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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF LOAN TO AN INDEPENDENT THIRD PARTY**

The Board is pleased to announce that on 7 January 2021, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide to the Borrower a loan facility in the principal amount of HK\$55,000,000 for a term of 12 months.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the amount of the Loan exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan gives rise to a general disclosure obligation of the Company under Rules 13.13 and 13.15 of the Listing Rules.

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** For identification purpose only*

THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as below:

- Date: 7 January 2021
- Lender: Reliance Capital Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
- Borrower: Union Space Group Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Guarantor
- Principal amount: HK\$55,000,000
- Interest rate: 12.5% per annum, payable on a monthly basis
- Availability period: available for drawdown on any Business Days within 30 Business days from the date of the Loan Agreement
- Maturity date: 12 months from the date of drawdown, or such other later date to be agreed by the Lender in writing, and subject to such terms and conditions to be agreed between the Lender and the Borrower in writing
- Repayment: subject as otherwise provided in the Loan Agreement, the Borrower shall repay the outstanding amount of the Loan and accrued interest thereon on the maturity date of the Loan
- Security:
- (i) a first legal charge executed by the Mortgagor and the Borrower in favour of the Lender over a four-storey residential house at Villa Bel-Air, Bel Air on the Peak, Island South, Hong Kong (the "Property"). Based on the valuation conducted by an independent property valuer, the Property has a market value of HK\$180,000,000 as at 11 December 2020; and
 - (ii) a rental assignment over the Property executed by the Mortgagor in favour of the Lender

Personal guarantee: a personal guarantee executed by the Guarantor in favour of the Lender

The Loan will be funded by internal resources of the Group.

INFORMATION AND RELATIONSHIP WITH THE BORROWER, GUARANTOR AND THE MORTGAGOR

The Borrower

The Borrower is a company incorporated in Hong Kong with limited liability and is wholly owned by the Guarantor. The principal business of the Borrower and its subsidiary is provision of consultancy services, trading of electronic components and metallic material, and retail and wholesale trading.

The Guarantor

The Guarantor (i) owns the entire equity interest in the Borrower; (ii) is the sole director of the Borrower; and (iii) is also the Mortgagor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower and its ultimate beneficial owner, the Mortgagor and the Guarantor are third parties independent of the Company and its connected persons at the date of this announcement.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Company is an investment holding company. The Group is principally engaged in forest-related business comprising timber supply chain and sustainable forest management, money lending business and leasing of properties. The Lender is a licensed money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice, the value of security provided, the financial background of the Borrower and the Guarantor, and the amount of the Loan. Having considered the recurring interest income to be generated by and the other terms of the Loan, and the value of the security obtained (i.e. the value of the Property of HK\$180,000,000) is in excess of the principal amount of the Loan by an acceptable margin, the Directors consider that the Loan Agreement is on normal commercial

terms and is fair and reasonable and the provision of the Loan is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the amount of the Loan exceeds 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan gives rise to a general disclosure obligation of the Company under Rules 13.13 and 13.15 of the Listing Rules.

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 in 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 in the second delisting stage referred to in the Company’s announcement dated 9 October 2020 and trading in the Shares will remain suspended until further notice.

DEFINITIONS

“Board”	Board of Directors of the Company
“Borrower”	Union Space Group Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Guarantor
“Business Day(s)”	a day (excluding Saturday and Sunday) on which banks are open for general business in Hong Kong
“Company”	Reliance Global Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company

“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Shie Thomas, who (i) owns the entire equity interest in the Borrower; (ii) is the sole director of the Borrower; and (iii) is also the Mortgagor
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Reliance Capital Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan facility in the principal amount of HK\$55,000,000 granted by the Lender to the Borrower in accordance with the terms and conditions of the Loan Agreement
“Loan Agreement”	a loan agreement dated 7 January 2021 entered into between the Lender and the Borrower in relation to the provision of the Loan
“Mortgagor”	Mr. Shie Thomas
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 7 January 2021

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.