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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)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2025**

The Board of Directors (the “**Board**” or the “**Directors**”) of Reliance Global Holdings Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2025 together with comparative figures as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the year ended 31 March 2025

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	5	174,725	305,613
Cost of sales		(169,380)	(281,100)
Other income		3,762	462
Administrative expenses		(27,035)	(25,111)
Other operating expenses	6(c)	(9,839)	(7,349)
Loss from operations		(27,767)	(7,485)

* For identification purpose only

		2025 HK\$'000	2024 HK\$'000
	Notes		
Finance income		1,853	756
Finance costs		(814)	(2,911)
Net finance income/(costs)	6(a)	1,039	(2,155)
Loss before taxation	6	(26,728)	(9,640)
Income tax expense	7	(50)	(29)
Loss for the year		<u>(26,778)</u>	<u>(9,669)</u>
Other comprehensive expense for the year:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statements of foreign operations, net		(464)	(569)
Total comprehensive expense for the year		<u>(27,242)</u>	<u>(10,238)</u>
Loss for the year attributable to:			
Owners of the Company		(16,548)	(4,453)
Non-controlling interests		(10,230)	(5,216)
		<u>(26,778)</u>	<u>(9,669)</u>
Total comprehensive expenses attributable to:			
Owners of the Company		(16,785)	(4,743)
Non-controlling interests		(10,457)	(5,495)
		<u>(27,242)</u>	<u>(10,238)</u>
			(Restated)
Loss per share	9		
– Basic		<u>HK(1.57) cent</u>	<u>HK(0.49) cent</u>
– Diluted		<u>HK(1.57) cent</u>	<u>HK(0.49) cent</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		18,010	20,404
Right-of-use assets		1,092	804
Intangible assets		174	174
Financial assets at fair value through profit or loss (“FVPL”)		30,018	–
Loan receivables	<i>11</i>	5,672	16,690
		54,966	38,072
Current assets			
Inventories		9,451	15,948
Trade and other receivables	<i>10</i>	64,110	51,625
Loan receivables	<i>11</i>	30,372	36,516
Repossessed assets		39,626	54,837
Financial assets at FVPL		25,702	–
Tax recoverable		1,807	3,521
Cash and cash equivalents		64,905	76,064
		235,973	238,511
Current liabilities			
Trade and other payables	<i>12</i>	8,446	18,625
Tax payable		125	–
Bank borrowings	<i>13</i>	41,638	24,487
Lease liabilities		1,035	824
		51,244	43,936
Net current assets		184,729	194,575
Total assets less current liabilities		239,695	232,647

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	58	—
Deferred tax liabilities	350	394
	<u>408</u>	<u>394</u>
Net assets	<u>239,287</u>	<u>232,253</u>
Capital and reserves		
Share capital	41,837	122,053
Reserves	216,708	119,001
	<u>258,545</u>	<u>241,054</u>
Total equity attributable to owners of the Company	258,545	241,054
Non-controlling interests	<u>(19,258)</u>	<u>(8,801)</u>
Total equity	<u>239,287</u>	<u>232,253</u>

Notes:

1. Corporate information

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRS Accounting Standards**”) which collective term includes all applicable individual International Financial Reporting Standards (“**IFRS**”), International Accounting Standards (“**IAS**”) and Interpretations issued by the International Accounting Standards Board (“**IASB**”), and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements have been prepared under the historical cost basis except that the following assets are stated at their fair values:

– financial assets at FVPL.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), rounded to the nearest thousand (HK\$’000) except for per share data.

3. Application of amendments to IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB to the consolidated financial statements for the current accounting period for the first time:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current (the “ 2020 Amendments ”)
Amendments to IAS 1	Non-current liabilities with Covenants (the “ 2022 Amendments ”)
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in Sale and Leaseback

The application of the amendments to IFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements. The Group has not applied any new and amendments to IFRS Accounting Standards that are not yet mandatorily effective for the current accounting period.

4. Segment information

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geographical location. In a manner consistent with the way in which information is reported internally to the Directors for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

During the year ended 31 March 2025, the Directors reassessed the Group's operation and measurement of financial performance and discontinued "leasing of properties" as a reportable segment of the Group, considering that the business of leasing properties has not contributed to the Group for several years and in light of current market conditions. Prior year segment disclosures have been re-presented to conform with the current year's presentation.

