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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)

INSIDE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Future Ordinance.

The Board wishes to inform the Shareholders and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a decrease in loss attributable to owners of the Company of approximately 70% to 80% for the year ended 31 December 2016 compared to the previous year’s loss of approximately HK\$815.4 million.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by The Hong Kong Building and Loan Agency Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a decrease in loss attributable to owners of the Company of approximately 70% to 80% for the year ended 31 December 2016 compared to the previous year’s loss of approximately HK\$815.4 million.

The loss for the year ended 31 December 2016 is mainly attributable to (i) the impairment of the goodwill of approximately HK\$110.4 million (2015: approximately HK\$666.7 million); (ii) the amortization of the intangible assets of the Company of approximately HK\$54.5 million (2015: approximately HK\$54.5 million); and (iii) the finance costs of approximately HK\$81.9 million due to interest amortisation of the convertible bonds and promissory notes of the Company (2015: approximately HK\$87.5 million).

As the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 prepared by the management of the Company and the information currently available, and is not based on any figures or information which has been audited or reviewed by the Group’s auditors, there may be changes or adjustments following further review and finalization of the audited accounts of the Group by the Board and the actual results of the Group may be different from what is disclosed in this announcement. It is expected that the audited annual results of the Group for the year ended 31 December 2016 will be published by the Company on 31 March 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises Mr. So Yuen Chun, Dr. Li Ai Guo, Mr. Chong Kok Leong and Mr. Zhuang Miao Zhong being executive directors of the Company; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being non-executive directors of the Company; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man, Mrs. Chu Ho Miu Hing and Mr. Choy Hiu Fai, Eric being independent non-executive directors of the Company.