

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)

BUSINESS UPDATE

The board of directors (the “**Board**”) of The Hong Kong Building and Loan Agency Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with an update on the performance of Weldtech Technology Co. Limited, a wholly-owned subsidiary of the Company, and its subsidiaries (collectively, the “**Weldtech Group**”) this year.

The Weldtech Group is engaged in the design and provision of energy saving solutions in the People’s Republic of China (the “**PRC**”). Based on a preliminary assessment of the unaudited management accounts and the operating data of the Weldtech Group for the nine months ended 30 September 2016 and the Board’s current estimation of the Weldtech Group’s results for the period from 1 October 2016 to 31 December 2016, the Board expects that the operating results of the Weldtech Group for the year ending 31 December 2016 will fall short of the expectation of the Board despite the improvement in the operating results of the Group as mentioned in its interim report for the six months ended 30 June 2016 as compared to the same period in 2015.

The anticipated underperformance is attributable to (i) the drop in oil prices; (ii) sustained fierce competition in the energy saving industry in the PRC; and (iii) the reluctance of enterprises towards spending on energy saving projects in face of the uncertain economic environment. The Board also wishes to inform the Shareholders that the underperformance may have implications to the carrying value of the goodwill and intangible assets of the Weldtech Group on the financial statements of the Group as at 31 December 2016. The Board believes that the above should not have any adverse impact on the operations of the Company and its subsidiaries.

Shareholders and potential investors should 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, 10 November 2016

As at the date of this announcement, the Board comprises Mr. So Yuen Chun, Dr. Li Ai Guo and Mr. Chong Kok Leong 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.