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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

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 and 29 May 2020 in relation to, among others, the decision of the Stock Exchange to place the Company into the second delisting stage (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 REVIEW COMMITTEE

On 23 September 2020, the Listing Review Committee of the Stock Exchange considered an application from the Company for a review of the decision of the Listing Committee dated 25 May 2020 (the “**LC Decision**”) to place the Company into the second delisting stage pursuant to Practice Note 17 to the Listing Rules.

On 7 October 2020, the Company received a letter from the Listing Review Committee stating the Listing Review Committee remained unsatisfied with the viability and sustainability of the Company’s business and decided to uphold the LC Decision to place the Company into the second delisting stage pursuant to Practice Note 17 to the Listing Rules 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 Review Committee noted various developments for the Timber Business. However, the Listing Review 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 business ventures in Europe (the “**Europe Ventures**”) have short operating history. In the absence of proven track record, it was uncertain whether the Europe Ventures could substantially improve the level of business operations and performance of the Company.

Money Lending Business

- (i) Since the commencement of the money lending business (the “**Money Lending Business**”) of the Company, its scale had been small. The Company had not demonstrated the new channels for sourcing loans from property developers/agents could substantially improve the business operations as the Company had asserted; and

- (ii) it was uncertain whether the Company was able to obtain independent and reliable sources of funding to finance its operation as submitted.

Assets and Cash Flow

- (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 operations.

SECOND STAGE OF DELISTING PROCEDURES

On 8 October 2020, the Company received a letter from the Listing Department stating that the second delisting stage would start on 8 October 2020 and expire on 7 April 2021.

The Stock Exchange has requested that the Company should provide a viable resumption proposal to the Stock Exchange at least 10 business days before the expiry of the second delisting stage, that is, by 19 March 2021 to demonstrate that the Company has complied with Rule 13.24 of the Listing Rules. The resumption proposal must be clear, plausible and coherent, and contain sufficient details (including forecasts and clear plan for future business development) for the Stock Exchange's assessment. The Company must demonstrate that it has a business of substance and the business model is viable and sustainable. The resumption proposal should also comply with the Listing Rules and all applicable laws and regulations. If no viable resumption proposal is submitted by the end of the second delisting stage, the Stock Exchange will determine whether to place the Company into the third delisting stage.

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 this matter 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 had 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. The Company has been placed into the second delisting stage as referred to above and trading in the Shares will remain suspended until further notice.

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

Hong Kong, 9 October 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.