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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of The Hong Kong Building and Loan Agency Limited (the “**Company**”) will be held at Falcon Room 1, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 24 June 2011, at 11:00 a.m. or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, passing, with or without amendment or modification, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the sale and purchase agreement dated 23 February 2011 entered into among (i) Wise Planner Limited, a wholly-owned subsidiary of the Company (the “**Purchaser**”) and (ii) Carbon Reserve Investments Limited, Cross Cone Holdings Limited, Newmargin Partners Ltd., Season Best Investments Limited, Smart Promise Limited and SV Technology Company Limited (“**SV Technology**”) (together, the “**Vendors**”), the Company (as Purchaser’s guarantor) and Mr. Wong Ho Yuen and Mr. Wu Gang (as SV Technology’s guarantors) as supplemented and amended by a supplemental agreement and a second supplemental agreement entered into among the same parties dated 21 April 2011 and 30 May 2011, respectively (together, the “**Sale and Purchase Agreement**”, copies of which are tabled at this meeting and marked “A”, “B” and “C” and initialled by the chairman of this meeting for the purpose of identification), pursuant to which the parties to the Sale and Purchase Agreement agreed that, subject to the satisfaction of the conditions precedent therein, the Vendors will sell and the Purchaser will acquire the entire issued share capital of Weldtech Technology Co. Limited at the aggregate consideration of HK\$2,800,000,000, and all transactions contemplated thereunder (the “**Acquisition**”) and the referral agreement entered into between the Purchaser and Merit Leader Asia Limited (the “**Referral Agent**”) on 17 December 2010 (the “**Referral Agreement**”) in relation to the appointment of the Referral Agent to identify acquisition target in the People’s Republic of China for potential

acquisition in consideration for a fee equivalent to 5% of the total consideration of the Acquisition as supplemented and amended by the first supplemental dated 19 April 2011 and the second supplemental dated 28 April 2011 entered into between the Purchaser and the Referral Agent (copies of which have been produced to this meeting and marked “D”, “E” and “F” and initialed by the chairman of this meeting for the purpose of identification) and the transactions contemplated thereby be and are hereby approved, ratified and confirmed;

- (b) the creation and issue by the Company of the Convertible Notes to the Vendors upon completion of the Acquisition in accordance with Sale and Purchase Agreement in an aggregate principal amount of HK\$1,650,000,000 be and are hereby generally and unconditionally approved in all respects;
- (c) the allotment and issue of new shares of the Company upon the exercise of conversion rights attaching to the Convertible Notes be and are hereby approved;
- (d) the allotment and issue by the Company of the Consideration Shares at the issue price of HK\$0.16 per Consideration Share to the Vendors upon completion of the Acquisition in accordance with Sale and Purchase Agreement be and are hereby generally and unconditionally approved in all respects; and
- (e) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Sale and Purchase Agreement and the Referral Agreement and the transactions contemplated thereunder and to agree to such variations of the terms of the Sale and Purchase Agreement and the Referral Agreement and the transactions documents contemplated thereunder as he/she may in his/her absolute discretion consider necessary or desirable.

for the purpose of this resolution:

“**Convertible Notes**” means 10-year to mature convertible notes in the aggregate principal amount of HK\$1,650,000,000 with nil interest for the first 3 years and interest rate of 3% per annum for the fourth to tenth year from the date of issue, and with the conversion price (being HK\$0.16 per new share of the Company (subject to adjustment)), to be issued by the Company as part of the consideration under the Sale and Purchase Agreement; and

“**Consideration Shares**” means the an aggregate of 3,750,000,000 new shares of HK\$0.10 each in the capital of the Company to be allotted and issued by the Company to the Vendors at the issue price (being HK\$0.16) pursuant to the Sale and Purchase Agreement.”

2. “**THAT:**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$500,000,000 divided into 5,000,000,000 shares of HK\$0.10 each to HK\$3,000,000,000 divided into 30,000,000,000 shares of HK\$0.10 each by the creation of an additional 25,000,000,000 shares; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the increase in the authorised share capital of the Company set out in this resolution as he/she may in his/her absolute discretion consider necessary or desirable.”

Yours faithfully,
By order of the Board
The Hong Kong Building and Loan Agency Limited
Au Tin Fung
Executive Director

Hong Kong, 31 May 2011

Registered Office:

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

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him. A proxy needs not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. As at the date of this notice, the board of directors of the Company comprises Mr. Au Tin Fung, Mr. So Yuen Chun, Mr. Soong Kok Meng being executive directors; and Mr. Ng Cheuk Fan, Keith, Mr. Lam Kwok Hing, Wilfred and Mr. Yeung Wai Hung, Peter being independent non-executive directors.
5. The voting on the resolutions at the EGM shall be conducted by way of poll.