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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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary 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, 21 June 2012 at 11:00 a.m., for the purposes of considering and, if thought fit, passing the following special resolution and ordinary resolutions of the Company:

SPECIAL RESOLUTION

1. “**THAT** conditional upon (i) granting of an order by the Court of First Instance of the High Court of Hong Kong (the “**Court**”) pursuant to the Companies Ordinance (Cap. 32) for the purpose of confirming the Capital Reduction (as defined below) (collectively, the “**Confirming Order**”) and registration of the Confirming Order and of the minute approved by the Court by the Companies Registrar in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in, the Adjusted Shares (as defined below) in the issued share capital of the Company:–

- (a) the authorised share capital of the Company be reduced from HK\$3,000,000,000 divided into 30,000,000,000 shares of HK\$0.10 each to HK\$300,000,000 divided into 30,000,000,000 shares of HK\$0.01 each (the “**Reduced Shares**”) and that such reduction be effected by cancelling HK\$0.09 of the paid up capital on each issued share of HK\$0.10 and reducing the par value of each issued or unissued share in the capital of the Company from HK\$0.10 per share to HK\$0.01 per share (collectively, the “**Capital Reduction**”);
- (b) subject to and forthwith upon the Capital Reduction taking effect, every ten (10) Reduced Shares be consolidated into one share of HK\$0.10 each (the “**Adjusted Share**”) (collectively, the “**Share Consolidation**”) and any fraction of the Adjusted Shares arising from the Share Consolidation shall not be allocated to any holders of shares of the Company otherwise entitled thereto but such fractions shall be aggregated and be sold for the benefit of the Company;
- (c) the credit arising from the Capital Reduction be used to set off against the audited balance in the accumulated losses account as at the latest audited account of the Company and the balance be credited to the share premium account or such reserve(s) as the Court may direct (the “**Application of Credit**”);
- (d) all of the Adjusted Shares resulting from the Capital Reduction and the Share Consolidation shall rank *pari passu* in all respects among themselves and while the rights and privileges be subject to the restrictions contained in the Articles of Association of the Company;
- (e) subject to and forthwith upon the Capital Reduction and the Share Consolidation taking effect, the Memorandum and Articles of Association of the Company (the “**Memorandum and Articles of Association**”) be and are hereby amended as follows:

By deleting the existing Clause 5 of the Memorandum of Association of the Company in its entirety and replacing it with the following new Clause 5:

“The authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.10 each.”

By deleting the existing Article 3(A) of the Articles of Association of the Company in its entirety and replacing it with the following new Article 3(A):

“The authorised share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 ordinary shares of HK\$0.10 each.”

(collectively, the “**Amendments to the M&A**”); and

- (f) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he may in his absolute discretion consider necessary or desirable for the purpose of and in connection with the Capital Reduction, the Share Consolidation, the Application of Credit and the Amendments to the M&A set out in this resolution as he may in his absolute discretion consider necessary or desirable.”

ORDINARY RESOLUTIONS

2. To re-elect Mr. Lam Raymond Shiu Cheung as an independent non-executive director.
3. To re-elect Mr. Yeung Kwok Leung as an executive director.
4. To authorise the board of directors to fix the directors’ remuneration.

By order of the Board

The Hong Kong Building and Loan Agency Limited

So Yuen Chun

Executive Director

Hong Kong, 29 May 2012

As at the date of this announcement, the Board 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.

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.