The Group's reportable and operating segments under IFRS 8 are as follows:

- Money lending: money lending business conducted pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).
- Forest-related business:
 - (i) Sustainable forest management: sustainable forest management of and investment in natural forests, licensing of harvesting rights, timber and wood processing, trading and sales of forestry and timber products.
 - (ii) Timber supply chain: sales of timber and wood products including processed timber products.

Segment results represent the profit/loss from each segment without allocation of corporate income, corporate expenses and finance costs.

Segment assets include all non-current assets and current assets attributable to an individual reportable segment with the exception of right-of-use assets, financial assets at FVPL and certain corporate assets.

All liabilities are allocated to reportable segments other than lease liabilities, deferred tax liabilities and certain corporate liabilities.

Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segments is reported below:

For the year ended 31 March 2025

		Forest-related business		
	Money lending HK\$'000	Sustainable forest management HK\$'000	Timber supply chain HK\$'000	Total HK\$'000
Segment revenue				
Revenue from external customers	4,598	–	170,127	174,725
Results				
Segment results	(4,332)	–	(17,541)	(21,873)
Unallocated corporate income				5,073
Unallocated corporate expenses				(9,114)
Finance costs				(814)
Loss before taxation				(26,728)
Other segment information				
Capital expenditure	–	–	(183)	(183)
Depreciation of property, plant and equipment	–	–	(2,295)	(2,295)
Impairment loss on trade receivables	–	–	(3,229)	(3,229)
Impairment loss on loan receivables	(4,277)	–	–	(4,277)
Impairment loss on interest receivables	(33)	–	–	(33)
Impairment loss on repossessed assets	(2,442)	–	–	(2,442)
Impairment loss on other receivables	–	–	(165)	(165)
Loan receivable written off	(654)	–	–	(654)
Reversal of impairment loss on loan receivables	696	–	–	696
Reversal of impairment loss on interest receivables	207	–	–	207
Interest income	74	–	178	252
At 31 March 2025				
Segment assets	85,881	–	92,207	178,088
Unallocated:				
– Right-of-use assets				1,092
– Financial assets at FVPL				55,720
– Corporate assets				56,039
				290,939
Segment liabilities	384	–	47,734	48,118
Unallocated:				
– Lease liabilities				1,093
– Deferred tax liabilities				350
– Corporate liabilities				2,091
				51,652

For the year ended 31 March 2024

		Forest-related business		
	Money lending HK\$'000	Sustainable forest management HK\$'000	Timber supply chain HK\$'000	Total HK\$'000
Segment revenue				
Revenue from external customers	10,192	–	295,421	305,613
	<u>10,192</u>	<u>–</u>	<u>295,421</u>	<u>305,613</u>
Results				
Segment results	5,206	–	(5,437)	(231)
	<u>5,206</u>	<u>–</u>	<u>(5,437)</u>	<u>(231)</u>
Unallocated corporate income				409
Unallocated corporate expenses				(6,907)
Finance costs				(2,911)
				<u>(9,640)</u>
Other segment information				
Capital expenditure	–	–	(1,514)	(1,514)
Depreciation of property, plant and equipment	–	–	(2,353)	(2,353)
Impairment loss on trade receivables	–	–	(5,119)	(5,119)
Impairment loss on loan receivables	(821)	–	–	(821)
Impairment loss on interest receivables	(498)	–	–	(498)
Impairment loss on repossessed assets	(1,308)	–	–	(1,308)
Reversal of impairment loss on loan receivables	216	–	–	216
Reversal of impairment loss on repossessed assets	248	–	–	248
Interest income	71	–	318	389
	<u>71</u>	<u>–</u>	<u>318</u>	<u>389</u>
At 31 March 2024				
Segment assets	117,948	–	117,837	235,785
	<u>117,948</u>	<u>–</u>	<u>117,837</u>	<u>235,785</u>
Unallocated:				
– Right-of-use assets				804
– Corporate assets				39,994
				<u>276,583</u>
Segment liabilities	172	–	41,261	41,433
	<u>172</u>	<u>–</u>	<u>41,261</u>	<u>41,433</u>
Unallocated:				
– Lease liabilities				824
– Deferred tax liabilities				394
– Corporate liabilities				1,679
				<u>44,330</u>

5. Revenue

An analysis of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Sales from timber supply chain business	170,127	295,421
Interest income from money lending business	4,598	9,997
Arrangement fee income from money lending business	–	195
	<u>174,725</u>	<u>305,613</u>

Note:

Revenue is recognised at a point in time except for interest income from money lending business which falls outside the scope of IFRS 15.

