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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Hong Kong Building and Loan Agency Limited (the "Company"), you should at once hand this circular together with the enclosed form of proxy and the 2013 annual report of the Company to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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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)**

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,  
GRANT OF GENERAL MANDATES  
TO ISSUE AND BUY-BACK SHARES,  
EXTEND GENERAL MANDATE TO ISSUE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company (the "AGM") to be held at LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 26 June 2014 at 11:30 a.m., is set out in Appendix III to this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office of Unit F, 7/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if you so wish.

26 May 2014

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## DEFINITION

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meaning:*

“AGM”	the annual general meeting of the Company to be held at LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 26 June 2014 at 11:30 a.m., the notice of which is set out from pages 13 to 17 of this circular; or only adjournment thereof
“AGM Notice”	the notice for convening the AGM as set out from pages 13 to 17 of this circular
“Articles”	the articles of association adopted by the Company as may be amended from time to time and “Article” shall mean an article of the articles of association
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to buy-back Shares of a total amount not exceeding 10% of the total number of the Shares in issue as at the date of passing of the relevant resolution at the AGM
“Company”	The Hong Kong Building and Loan Agency Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to the effect that the Issue Mandate shall be extended by the addition of shares of the Company bought back under the Buy-back Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITION

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“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with Shares up to a maximum of 20% of the total number of Shares in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	21 May 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“2013 Annual Report”	the annual report of the Company for the year ended 31 December 2013
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. So Yuen Chun

Mr. Yeung Kwok Leung

*Non-executive Director:*

Mr. Lam Kwok Hing, Wilfred

*Independent Non-executive Directors:*

Mr. Yeung Wai Hung, Peter

Mr. Lam Raymond Shiu Cheung

Ms. Yuen Wai Man

*Registered Office:*

Unit F, 7/F.

China Overseas Building

139 Hennessy Road

Wanchai

Hong Kong

26 May 2014

*To the Shareholders, and holders of options and convertible bonds of  
the Company, for information only*

Dear Sirs or Madams,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,  
GRANT OF GENERAL MANDATES  
TO ISSUE AND BUY-BACK SHARES,  
EXTEND GENERAL MANDATE TO ISSUE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with the information regarding the resolutions to be proposed at the AGM relating to, among others, (i) the re-election of retiring Directors; (ii) the Issue Mandate; (iii) the Buy-back Mandate; and (iv) the Extension Mandate. The AGM Notice is set out from pages 13 to 17 of this circular.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Article 120 of the Articles provides that subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting. A Director retiring at an annual general meeting shall retain office until the close or adjournment of the relevant annual general meeting.

Pursuant to Article 120 of the Articles, Messrs. Yeung Kwok Leung and Lam Raymond Shiu Cheung shall retire by rotation and, each being eligible, offer himself for re-election as Director at the AGM.

Particulars of the retiring Directors are set out in Appendix I to this circular.

### GENERAL MANDATES TO ISSUE AND BUY-BACK SHARES

At the annual general meeting of the Company held on 21 June 2013, the Shareholders passed the ordinary resolutions on granting the existing general mandates to the Directors to allot, issue and deal with Shares and to buy-back Shares. Such mandates will expire at the conclusion of the AGM. At the AGM, ordinary resolutions will be proposed to grant the Issue Mandate, the Buy-back Mandate and the Extension Mandate.

#### **The Issue Mandate**

At the AGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve the Issue Mandate which will enable the Directors to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company not exceeding 20% of the total number of Shares in issue at the date of passing of such resolution.

As at the Latest Practicable Date, the number of Shares in issue comprised 637,395,866 Shares. Assuming that there is no change in the issued number of Shares during the period from the Latest Practicable Date to the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 127,479,173 Shares.

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## LETTER FROM THE BOARD

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### **The Buy-back Mandate**

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve the Buy-back Mandate which will enable the Directors to exercise the powers of the Company to buy-back Shares up to 10% of the aggregate number of Shares in issue as at the date of passing of such resolution. The Company's authority is restricted to buy-back Shares in the market in accordance with the Listing Rules.

