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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO
THE ANNUAL REPORT FOR THE YEAR ENDED
31 DECEMBER 2013**

References are made to (i) the announcements of the Company dated 28 February 2013, 15 March 2013, 22 August 2013, 16 October 2013, 5 November 2013, 19 December 2013, 11 February 2014 and 18 February 2014 (collectively, the “**Announcements**”), and the circular of the Company dated 21 October 2013 (the “**Circular**”) in relation to, among other things, the placing of convertible bonds of the Company under Specific Mandate (the “**Convertible Bonds**”); and (ii) the annual report of the Company for the financial year ended 31 December 2013 published on 17 April 2014 (the “**Annual Report**”). Unless the context requires otherwise, the use of capitalised terms herein shall have the same meanings as defined in the Circular.

As disclosed in the Annual Report, on 26 February 2013, the Placing Agent and the Company entered into the First Placing Agreement (as supplemented by the Supplemental Placing Agreement dated 15 March 2013, the Second Supplemental Placing Agreement dated 22 August 2013 and the Third Supplemental Placing Agreement dated 16 October 2013) pursuant to which the Placing Agent conditionally agreed to place the Convertible Bonds of up to an aggregate principal amount of HK\$60,750,000 on a best-effort basis. The overall completion of the Placing took place on 17 February 2014.

As disclosed in the Announcements and the Circular, the completion of the Placing took place on 17 February 2014, where all the Tranches of the Convertible Bonds in the aggregate principal amount of HK\$60,750,000 had been placed to not less than six independent Places. The net proceeds from the Placing of approximately HK\$58.4 million were intended to be used (i) as to approximately HK\$28 million for the overhead expenses of the Company for the 18 months from the date of the Circular (of which approximately HK\$9 million were to be utilised for staff cost and approximately HK\$19 million were to be utilised for administrative expenses and legal & professional fee); (ii) as to approximately HK\$8 million for repayment of outstanding indebtedness; (iii) as to approximately HK\$12 million to fund the loan financing businesses of the Company; and (iv) as to approximately HK\$10 million for future investments of the Company.

The Company would like to provide additional information that, as at 31 December 2013, only the first Tranche of the Convertible Bonds had been placed and the net proceeds from the Placing of the first Tranche of the Convertible Bonds of approximately HK\$17 million were used (i) as to approximately HK\$1.5 million for the overhead expenses of the Company (of which approximately HK\$0.5 million were utilised for staff cost and approximately HK\$1 million were utilised for administrative expenses and legal & professional fee); (ii) as to approximately HK\$1 million to fund the loan financing businesses of the Company; (iii) as to approximately HK\$10 million for investment in the energy saving sector; and (iv) as to approximately HK\$4.5 million for treasury investment of the Company.

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

Hong Kong, 30 July 2014

As at the date of this announcement, the Board comprises Ms. Diana Liu He and Mr. So Yuen Chun being executive Directors; Mr. Lam Kwok Hing, Wilfred being non-executive Director; and Mrs. Chu Ho Miu Hing, Mr. Yeung Wai Hung, Peter and Ms. Yuen Wai Man being independent non-executive Directors.