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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)

**RE-DESIGNATION OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
TO NON-EXECUTIVE DIRECTOR**

The Board announces that the role of Mr. Lam Kwok Hing, Wilfred has been re-designated from independent non-executive director to non-executive director of the Company with effect from 21 October 2011.

The board of directors (the “**Board**”) of The Hong Kong Building and Loan Agency Limited (the “**Company**”) announces that the role of Mr. Lam Kwok Hing, Wilfred (“**Mr. Lam**”) has been re-designated from independent non-executive director to non-executive director of the Company with effect from 21 October 2011.

Mr. Lam, aged 52, is a Justice of the Peace of the Hong Kong Special Administrative Region and was awarded the Queen’s Badge of Honour in January 1997. He holds a bachelors degree in Law with honours from the University of Hong Kong. He is a practising solicitor in Hong Kong and a consultant of WT LAW OFFICES. He also holds a professional qualification of Estate Agent’s (Individual) Licence in Hong Kong. Being an active member in social and charity activities, Mr. Lam is a Support Force Commander of the Civil Aid Service, *Ex Officio*

Member, N.T. Heung Yee Kuk, chairman of the Friends of the Community Chest (Kwai Tsing), Honorary Advisor of (Kwai Tsing) Junior Police Call, member and former chairman of the Kwai Tsing District Fight Crime Committee and director of the Kwai Tsing District Community Development Fund in Hong Kong. He is also an executive member of the liaison association of the Chinese People's Political Consultative Conference, Guangdong Province. He is an executive director and group vice president of Hong Kong Resources Holdings Company Limited (stock code: 2882), a company listed on Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"); a non-executive vice-chairman and non-executive director of National Arts Holdings Limited (stock code: 8228), a company listed on the Growth Enterprise Market of the Stock Exchange; an independent non-executive director of Value Convergence Holdings Limited (stock code: 821) and PME Group Limited (stock code: 379), both companies are listed on Main Board of the Stock Exchange.

Mr. Lam joined the Company as an independent non-executive director on 1 December 2010 and was re-designated as a non-executive director on 21 October 2011. Save as disclosed above, Mr. Lam has not previously held any position with the Company or any of its subsidiaries, and has not been a director in any other listed public companies in the last three years. Further, Mr. Lam does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company as defined under the rules governing the listing of securities of the Stock Exchange (the "**Listing Rules**"), nor 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 three years with effect from 21 October 2011, subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Lam will be entitled to receive a director fee of HK\$100,000 per annum, which was determined by reference to his experience, and duties and responsibilities in the Company as well as the current market conditions.

Other than the fact that a bankruptcy order was made against Mr. Lam on 28 August 2003, but which was subsequently discharged by the High Court on 18 September 2007, the Board is not aware of any information in relation to Mr. Lam's re-designation which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

The Board notes that the number of the independent non-executive directors of the Company falls below the minimum number required under Rule 3.10(1) of the Listing Rules after Mr. Lam's re-designation. The Board will look for suitable candidates to ensure that a sufficient number of independent non-executive directors of the Company will be appointed to meet the requirements of the Listing Rules within the next three months as required by Rule 3.10(2) of the Listing Rules. Once the third independent non-executive director is appointed, a further announcement will be made.

By Order of the Board of
The Hong Kong Building and Loan Agency Limited
So Yuen Chun
Executive Director

Hong Kong, 21 October 2011

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