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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.

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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,
REFRESHMENT OF SCHEME MANDATE LIMIT,
AND
NOTICE OF ANNUAL GENERAL MEETING**

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 Friday, 26 June 2015 at 11:00 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.

22 April 2015

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DEFINITION

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 Friday, 26 June 2015 at 11:00 a.m., the notice of which is set out from pages 19 to 23 of this circular; or only adjournment thereof
“AGM Notice”	the notice for convening the AGM as set out from pages 19 to 23 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
“Capital Reduction”	the reduction of the share capital of the Company including the cancellation of the paid up capital to the extent of HK\$0.09 of each Share in issue from HK\$0.10 to HK\$0.01 effective on 19 December 2012
“Capital Reorganisation”	the Capital Reduction and the Share Consolidation
“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

DEFINITION

“Eligible Participant(s)”	<p>(a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, or any of its subsidiaries or Invested Entity in which any member of the Group holds any equity interest (the “Employee”)</p> <p>(b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity</p> <p>(c) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity</p> <p>(d) any other person (including any consultant, adviser, distributor, contractor, supplier, agent, customer, business partner, joint venture business partner, promoter or service provider of any member of the Group) whom the Board considers, in its sole discretion, has contributed or will contribute to the Group</p>
“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
“Invested Entity”	any entity in which the Group holds any equity interest
“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

DEFINITION

“Latest Practicable Date”	16 April 2015, 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
“Scheme Mandate Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all Options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“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
“Share Consolidation”	the consolidation of every ten Shares into one Share effective on 19 December 2012
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 22 May 2008
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“2014 Annual Report”	the annual report of the Company for the year ended 31 December 2014
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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
Ms. Diana Liu He
Dr. Li Ai Guo
Mr. Cai Wen Wei

Registered Office:

Unit F, 7/F.
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

Non-executive Directors:

Mr. Lam Kwok Hing, Wilfred
Mr. Huang Lizhi

Independent Non-executive Directors:

Ms. Yuen Wai Man
Mr. Yeung Wai Hung, Peter
Mrs. Chu Ho Miu Hing

22 April 2015

*To the Shareholders, and holders of 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,
REFRESHMENT OF SCHEME MANDATE LIMIT,
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; (iv) the Extension Mandate; and (v) the refreshment of Scheme Mandate Limit. The AGM Notice is set out from pages 19 to 23 of this circular.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Article 110 of the Articles provides, among others, that the Directors shall have power from time to time and at any time to appoint any qualified person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election.

Pursuant to Article 110, Dr. Li Ai Guo (“**Dr. Li**”), Mr. Cai Wen Wei (“**Mr. Cai**”) and Mr. Huang Lizhi (“**Mr. Huang**”) who were appointed as additional Directors on 10 September 2014, 23 September 2014 and 7 August 2014 respectively shall hold office only until the next following annual general meeting of the Company, that is, the AGM. Dr. Li, Mr. Cai and Mr. Huang, being eligible, offer themselves for re-election as Directors at the AGM.

Dr. Li, Mr. Cai and Mr. Huang do not have unexpired service contracts with the Group which are not determinable by the Group within one year without payment of compensation, other than statutory compensation.

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, Mr. So Yuen Chun (“**Mr. So**”) and Ms. Yuen Wai Man (“**Ms. Yuen**”) shall retire by rotation and, each being eligible, offer himself or herself 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 26 June 2014, 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.

LETTER FROM THE BOARD

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 1,225,749,466 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 245,149,893 Shares.

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 1,225,749,466 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 122,574,946 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.

LETTER FROM THE BOARD

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.

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.

REFRESHMENT OF SCHEME MANDATE LIMIT

The Board proposes to seek the approval of the Shareholders to refresh the Scheme Mandate Limit. Under the existing limit of the Share Option Scheme, the Directors were authorized to grant options to subscribe for up to 22,500,000 Shares, representing 10% of the issued share capital of the Company as at the date of the annual general meeting of the Company held on 22 May 2008.

