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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 2018**

References are made to (i) the announcements of The Hong Kong Building and Loan Agency Limited (the “**Company**”) dated 29 December 2016, 11 January 2017, 20 January 2017, 18 August 2017, and 18 October 2017 (the “**Announcements**”) in relation to the placing of new shares (the “**Placing**”); (ii) the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”) and 31 December 2018 (the “**2018 Annual Report**”) published on 23 April 2018 and on 29 April 2019 respectively. Capitalised terms used herein shall have the same meanings as those defined in the Announcements, the 2017 Annual Report and 2018 Annual Report unless the context requires otherwise.

The Board would like to provide supplemental information to the 2018 Annual Report to update on the actual use of proceeds from the Placing. As disclosed in the Announcements, the net proceeds from the Placing of approximately HK\$133.9 million (HK\$0.36 per Placing Share), which the Company intends to utilise for (i) general working capital of the Group, (ii) repayment of existing indebtedness, and/or (iii) possible investments in the future when opportunities arise.

As at the date of the 2018 Annual Report, the utilisation of the net proceeds from the Placing was summarised as follows:

	Original allocation of net proceeds HK\$'000	Revised allocation after the changes as disclosed in the announcement dated 18 October 2017 HK\$'000 (Note)	Amount utilised up to 31 December 2018 HK\$'000	Balance as at 31 December 2018 HK\$'000	Balance as of the date of this announcement HK\$'000
General working capital of the Group	48,920	96,085	(96,085)	–	–
Repayment of existing indebtedness	34,980	34,980	(34,980)	–	–
Possible investments	50,000	2,835	(835)	2,000	2,000
	<u>133,900</u>	<u>133,900</u>	<u>(131,900)</u>	<u>2,000</u>	<u>2,000</u>

Note: The change allowed the Company to deploy its financial resources more effectively and was in the best interests of the Group and its shareholders as a whole.

It is expected that the remaining balance of the net proceeds will be utilised by the end of year 2020.

The Board confirmed that the above supplemental information does not affect other information contained in the 2018 Annual Report.

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

Hong Kong, 24 September 2019

As at the date of this announcement, the Board comprises Dr. Li Ai Guo, Mr. Chong Kok Leong and Mr. Zhuang Miaozhong being the executive Directors; and Mr. Choy Hiu Fai, Eric, Mr. Huang Lizhi and Mr. Ng Kay Kwok being the independent non-executive Directors.