As at the Latest Practicable Date, the number of Shares in issue comprised of 637,395,866 Shares. Assuming that there is no change in the issued number of Shares during the period from the Latest Practicable Date to the date of passing the resolution approving the Buy-back Mandate, the maximum number of Shares which may be bought back pursuant to the Buy-back Mandate will be 63,739,586 Shares.

Pursuant to the Listing Rules, an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the Buy-back Mandate is set out in Appendix II to this circular.

Both of the Issue Mandate and the Buy-back Mandate will expire at the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of Hong Kong to be held; or
- (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Board considers that the grant of the Issue Mandate and Buy-back Mandate shall increase the flexibility in the Company's affairs and are in the interests of the Company and the Shareholders as a whole, and that the same shall continue to be adopted by the Company.

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## **LETTER FROM THE BOARD**

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### **General Extension Mandate to Issue Shares**

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate representing the total number of Shares that bought back by the Company pursuant to the Buy-back Mandate, provided that such extended amount shall not exceed 10% of the total number of issued Shares at the date of passing of that resolution.

### **AGM**

The AGM Notice is set out from pages 13 to 17 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

At the AGM, ordinary resolutions will be proposed to approve, among others, the re-election of retiring Directors and the grant of the Issue Mandate, Buy-back Mandate and Extension Mandate.

Pursuant to Rule 13.39(4) of the Listing Rules, the proposed ordinary resolutions as set out in the AGM Notice will be taken by way of poll at the AGM. Further announcement regarding the results of the poll will be made by the Company after the AGM.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's registered office of Unit F, 7/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong as soon as possible, and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

### **RECOMMENDATION**

The Board considers that the proposed ordinary resolutions as set out in the AGM Notice are in the interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders to vote in favour of all the ordinary resolutions to be proposed at the AGM.



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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is drawn to the additional information set out in the appendices to this circular and the AGM Notice. In case of any conflicts, the English version of this circular shall prevail over its Chinese version.

Yours faithfully

By Order of the Board

**The Hong Kong Building and Loan Agency Limited**

**So Yuen Chun**

*Executive Director*

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## APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*As at the Latest Practicable Date, the biographical details of the Directors who will retire and, being eligible, will offer themselves for re-election at the AGM pursuant to the Articles and the Listing Rules, are as follows:*

**Mr. Yeung Kwok Leung** (“**Mr. Yeung**”), aged 40, was appointed as an executive Director on 1 March 2012. He is also a director of certain subsidiaries of the Group. Mr. Yeung holds a bachelor’s degree in Accountancy and possesses more than 17 years’ experience in auditing, financial controlling, accounting, corporate development as well as business strategy. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Yeung is currently an executive director of Ceneric (Holdings) Limited (stock code: 542), a company listed on the Stock Exchange. Mr. Yeung was an executive director and the company secretary of China Fortune Financial Group Limited (stock code: 290) for the period from December 2005 to February 2012, a company listed on the Main Board of the Stock Exchange.

Save for disclosed above, Mr. Yeung has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules) and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Yeung has entered into a service agreement with the Company for a fixed term of one year which continues thereafter until terminated by giving net less than one month’s written notice by either party with effect from 1 March 2013, subject to the retirement by rotation at the annual general meetings of the Company in accordance with the Articles. Mr. Yeung is entitled to receive a director fee of HK\$32,400 per month on 13-month basis with discretionary bonus which was determined by reference to his duties, experience and responsibilities in the Company as well as the current market conditions.

Save for disclosed above, Mr. Yeung confirmed that he is not aware of any information in relation to his re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save for disclosed above, the Board is not aware of any other matters relating to Mr. Yeung’s re-election that need to be brought to the attention of the Shareholders.