6. Loss before taxation

The Group's loss before taxation is arrived at after (crediting)/charging:

	2025 HK\$'000	2024 HK\$'000
(a) Net finance (income)/costs		
Finance income:		
Interest income from bank deposits	(728)	(756)
Other interest income	<u>(1,125)</u>	<u>–</u>
	<u>(1,853)</u>	<u>(756)</u>
Finance costs:		
Interest on lease liabilities	35	58
Interest on advances drawn on bill receivables discounted with full recourse	779	1,432
Interest on notes payable	<u>–</u>	<u>1,421</u>
	<u>814</u>	<u>2,911</u>
	<u>(1,039)</u>	<u>2,155</u>

	2025 HK\$'000	2024 HK\$'000
(b) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	13,095	15,667
Contributions to retirement benefits scheme	371	618
	<u>13,466</u>	<u>16,285</u>
(c) Other items		
Cost of inventories	153,220	266,166
Depreciation of property, plant and equipment	2,329	2,395
Depreciation of right-of-use assets	1,119	966
Lease payments not included in the measurement of lease liabilities	425	631
Net exchange loss	1,737	374
(Gain)/loss on disposal of property, plant and equipment*	(58)	67
Impairment losses under expected credit loss ("ECL") model		
– Trade receivables (note 10)*	3,229	5,119
– Loan receivables (note 11)*	4,277	821
– Interest receivables (note 10)*	33	498
– Repossessed assets*	2,442	1,308
– Other receivables (note 10)*	165	–
Reversal of impairment loss on under ECL model		
– Loan receivables (note 11)*	(696)	(216)
– Interest receivables (note 10)*	(207)	–
– Repossessed assets*	–	(248)
Loan receivable written off*	654	–
	<u>9,839</u>	<u>7,349</u>
Auditor's remuneration		
– Audit services	1,380	1,520
– Other services	175	315
	<u>1,555</u>	<u>1,835</u>

* These items are included in "Other operating expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. Income tax expense

	2025 HK\$'000	2024 HK\$'000
Hong Kong Profits Tax		
– current tax	61	32
– overprovision in prior year	–	(6)
	<u>61</u>	<u>26</u>
Slovenia corporate income tax		
– current tax	21	8
Romania corporate income tax		
– current tax	33	–
Croatia corporate income tax		
– current tax	–	59
– overprovision in prior year	(24)	–
	<u>(24)</u>	<u>59</u>
Deferred tax	<u>(41)</u>	<u>(64)</u>
	<u>50</u>	<u>29</u>

For the year ended 31 March 2025, the provision for Hong Kong Profits Tax is calculated at a flat rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year, except for a group entity which is a qualifying corporation under the two-tiered profits tax rates regime. For this group entity, the first HK\$2,000,000 of assessable profits are taxed at 8.25%, and the remaining assessable profits are taxed at 16.5%. Such basis had been applied for the calculation of the provision for Hong Kong Profits Tax for another group entity for the year ended 31 March 2024.

Slovenia corporate income tax is charged at 22% (2024: 19%) on the estimated assessable profits arising in Slovenia.

Romania corporate income tax is charged at 16% on the estimated assessable profits arising in Romania for the years ended 31 March 2025. Romania corporate income tax has not been provided for the year ended 31 March 2024 as there was no assessable profit.

Croatia corporate income tax is charged at 18% on the estimated assessable profits arising in Croatia for the years ended 31 March 2025 and 2024.

8. Dividend

The directors of the Company do not recommend the payment or declaration of any dividend for the year ended 31 March 2025 (2024: nil).

