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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Great Bay Securities Limited

On 29 May 2024 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 1,823,000,000 Placing Shares to not less than six (6) Placee(s), who and whose ultimate beneficial owners will be Independent Third Parties at the Placing Price of HK\$0.0193 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for allotment and issue of the Placing Shares), the maximum number of Placing Shares representing approximately 20.00% of the existing issued ordinary share capital of the Company as at the date of this announcement and approximately 16.67% of the issued ordinary share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

* For identification purpose only

The Placing Price of HK\$0.0193 per Placing Share represents (i) a discount of approximately 16.09% to the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.22% to the average closing price of HK\$0.0236 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$35.18 million and the net proceeds from the Placing (after deducting the placing commission and other expenses of the Placing) will be approximately HK\$34.34 million. The net price is approximately HK\$0.0188 per Placing Share. The Company intends to apply the net proceeds in the following manner: (i) 60% for the expansion of the Group's timber supply chain business and (ii) the remaining 40% as general working capital for the Group.

The Placing is conditional upon, inter alia, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 29 May 2024 (after trading hours), the Placing Agreement has been entered into between the Company and the Placing Agent. Summarised below are the principal terms of the Placing Agreement:

THE PLACING AGREEMENT

Date

29 May 2024 (after trading hours)

Issuer

The Company

Placing Agent

Great Bay Securities Limited

The Placing Agent has conditionally agreed to place a maximum of up to 1,823,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 2.0% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placee(s)

The Placing Shares are to be placed to not less than six (6) Placee(s) which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for the allotment and issue of the Placing Shares), the maximum number of 1,823,000,000 Placing Shares represents approximately 20.00% of the existing issued ordinary share capital of the Company and approximately 16.67% of the issued ordinary share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$18,230,000.

Placing Price

The Placing Price of HK\$0.0193 per Placing Share represents (i) a discount of approximately 16.09% to the closing price of HK\$0.023 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.22% to the average closing price of HK\$0.0236 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market conditions, prevailing market price and liquidity of the Shares.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the other Shares in issue as at the date of allotment and issue of the Placing Shares.

General Mandate

Under the General Mandate, the Company is authorised to issue up to 1,823,087,036 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. As such, the General Mandate is sufficient for allotment and issue of the maximum of 1,823,000,000 Placing Shares. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon the following conditions being fulfilled:

- (i) the passing of resolution(s) by the Board to approve the Placing Agreement and the transactions contemplated thereunder; and
- (ii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares with or without conditions.

If any of the above conditions is not fulfilled on or before 19 June 2024, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall be terminated and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and terminate and neither party shall have any claim against the other party save for any antecedent breach under the Placing Agreement prior to such termination.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company save for antecedent breach under the Placing Agreement prior to such termination, by notice in writing given to the Company at any time prior to 9:00 a.m. on the Completion Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension (for more than ten (10) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's reasonable opinion, would adversely affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing; or
- (v) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

- (vi) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (vii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

If notice is given pursuant to the Placing Agreement, the Placing Agreement shall terminate and be of no further effect and neither party under the Placing Agreement shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

Completion of the Placing

Completion of the Placing will take place on the Completion Date.

As Completion is subject to the satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The principal activities of the Company are investment holding and provision of management services. The principal activities of the subsidiaries of the Company comprise forest-related business comprising sustainable forest management and timber supply chain, money lending business conducted pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and leasing of properties.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$35.18 million and the net proceeds from the Placing (after deducting the placing commission and other expenses of the Placing) will be approximately HK\$34.34 million, representing a net price of approximately HK\$0.0188 per Placing Share.

The Company intends to apply the net proceeds in the following manner:

(i) 60% for the expansion of the Group's timber supply chain business and (ii) the remaining 40% as general working capital for the Group.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholdings structure of the Company immediately before completion of the Placing and immediately after completion of the Placing are and will be as follows:

| Name of Shareholders | As at the date of this announcement | | Immediately upon completion of the Placing | |
|---|-------------------------------------|----------------|--|----------------|
| | Number of Shares | Approximate % | Number of Shares | Approximate % |
| Substantial Shareholder: | | | | |
| Champion Alliance Enterprises Limited (Note) | 2,444,359,944 | 26.82% | 2,444,359,944 | 22.35% |
| Public Shareholders: | | | | |
| Placee(s) | – | – | 1,823,000,000 | 16.67% |
| Others | 6,671,075,237 | 73.18% | 6,671,075,237 | 60.98% |
| Total | <u>9,115,435,181</u> | <u>100.00%</u> | <u>10,938,435,181</u> | <u>100.00%</u> |

Note:

Champion Alliance Enterprises Limited is wholly owned by Elite Prosperous Enterprises Limited which in turn is wholly owned by Ms. Wang Jingyu.

FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company has not conducted any equity fund raising activity.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

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| “Board” | Board of Directors |
| “Business Day” | a day (other than a Saturday or Sunday or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business |
| “Company” | Reliance Global Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 723) |
| “Completion” | completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement |
| “Completion Date” | date falling on the fourth Business Day after the day on which all the conditions set out in the Placing Agreement have been fulfilled or such later date as the Company and the Placing Agent may agree in writing |
| “connected persons” | has the meanings as ascribed thereto under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “General Mandate” | general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 27 September 2023 to allot, issue and deal with up to 20% of the total number of issued Shares as at the date thereof |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |

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|--------------------------------|---|
| “Independent Third Party(ies)” | party(ies) who is(are) not connected person(s) of the Company and its subsidiaries and is(are) third party(ies) independent of the Company and connected persons of the Company |
| “Last Trading Day” | 29 May 2024, being the last trading day for the Shares prior to this announcement |
| “Listing Committee” | has the meaning ascribed to it under the Listing Rules |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “Placee(s)” | institutional, professional and/or other investors, who are Independent Third Parties with whom the Placing Agent procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement |
| “Placing” | the placing of a maximum of up to 1,823,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement |
| “Placing Agent” | Great Bay Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Placing Agreement” | the placing agreement dated 29 May 2024 and entered into between the Company and the Placing Agent in relation to the Placing |
| “Placing Price” | HK\$0.0193 per Placing Share |
| “Placing Share(s)” | up to 1,823,000,000 Shares to be placed under the Placing |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

“%”

per cent.

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

Hong Kong, 29 May 2024

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