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## APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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**Mr. Lam Raymond Shiu Cheung** (“**Mr. Lam**”), aged 48, was appointed as an independent non-executive Director on 17 February 2012. He was also appointed as members of the audit, nomination and remuneration committees of the Company, with effect from 17 February 2012. He graduated from the Victoria University of Melbourne, Australia, with a bachelor of business degree majoring in banking and finance. He also earned a master degree in Applied Finance from Macquarie University of Australia. Mr. Lam has 22 years of extensive experience in business development and corporate finance. He started his career in corporate banking, after which he joined one of the biggest oil companies in the USA specializing in the area of business development. Mr. Lam is currently an executive director of Chinese Food and Beverage Group Limited (stock code: 8272) and an independent non-executive director of Zebra Strategic Holdings Limited (stock code: 8260) and China Assurance Finance Group Limited (stock code: 8090), all of the companies are listed on the GEM of the Stock Exchange. He resigned as the deputy chief executive officer of China Eco-Farming Limited (stock code: 8166) on 17 April 2013, a company which is listed on GEM of the Stock Exchange.

Save for disclosed above, Mr. Lam has not previously held any position with the Company or any of its subsidiaries, has not been a director in any other listed public companies in the last three years, does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company (as defined in the Listing Rules) and does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr. Lam has entered into a letter of appointment with the Company for a fixed term of three years with effect from 17 February 2012, subject to retirement by rotation at the annual general meetings of the Company in accordance with the articles of association of the Company. Mr. Lam is entitled to receive a director fee of HK\$120,000 per annum which was determined by reference to his experience, and duties and responsibilities in the Company as well as the current market conditions.

Mr. Lam confirmed that, save for disclosed above, he is not aware of any information in relation to his re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save for disclosed above, the Board is not aware of any other matters relating to Mr. Lam’s re-election that need to be brought to the attention of the Shareholders.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Buy-back Mandate.*

**1. NUMBER OF SHARES IN ISSUE**

As at the Latest Practicable Date, the issued number of Shares was 637,395,866.

Subject to the passing of the ordinary resolution granting the proposed Buy-back Mandate and on the basis that no further Shares are issued or bought back before the AGM, the Company will be allowed to buy-back a maximum of 63,739,586 Shares, representing 10% of the issued number of Shares, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the Articles or the applicable law of Hong Kong or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

**2. REASONS FOR BUY-BACK**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to buy-back Shares on the Stock Exchange. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Company and the Shareholders as a whole.

The Board has no present intention to buy-back any Shares and the power would only be exercised to buy-back in circumstances where it is considered to be in the interests of the Company and the Shareholders as a whole and in circumstances where the Shares can be bought back on the terms favourable to the Company. On the basis of the consolidated statement of financial position of the Company as at 31 December 2013, being the date to which the latest published audited consolidated financial statements of the Company were made up, the Board considers that if the Buy-back Mandate were to be exercised in full during the proposed buy-back period, it may constitute a material adverse impact on the working capital or gearing position of the Company. The Board does not propose to exercise the Buy-back Mandate to such an extent as it would, in the circumstances, constitute a material adverse effect on the working capital of the Company as compared with the position disclosed in the latest published audited consolidated financial statements or the gearing position which, in the opinion of the Board, are from time to time appropriate for the Company.

**3. FUNDING OF BUY-BACKS**

Buy-backs to be made pursuant to the proposed Buy-back Mandate would be financed out of funds legally available for the purpose in accordance with the Articles, the applicable laws of Hong Kong and the Listing Rules. Such funds including, but not limited to, profits available for distribution.

**4. SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>Shares Price</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2013</b>		
May	0.2200	0.1700
June	0.2150	0.1700
July	0.2080	0.1750
August	0.7200	0.1890
September	1.0000	0.6000
October	0.9300	0.7300
November ( <i>Note</i> )	–	–
December ( <i>Note</i> )	1.0900	0.6000
<b>2014</b>		
January	0.7800	0.5500
February	0.6300	0.4300
March	0.7300	0.4500
April	0.7400	0.5700
May (up to the Latest Practicable Date)	0.8600	0.6600

*Note:*

Trading in the Shares has been suspended with effect from 9:00 a.m. on 1 November 2013 and resumed with effect from 9:00 a.m. on 9 December 2013.

