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**RELIANCE GLOBAL HOLDINGS LIMITED**

**信保環球控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 723)**

**INSIDE INFORMATION**

**SECOND DELISTING STAGE**

**AND**

**REQUEST FOR SECOND REVIEW OF THE STOCK EXCHANGE'S  
DECISION TO PLACE THE COMPANY INTO  
THE SECOND DELISTING STAGE**

This announcement is made by the Board of Directors (the “**Board**”) of Reliance Global Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Listing Rules.

References are made to (i) the announcements of the Company dated 9 February 2018, 21 February 2018, 5 July 2018, 13 July 2018, 21 September 2018, 9 October 2018 and 12 October 2018 in relation to, among others, the Stock Exchange’s decision to place the Company into the first delisting stage; and (ii) the announcement of the Company dated 10 March 2020 in relation to, among others, the decision of the Listing Department of the Stock Exchange to place the Company into the second delisting stage and the Company’s request for review of such decision (collectively, the “**Announcements**”). Capitalised terms used herein shall bear the same meanings as those defined in the Announcements unless otherwise stated.

*\* For identification purpose only*

## **REVIEW BY THE LISTING COMMITTEE**

On 6 May 2020, the Listing Committee of the Stock Exchange considered an application from the Company for a review of the decision of the Listing Department dated 3 March 2020 (the “**LD Decision**”) to place the Company into the second delisting stage pursuant to Practice Note 17 to the Listing Rules.

On 25 May 2020, the Company received a letter from the Listing Committee stating the Listing Committee remained unsatisfied with the viability and sustainability of the Company’s business and decided to uphold the LD Decision to place the Company into the second delisting stage pursuant to Practice Note 17 to the Listing Rules (the “**LC Decision**”) for the following principal reasons:

### **Timber Business**

- (i) Since the commencement of the timber business (the “**Timber Business**”) of the Company, it had had a minimal scale of operations with a thin gross profit margin and limited value added services;
- (ii) the Listing Committee noted various developments for the Timber Business. However, the Listing Committee considered those developments only improved some limited aspects of the Timber Business and did not address the core concern about the viability and sustainability of the Timber Business; and
- (iii) the new business ventures in Europe have short operating history. In the absence of proven track record, the achievability of the profit forecast was called into question.

### **Money Lending Business**

- (i) Since the commencement of the money lending business (the “**Money Lending Business**”) of the Company, its scale was small and there was a serious concern as to its viability and sustainability having considered various issues such as the small and highly concentrated loan portfolio, continued reliance on the loan from a shareholder and reliance on a few management members to operate the Money Lending Business;

- (ii) the Listing Committee noted that the Company provided some developments including the issue of HK\$50 million notes in January 2020 and the establishment of other channels to enhance its ability to source loan deals. However, the Listing Committee considered those changes appeared to improve certain limited aspects of the business and those measures were implemented only recently, so it was not clear whether those measures could substantially improve the business operation of the Money Lending Business as the Company had asserted or at all. The Listing Committee considered that the Company had not addressed the underlying issues that led to the overall concern on the viability and sustainability of the Money Lending Business; and
- (iii) having considered the thin margin and the risks associated with the Money Lending Business, the Listing Committee had serious doubt as to the scalability of the Money Lending Business.

#### **Assets**

- (i) Given the concerns regarding the viability and sustainability of the Timber Business and the Money Lending Business remained, the Company had not demonstrated that its assets were sufficient to support its operation.

### **SECOND STAGE OF DELISTING PROCEDURES**

On 26 May 2020, the Company received a letter from the Listing Department stating unless the Company applies for a review of the LC Decision by the Listing Review Committee, the second delisting stage of the Company would start on 26 May 2020 and expire on 25 November 2020.

### **REVIEW OF THE STOCK EXCHANGE'S DECISION**

Under Rules 2B.06(2) and 2B.08(3) of the Listing Rules, the Company has the right to request for a review of the LC Decision by the Listing Review Committee (as defined in the Listing Rules) within 5 business days of receipt of the LC Decision.

Having considered the LC Decision, the Company has on 29 May 2020 submitted a written request to the Listing Review Committee pursuant to Rule 2B.06(2) of the Listing Rules for reviewing of the LC Decision (the “**Second Review**”). The Listing Review Committee may endorse, modify or vary the LC Decision or make its own decision.

The Board hereby reminds the Shareholders and potential investors that the outcome of the Second Review is uncertain.

Should there be any material development of this matter, further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules. Shareholders and potential investors who have any queries about the implications of the LC Decision are advised to seek professional advice as they may consider appropriate.

## **SUSPENSION OF TRADING**

Trading in the Shares has been suspended commencing from 9:00 a.m. on 10 October 2018 as the Company has been placed into the first delisting stage under Practice Note 17 of the Listing Rules referred to in the Company's announcement dated 12 October 2018.

By Order of the Board  
**Reliance Global Holdings Limited**  
**Wang Jingyu**  
*Chairlady*

Hong Kong, 29 May 2020

*As at the date of this announcement, the Board comprises Ms. Wang Jingyu (Chairlady), Mr. Lai Ming Wai (Chief Executive Officer) and Ms. Chan Yuk Yee as Executive Directors and Mr. Yam Kwong Chun, Mr. Chiang Bun and Mr. Chai Chi Keung as Independent Non-executive Directors.*