During the period from 22 May 2008 to the Latest Practicable Date, the Scheme Mandate Limit has been refreshed once. As disclosed in the circular and the announcement of the Company dated 20 November 2012 and 7 December 2012 respectively, an ordinary resolution was passed by the Shareholders at the extraordinary general meeting of the Company, held on 7 December 2012 in which the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the refreshed Scheme Mandate Limit was 435,148,866 Shares, being 10% of the Shares in issue as at 7 December 2012. Subsequently the Capital Reorganisation took place and the Scheme Mandate Limit was reduced to 43,514,886 Shares.

The following table sets out the details of the Company's share options since the adoption of Share Option Scheme on 22 May 2008 to the Latest Practicable Date:

	As at the Latest Practical Date	
	Total number of share options	Approximate % of issued Shares
Granted	23,444,600 <i>(Note)</i>	1.91%
Exercised	15,444,600	1.26%
Lapsed	–	–
Cancelled	–	–
Outstanding	8,000,000 <i>(Note)</i>	0.65%

LETTER FROM THE BOARD

Note: 15,444,600 share options were granted to seven Eligible Applicants on 28 December 2012, all of which were exercised as at the Latest Practicable Date. As set out in the Company's announcement dated 22 January 2015, 8,000,000 share options were granted to an executive Director with a maximum of 4,000,000 of the share options exercisable at an exercise price of HK\$0.9 per share with a vesting period from 22 January 2015 to 21 January 2016 and an exercise period from 22 January 2016 to 21 January 2018, and the remaining 4,000,000 share options exercisable at an exercise price of HK\$1.5 per share with a vesting period from 22 January 2015 to 21 January 2017 and an exercise period from 22 January 2017 to 21 January 2019. All share options granted on 22 January 2015 remains outstanding as at the Latest Practicable Date.

Since the adoption of the Share Option Scheme and up to the Latest Practicable Date, there are 8,000,000 share options granted but yet exercised were outstanding, representing approximately 0.65% of the total number of Shares in issue.

As at the Latest Practicable Date, the Company had an aggregate of 1,225,749,466 Shares in issue and the remaining Scheme Mandate Limit of 20,070,286 Shares represents only approximately 1.64% of the issued share capital of the Company.

The purpose of the Share Option Scheme is to enable the Company to grant options to selected Eligible Participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

Pursuant to the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders at a general meeting provided that the maximum number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the general meeting. Any share options previously granted under the Share Option Scheme or any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of the Shares in issue from time to time. No share option shall be granted under any share option scheme(s) of the Company if this will result in the 30% limit being exceeded.

LETTER FROM THE BOARD

On the basis of 1,225,749,466 Shares being in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the AGM, the maximum number of Shares which may be issued upon exercise of all share options that may be granted under the refreshed Scheme Mandate Limit is 122,574,946 Shares, representing 10% of the Company's issued share capital as at the Latest Practicable Date.

CONDITIONS OF THE REFRESHMENT OF SCHEME MANDATE LIMIT

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Scheme Mandate Limit at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit not exceeding 10% of the number of Shares in issue as at the date of approval by the Shareholders.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of the share options that may be granted under the refreshed Scheme Mandate Limit.

AGM

The AGM Notice is set out from pages 19 to 23 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, the grant of the Issue Mandate, Buy-back Mandate and Extension Mandate and the refreshment of the Scheme Mandate Limit.

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. The results of the poll will be posted on the websites of the Stock Exchange and the Company by way of an announcement.

LETTER FROM THE BOARD

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 the re-election of retiring Directors, the grant of the Issue Mandate, Buy-back Mandate and Extension Mandate and the refreshment of the Scheme Mandate Limit to be proposed at the AGM.

