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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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of The Hong Kong Building and Loan Agency Limited (the “**Company**”) will be held at Falcon Room I, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on Thursday, 28 June 2012 at 11:00 a.m., for the following purposes:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 December 2011.
2. (a) to re-elect Mr. So Yuen Chun as an executive director.

(b) to re-elect Mr. Ng Cheuk Fan, Keith as an independent non-executive director.

(c) to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint Messrs. ZHONGLEI (HK) CPA Company Limited as the auditors of the Company and authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

4. **“THAT:**

- a. subject to paragraph (c) of this resolution, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period of all the powers of the Company to allot, issue or otherwise deal with additional shares in the capital of the Company (the **“Shares”**) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- b. the approval given in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- c. the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this resolution, otherwise than pursuant to:
 - i. a Rights Issue;
 - ii. the exercise of option under any share option scheme or similar arrangement adopted by the Company from time to time; or
 - iii. any scrip dividend or similar arrangement providing for the allotment and issuance of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company from time to time,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and

d. for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held;
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. **“THAT:**

- a. subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- b. the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the approval granted under paragraph (a) of this resolution shall be limited accordingly; and
- c. for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. “**THAT** conditional upon the passing of the resolutions number 4 and 5 set out in the notice convening this Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to the resolution number 4 set out in the notice convening this Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted pursuant to the resolution number 5 set out in the notice convening this Meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

As special business, to consider and, if thought fit, pass the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

7. “**THAT** the articles of association of the Company (the “**Articles**”) be amended in the following manner:
- (a) By adding the following new definition of “substantial shareholder” in the existing Article 2 after the definition of “Stock Exchange”:
- “substantial shareholder” shall have the meaning ascribed to it under the Listing Rules from time to time.”
- (b) By deleting the existing Article 3(A) in its entirety and substituting therefor the following new article 3(A):
- “3. (A) The authorized share capital of the Company is HK\$3,000,000,000 divided into 30,000,000,000 ordinary shares of HK\$0.10 each.”

- (c) By adding the following words after the words “way of poll” in the second line of the exiting Article 86:

“save that and without prejudice to other provisions of these Articles, the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the Chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members present a reasonable opportunity to express their views.”

- (e) Adding into Article 87 as follows:

“87. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:

- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the Member. The demand for a poll may be withdrawn.”

- (f) Adding into Article 88 as follows:

“88. Where a resolution is voted on by poll, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- (g) Adding into Article 89 as follows:

“89. Where a resolution is voted on by a show of hands, a declaration by the Chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minutes book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.”

- (h) By deleting the existing Article 90 in its entirety and substituting therefor the following new Article 90:

“90. In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.”

- (i) By adding the following as a new paragraph immediately after the one existing paragraph of Article 95:

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares or stipulated in the terms of issue of any shares or in accordance with these Articles, at any general meeting every Member present in person or by proxy or being a corporation is present by a duly authorized representative or by proxy shall, in respect of any resolution put to vote of the meeting on a show of hands, have one vote. Without prejudice to Article 107, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

- (j) By adding the following words after the word “Member” in the last sentence of the existing Article 107:

“in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands”

- (k) Article 118(D)(v)

By deleting paragraph (D)(v) of Article 118 in its entirety and replaced with the words “INTENTIONALLY DELETED”

- (l) By adding a new sentence “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.” after the last sentence of the existing Article 150.”

8. “**THAT** conditional on the passing of the resolution number 7 set out in the notice convening the Meeting, the memorandum and articles of association of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution 7 above and all previous amendments made pursuant to resolutions passed by the shareholders of the Company be approved and adopted as the new memorandum and articles of association of the Company in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect.”

By order of the Board

The Hong Kong Building and Loan Agency Limited

So Yuen Chun

Executive Director

Hong Kong, 29 May 2012

Notes:

1. A member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his or her proxy to attend and vote instead of him or her. A proxy need not be a member of the Company. A member of the Company may appoint more than one proxy to attend the Meeting.
2. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
3. To be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company's registered office of Unit F, 7/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof (as the case may be).
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share of the Company as if he or she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect of such share of the Company.

As at the date of this announcement, the board of Directors comprises Mr. So Yuen Chun and Mr. Yeung Kwok Leung being executive Directors; Mr. Lam Kwok Hing, Wilfred being non-executive Director; and Mr. Ng Cheuk Fan, Keith, Mr. Yeung Wai Hung, Peter and Mr. Lam Raymond Shiu Cheung being independent non-executive Directors.