shares in order to qualify for attendance and voting at the EGM | 4:30 p.m. on Thursday, 13 August 2020 |
| Closure of register of members for the entitlement to attend and vote at the EGM (both days inclusive) | Friday, 14 August 2020 to Wednesday, 19 August 2020 |
| Record date for attendance and voting at the EGM | Wednesday, 19 August 2020 |
| Latest date and time for lodging forms of proxy for the EGM | 11:45 a.m. on Monday, 17 August 2020 |
| Date and time of the EGM | 11:45 a.m. on Wednesday, 19 August 2020 |
| Publication of the announcement of the voting results of the EGM | Wednesday, 19 August 2020 |
| The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this circular. | |
| Effective date of the Share Consolidation | Friday, 21 August 2020 |
| First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares | Friday, 21 August 2020 |
| Dealing in the Consolidated Shares commences | 9:00 a.m. on Friday, 21 August 2020 |
| Original counter for trading in the Existing Shares in board lots of 8,000 Existing Shares (in the form of existing share certificates) temporarily closes | 9:00 a.m. on Friday, 21 August 2020 |

| |
|---------------------------|
| EXPECTED TIMETABLE |
|---------------------------|

Temporary counter for trading in the Consolidated Shares in board lots of 800 Consolidated Shares (in the form of existing share certificates) opens 9:00 a.m. on Friday, 21 August 2020

Original counter for trading in the Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens 9:00 a.m. on Friday, 4 September 2020

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences 9:00 a.m. on Friday, 4 September 2020

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Friday, 4 September 2020

Temporary counter for trading in the Consolidated Shares in board lots of 800 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on Thursday, 24 September 2020

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends 4:10 p.m. on Thursday, 24 September 2020

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:10 p.m. on Thursday, 24 September 2020

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Monday, 28 September 2020

EXPECTED TIMETABLE

All times and dates in this circular refer to Hong Kong local times and dates. The Shareholders should note that the dates and deadlines specified in this circular for events in the expected timetable for the Share Consolidation are subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the EGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, the Board may extend, or make adjustments to, the expected timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.



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. Chong Kok Leong
Mr. Zhuang Miao Zhong

Independent non-executive Directors:

Mr. Choy Hiu Fai, Eric
Mr. Huang Lizhi
Mr. Ng Kay Kwok

Registered office:

Unit D, 7/F
Seabright Plaza
9-23 Shell Street
North Point
Hong Kong

3 August 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EGM**

INTRODUCTION

Reference is made to the Announcement in relation to the proposed Share Consolidation.

The purpose of this circular is to provide you with further information regarding, among other things, (i) the Share Consolidation; and (ii) the notice of EGM.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share and the number of the Consolidated Shares be rounded down to the nearest whole number by disregarding any fractional Consolidated Share which would otherwise arise.

LETTER FROM THE BOARD

Effects of the Share Consolidation

As at the Latest Practicable Date, there were 3,924,981,811 Existing Shares in issue which were fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased from the Latest Practicable Date until the effective date of the Share Consolidation, immediately after the Share Consolidation becoming effective, there will be 392,498,181 whole Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled and the necessary professional expenses for the implementation of the Share Consolidation.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being satisfied:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be Friday, 21 August 2020, being the second Business Day immediately after the EGM. As at the Latest Practicable Date, none of the conditions above had been fulfilled.

Application for listing of the Consolidated Shares

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by the HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by the HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

The existing board lot of 8,000 Shares will remain unchanged upon the Share Consolidation becoming effective. The value of the current board lot, based on the closing price of HK\$0.028 per Existing Share at the date of the Announcement, was HK\$224. Upon the Share Consolidation becoming effective, the expected value of each board lot of 8,000 Consolidated Shares, based solely on the closing price of HK\$0.028 per Existing Share (equivalent to the theoretical closing price of HK\$0.28 per Consolidated Share) as at the date of the Announcement, is expected to be HK\$2,240.

LETTER FROM THE BOARD

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lots trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Kingsway Financial Services Group Limited to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9 a.m. on Friday, 4 September 2020 to 4:10 p.m. on Thursday, 24 September 2020 (both days inclusive). Any Shareholder who wishes to use this matching service should contact Mr. So Man Hong of Kingsway at 7/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong, or at the telephone number (852) 2283-7698 during office hours of such period.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lots trading arrangement, is recommended to consult his/her/its own professional advisers.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, the Shareholders may during the business hours, on or after Friday, 21 August 2020 and until Monday, 28 September 2020 (both days inclusive) submit share certificates for the Existing Shares in the colour of yellow to the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates for the Consolidated Shares in the colour of brown at the expense of the Company.

Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may be allowed by the Stock Exchange from time to time) by the Shareholders for each share certificate for Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher.

