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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)

CHANGE OF USE OF PROCEEDS FROM PLACING OF NEW SHARES

Reference is made to the announcements issued by The Hong Kong Building and Loan Agency Limited (the “**Company**”) dated 29 December 2016, 11 January 2017 and 20 January 2017 in relation to the Placing (collectively, the “**Announcements**”) and the annual report for the year ended 31 December 2016 (“**Annual Report 2016**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and Annual Report 2016.

In order to enhance the existing business development, the Board resolved to re-allocate the proposed use of the proceeds to as follows:

| | Original allocation of net proceeds <i>HK\$'000</i> | Utilised amount (as at the date of this announcement) <i>HK\$'000</i> | Original allocation of unutilised amount (before the change) <i>HK\$'000</i> | Revised allocation of unutilised amount (after the change) <i>HK\$'000</i> |
|-----------------------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| General working capital of the Group | 48,920 | (48,920) | – | 31,165 |
| Repayment of existing indebtedness | 34,980 | (34,980) | – | – |
| Possible investments | 50,000 | (835) | 49,165 | 18,000 |
| | <u>133,900</u> | <u>(84,735)</u> | <u>49,165</u> | <u>49,165</u> |

Save as aforesaid, there is no other change of use of the proceeds from the Placing as disclosed in the Announcements and Annual Report 2016.

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

Hong Kong, 18 August 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 the executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being the non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mr. Choy Hiu Fai, Eric being the independent non-executive Directors.