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

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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. So Yuen Chun (“Mr. So”), aged 43, was appointed as an independent non-executive Director on 15 January 2010 and re-designated as an executive Director on 1 December 2010. He was also appointed as the company secretary of the Company on 26 March 2011. Mr. So is also a director of certain subsidiaries of the Group. Mr. So is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He possesses more than 20 years of experience in the fields of auditing, accounting and finance. He is currently an executive director of Chinese Global Investors Group Limited (stock code: 5CJ.SI), a company listed on the Catalist board of the Singapore Exchange Securities Trading Limited.

Save for disclosed above, Mr. So 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. So has entered into a service contract with the Company for a fixed term of one year with effect from 1 December 2012 and to be continued thereafter until terminated by giving not less than one (1) month’s written notice, subject to subject to the retirement by rotation at the annual general meetings of the Company in accordance with the Articles. Mr. So is entitled to receive a director’s fee of HK\$32,400 per month on 13-month basis which was determined by reference to his duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Mr. So 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. So’s re-election that need to be brought to the attention of the Shareholders.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Dr. Li Ai Guo (“Dr. Li”), aged 37, was appointed as an executive Director on 10 September 2014. He is a director and chief technology officer of Weldtech Technology Co. Limited, a wholly owned subsidiary of the Company. Dr. Li was admitted to the Harbin Institute of Technology in 1996, and completed his bachelor’s degree, master’s degree and Ph.D. in heating, gas supply, ventilating and air conditioning engineering, and applied computer science, in 2000, 2003 and 2007 respectively.

Save for disclosed above, Dr. Li 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.

Dr. Li has entered into a service contract with the Company for a term of two years commencing from 10 September 2014, subject to re-election by the shareholders at the next annual general meeting of the Company in accordance with the Articles. He is also subject to retirement by rotation and re-election by shareholders at the subsequent annual general meetings of the Company. Dr. Li is entitled to a director’s fee of HK\$240,000 per annum, which was determined by the Board with reference to his prior experience and his duties and responsibilities in the Company.

Save for disclosed above, Dr. Li 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 Dr. Li’s re-election that need to be brought to the attention of the Shareholders.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Cai Wen Wei (“Mr. Cai”), aged 40, was appointed as an executive Director on 23 September 2014. He is a financial controller of Weldtech Technology Co. Limited, a wholly owned subsidiary of the Company. Mr. Cai graduated from the Shanghai University International Business School with a bachelor’s degree in international finance. Mr. Cai is a member of Chinese Institute of Certified Public Accountant and a member of Hong Kong Institute of Certified Public Accountants. Mr. Cai had worked at the audit department of Ernst & Young, and as a senior audit manager at KPMG. Mr. Cai has accumulated approximately 16 years of relevant experience in the field.

Save for disclosed above, Mr. Cai 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. Cai has entered into a service contract with the Company for a term of two years commencing from 23 September 2014, subject to re-election by the shareholders at the next annual general meeting of the Company in accordance with the Articles. He is also subject to retirement by rotation and re-election by shareholders at the subsequent annual general meetings of the Company. Mr. Cai is entitled to a director’s fee of HK\$240,000 per annum, which was determined by the Board with reference to his prior experience and his duties and responsibilities in the Company.

Save for disclosed above, Mr. Cai 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. Cai’s re-election that need to be brought to the attention of the Shareholders.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. Huang Lizhi (“**Mr. Huang**”), aged 63, was appointed as a non-executive Director on 7 August 2014. He is a consultant with CITIC International Assets Management Limited (“**CIAM**”). Prior to joining CIAM, Mr. Huang held various positions including deputy director in Supreme People’s Procuratorate of the People’s Republic of China for over 17 years. Mr. Huang has extensive experience in the PRC, in particular, investment experience in environmentally friendly businesses.

Save for disclosed above, Mr. Huang 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. Huang has entered into a letter of appointment with the Company for a term of three years commencing from 7 August 2014, subject to re-election by the shareholders at the next following annual general meeting of the Company in accordance with the Articles. He is also subject to retirement by rotation and re-election by shareholders at the subsequent annual general meetings of the Company at least once every three years. Mr. Huang is entitled to a director’s fee of HK\$240,000 per annum, which was determined by the Board with reference to his prior experience and his duties and responsibilities in the Company.