LETTER FROM THE BOARD

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Thursday, 24 September 2020, trading will only be in Consolidated Shares which share certificates will be issued in brown colour. Existing share certificates in yellow colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are 116,203,500 outstanding share options under the share option scheme of the Company approved on 25 May 2018 (the “**Share Option Scheme**”). Pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules, the exercise price and the number of the outstanding share options granted under the Share Option Scheme will be adjusted. Further announcement will be made in respect of the said adjustments as and when appropriate.

Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

Reasons for and Benefits of the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

LETTER FROM THE BOARD

For the past twelve months, the share price of the Company has been trading at or below HK\$0.10, and the closing price of the Existing Shares on the date of the Announcement was HK\$0.028. The existing board lot value has been less than HK\$2,000. The Directors consider that the proposed Share Consolidation will increase the share price of the Company, over HK\$0.1, and the board lot value, over HK\$2,000, of the Existing Shares and would bring about a corresponding upward adjustment in the expected value per board lot. As such, it would enable the Company to comply with the trading requirements under the Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade. It is believed that the adjusted share price as a result of the Share Consolidation would maintain the trading amount for each board lot at a reasonable level and will enhance the corporate image of the Company so as to make investing in the Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company. The Directors also believe that the Share Consolidation will provide greater opportunity for and more flexibility in the Company's possible equity fund raising in the future.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months save for the placing of new shares under general mandate of the Company as set out in the announcement of the Company dated 13 July 2020. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

LETTER FROM THE BOARD

EGM

The Company will convene and hold the EGM at Room 1801-4, 18/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 19 August 2020 at 11:45 a.m. to consider and, if though fit, approve the Share Consolidation. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the Share Consolidation. Accordingly, no Shareholder is required to abstain from voting on the ordinary resolution at the EGM.

In accordance with the relevant provisions of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. As such, the resolution set out in the notice convening the EGM of the Company dated Wednesday, 19 August 2020 will be voted by poll.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. Whether or not you are able to attend the EGM in person, you are requested to complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Company's share registrar, Tricor Tengis Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. 11:45 a.m. on Monday, 17 August 2020) before the time appointed for the holding of the EGM or any adjourned meeting 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 EGM or any adjourned meeting thereof (as the case may be) should you so wish.

The register of members of the Company will be closed from Friday, 14 August 2020 to Wednesday, 19 August 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all Share transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 13 August 2020.

LETTER FROM THE BOARD

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.

RECOMMENDATION

The Board considers that the Share Consolidation is in the interest of the Company and its Shareholders as a whole and therefore recommends that all Shareholders vote in favour of the relevant resolution to be proposed at the EGM.

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

NOTICE OF EGM



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 EXTRAORDINARY GENERAL MEETING

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please refer to page 1 of the Circular (as defined below) for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- compulsory body temperature check
- compulsory wearing of surgical face mask
- no distribution of corporate gifts and no serving of refreshments

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the shareholders of the Company (the "**Shareholders**"), the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified in note 3 below, instead of attending the EGM in person.

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of The Hong Kong Building and Loan Agency Limited (the "**Company**") will be held at Room 1801-4, 18/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 19 August 2020 at 11:45 a.m., for the purpose of considering and, if thought fit, passing the following resolution:

NOTICE OF EGM

ORDINARY RESOLUTION

“**THAT** subject to the fulfillment of all the conditions (the “**Conditions**”) set out in the section headed “Conditions of the Share Consolidation” in the circular of the Company dated 3 August 2020 (the “**Circular**”), a copy of which has been tabled at the Meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification:

- (a) with effect from the second Business Day (as such term is defined in the Circular) immediately following the date on which this resolution is passed or the Conditions are fulfilled (whichever is the later):
 - (i) every ten (10) issued ordinary shares of the Company be consolidated into one (1) ordinary share of the Company (each a “**Consolidated Share**”) and the number of the Consolidated Shares be rounded down to the nearest whole number by disregarding any fractional Consolidated Share which would otherwise arise;
 - (ii) all of the Consolidated Shares shall rank pari passu in all respects with each other;

and

- (b) the directors of the Company (“**Directors**”) and such person or persons authorised by the Directors be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as they shall, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

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

Hong Kong, 3 August 2020

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.

NOTICE OF EGM

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, Tricor Tengis Limited, of Level 54, 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 Meeting, the register of Members will be closed from Friday, 14 August 2020 to Wednesday, 19 August 2020, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Meeting, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 13 August 2020.
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, "extreme condition" caused by super typhoons or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the 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 Listed Company Information" page of the Stock 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 comprises, Mr. Chong Kok Leong and Mr. Zhuang Miaozhong being executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Ng Kay Kwok being independent non-executive Directors.