**5. EFFECT OF THE TAKEOVERS CODE**

A buy-back of Shares by the Company may result in an increase in the proportionate interests of Shareholder(s) in the voting rights of the Company, which may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, as per register required to be kept by the Company under section 336 of the SFO, to the best of the directors' knowledge, having made reasonable enquiry, none of the Shareholders were directly or indirectly interested in 10% or more of the issued number of Shares which entitling the holders of which to vote in all circumstances at general meetings of the Company.

The Board does not intend to exercise the Buy-back Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeovers Code. In any event, the Board will not exercise the Buy-back Mandate (if granted) to an extent that may result in a public shareholding of less than 25%.

**6. BUY-BACK OF SHARES**

No Shares have been bought back by the Company or any of its subsidiaries during the six months immediately preceding the Latest Practicable Date.

**7. GENERAL**

To the best of the Directors' knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company if the Buy-back Mandate is approved by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell any Shares to the Company, nor any of them has undertaken not to do so in the event that the Company is authorised to make buy-back of the Shares.

The Board has undertaken to the Stock Exchange that, so far as the same may be applicable, it will only exercise the Buy-back Mandate (if granted) to buy-back Shares in accordance with the Articles, the applicable laws of Hong Kong and the Listing Rules.



**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 LG2, The Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong on Thursday, 26 June 2014 at 11:30 a.m., to consider and, if thought fit, transact the following ordinary businesses:

1. To receive, consider and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and of the auditors of the Company for the year ended 31 December 2013.
2.
  - (a) To re-elect Mr. Yeung Kwok Leung as a director of the Company.
  - (b) To re-elect Mr. Lam Raymond Shiu Cheung as a director of the Company.
  - (c) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint Messrs. ZHONGLEI (HK) CPA Company Limited as the auditors of the Company and to authorise the board of directors of the Company 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 (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares 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 authorise the Directors during the Relevant Period (as hereinafter defined) 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 (as hereinafter defined);
- (c) the total number of Shares 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 (as hereinafter defined);
  - ii. the exercise of options under any share option schemes or similar arrangements adopted by the Company from time to time; or
  - iii. any scrip dividend or similar arrangement(s) 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 and other relevant regulations in force from time to time,

shall not exceed 20% of the total number of Shares in issue as 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 of Hong Kong 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, issuance or grant of Shares, warrants, options or other securities pursuant to an offer giving rights to subscribe 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 buy-back 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 Codes on Takeovers and Mergers and Share Buy-backs, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;

(b) the aggregate number of Shares which may be bought back by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue at the date of 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 date of 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 of Hong Kong 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 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 total number of the Shares bought back 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 total number of Shares in issue at the date of passing of this resolution.”

By Order of the Board

**The Hong Kong Building and Loan Agency Limited**

**So Yuen Chun**

*Executive Director*

Hong Kong, 26 May 2014

*Notes:*

1. Any member of the Company (“**Member**”) entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote on his/her/its behalf and the proxy so appointed shall have the same rights as the Member to speak at the Meeting. A proxy needs not be a Member. A Member 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 notorially 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). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof as you so wish.
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/she/it was solely entitled thereto. 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.
5. If Typhoon Signal No. 8 or above, or a “black” rainstorm warning is in effect any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be postponed. The Company will post an announcement on the Company’s website <http://www.hkbla.com.hk> and the “Latest Company Announcements” page of the Stock Exchange website to notify Shareholders of the date, time and place of the rescheduled meeting, if any.

*As at the date hereof, the board of directors of the Company comprises Mr. So Yuen Chun and Mr. Yeung Kwok Leung being executive Directors; Mr. Lam Kwok Hing, Wilfred being non-executive Director; and Mr. Yeung Wai Hung, Peter, Mr. Lam Raymond Shiu Cheung and Ms. Yuen Wai Man being independent non-executive Directors.*