Save for disclosed above, Mr. Huang 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. Huang’s re-election that need to be brought to the attention of the Shareholders.

APPENDIX I PARTICULARS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Ms. Yuen Wai Man (“Ms. Yuen”), aged 43, was appointed as an independent non-executive Director on 1 November 2012. She was also appointed as the chairman of the audit, nomination and remuneration committees of the Company, with effect from 1 November 2012. She graduated from The University of Hong Kong with a degree in Business Administration in 1994. She is the fellow member of The Association of Chartered Certified Accountants, fellow member of The Hong Kong Institute of Certified Public Accountants and overseas member of The Chinese Institute of Certified Public Accountants. Ms. Yuen has worked in accounting and auditing area for over 20 years. She is an independent non-executive director of Chinese Strategic Holdings Limited (stock code: 8089), a company listed on the Growth Enterprise Market of the Stock Exchange, since 4 July 2008. She was also appointed as an independent non-executive director of Tai Shing International (Holdings) Limited (stock code: 8103), a company listed on the Growth Enterprise Market of the Stock Exchange from 3 April 2014 to 30 December 2014.

Save for disclosed above, Ms. Yuen 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.

Ms. Yuen has entered into a service contract with the Company for a fixed term from 1 November 2012 to 31 October 2015, subject to the retirement by rotation at the annual general meetings of the Company in accordance with the Articles. Ms. Yuen is entitled to receive a director’s fee of HK\$120,000 per annum which was determined by reference to her duties, experience and responsibilities in the Company as well as the market conditions.

Save for disclosed above, Ms. Yuen confirmed that she is not aware of any information in relation to her 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 Ms. Yuen’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 1,225,749,466.

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 122,574,946 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 2014, 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:

	Shares Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2014		
April	0.7400	0.5700
May	0.8600	0.6600
June	0.8600	0.7600
July	0.8000	0.6300
August	0.7200	0.6500
September	0.6900	0.5100
October	0.6100	0.4800
November	0.5200	0.4550
December	0.5500	0.3600
2015		
January	0.5400	0.3950
February	0.4850	0.3950
March	0.5200	0.3800
April (up to the Latest Practicable Date)	0.6900	0.5100

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 close 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 core 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 Friday, 26 June 2015 at 11:00 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 2014.
2.
 - (a) To re-elect Mr. So Yuen Chun as a director of the Company.
 - (b) To re-elect Dr. Li Ai Guo as a director of the Company.
 - (c) To re-elect Mr. Cai Wen Wei as a director of the Company.
 - (d) To re-elect Mr. Huang Lizhi as a director of the Company.
 - (e) To re-elect Ms. Yuen Wai Man as a director of the Company.
3. To re-appoint Messrs. HLB Hodgson Impey Cheng 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.”
7. “**THAT** subject to and conditional upon the granting by the Listing Committee of the Stock Exchange of Hong Kong Limited of, the listing of and permission to deal in, the shares (the “**Shares**”) of the Company to be issued pursuant to the exercise of options granted under the refreshed scheme mandate limit (the “**Scheme Mandate Limit**”) under the share option scheme adopted by an ordinary resolution of the Shareholders passed on 22 May 2008 in the manner as set out in paragraph (a) of this Resolution below,
- (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares of the Company in issue as at the date of passing of this resolution be and is hereby approved; and

- (b) the directors of the Company be and are hereby authorized to do all such acts and things and execute all such documents, including under deal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

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

Hong Kong, 22 April 2015

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 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). 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, Ms. Diana Liu He, Dr. Li Ai Guo and Mr. Cai Wen Wei being executive Directors; Mr. Lam Kwok Hing, Wilfred and Mr. Huang Lizhi being non-executive Directors; and Mr. Yeung Wai Hung, Peter, Ms. Yuen Wai Man and Mrs. Chu Ho Miu Hing being independent non-executive Directors.