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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)

Clarification Announcement

Reference is made to the announcement (the “**Announcement**”) of The Hong Kong Building and Loan Agency Limited (the “**Company**”) dated 31 May 2011 in relation to the despatch of circular in respect of a very substantial acquisition of the Company.

The Company noted a typographical error contained on page 2 of the Announcement under the section headed “Second Supplemental Agreement”. The Company wishes to clarify that in the first paragraph, one of the conditions precedent to the Acquisition was that a placing agreement was to be entered into by the Company for the placing of new Shares at the placing price of not less than HK\$0.16 per new Share with net proceeds of not less than “**HK\$1 billion**” instead of “HK\$1 million” as mistakenly stated in the Announcement.

By Order of the Board
The Hong Kong Building and Loan Agency Limited
Au Tin Fung
Executive Director

Hong Kong, 31 May 2011

As at the date of this announcement, the Board comprises Mr. Au Tin Fung, Mr. So Yuen Chun and Mr. Soong Kok Meng being executive Directors and Mr. Ng Cheuk Fan, Keith, Mr. Lam Kwok Hing, Wilfred and Mr. Yeung Wai Hung, Peter being independent non-executive Directors.