9. Loss per share

- (a) The calculation of basic and diluted loss per share is based on the loss attributable to owners of the Company and the reconciliation of the weighted average number of shares as shown in note 9(b) below:

	2025 HK\$'000	2024 HK\$'000
Loss		
Loss for the purpose of calculating basic and diluted loss per share	<u>(16,548)</u>	<u>(4,453)</u>
(b) Weighted average number of shares		
	2025	2024 (restated) (note (ii))
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	1,053,386,345	911,543,518
Effect of dilutive potential ordinary shares arising from conversion of convertible preferred shares	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of calculating diluted loss per share	<u>1,053,386,345</u>	<u>911,543,518</u>

Notes:

- (i) Potential dilution arising from the assumed conversion of convertible preferred shares have not been included in the calculation of diluted loss per share because it was anti-dilutive for the years ended 31 March 2025 and 2024.
- (ii) The weighted average number of ordinary shares, for the purpose of calculation of the loss per share has been adjusted for the effect of the share consolidation which was effective on 3 October 2024 as if it occurred at the beginning of the year ended 31 March 2024.

10. Trade and other receivables

	Notes	2025 HK\$'000	2024 HK\$'000
Trade receivables		15,892	16,201
Less: impairment allowance		(9,668)	(6,454)
	(i)	6,224	9,747
Interest receivables		689	1,107
Less: impairment allowance		(550)	(724)
		139	383
Other receivables		5,635	3,311
Less: impairment allowance		(165)	—
		5,470	3,311
Bill receivables	(ii)	41,638	33,854
Financial assets at amortised costs		53,471	47,295
Trade and logging deposits		2,576	1,886
Other deposits and prepayments		8,063	2,444
		64,110	51,625

Notes:

(i) Trade receivables

An aging analysis of the Group's trade receivables as of the end of the reporting period, based on the invoice date, and net of impairment allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	132	165
31 to 90 days	1,283	541
91 to 180 days	—	51
181 to 365 days	275	2,756
Over 365 days	4,534	6,234
	6,224	9,747

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance and cash on delivery are normally required. Invoices are normally payable between 30 and 120 days after issuance. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

(ii) Bill receivables

At 31 March 2025, bill receivables of HK\$41,638,000 (2024: HK\$24,487,000) were discounted to banks with full recourse with a maturity period of less than 90 days (2024: less than 90 days). The Group recognised the full amount of the discounted proceeds as liabilities as set out in note 13.

11. Loan receivables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fixed-rate loan receivables	48,457	62,038
Less: impairment allowance	<u>(12,413)</u>	<u>(8,832)</u>
	<u>36,044</u>	<u>53,206</u>
Analysed as:		
Current portion	30,372	36,516
Non-current portion	<u>5,672</u>	<u>16,690</u>
	<u>36,044</u>	<u>53,206</u>
Analysed as:		
Secured	36,044	47,648
Unsecured	<u>–</u>	<u>5,558</u>
	<u>36,044</u>	<u>53,206</u>

All loans were denominated in Hong Kong dollars. At 31 March 2025, the loan receivables carried interest rates ranging from 8.5% to 15.0% per annum (2024: 8.5% to 12.5% per annum).

Before granting loans to potential borrowers, the Group performs an internal credit assessment process to assess the potential borrowers' credit quality individually and defines the credit limits granted to the borrowers. The credit limits attributed to the borrowers are reviewed by the management regularly.

The Group has a policy for assessing the impairment on loan receivables on an individual basis. The assessment includes evaluation of collectability, current creditworthiness, account aging and past collection history of each borrower as well as the value of collateral provided, under the Group's credit risk rating system.

In determining the recoverability of loan receivables on a collective basis, the Group considers any change in the credit quality of the loan receivables from the date the credit was initially granted up to the reporting date. This includes assessing the credit history of the borrowers, such as financial difficulties or default in payments, and current market conditions.

At 31 March 2025, loan receivables with an aggregate carrying amount of HK\$36,044,000 (2024: HK\$47,648,000) were secured by collateral provided by the borrowers. At the end of the reporting period, for loan receivables with aggregate gross carrying amount of HK\$48,457,000 (2024: HK\$62,038,000), (i) HK\$26,094,000 (2024: HK\$23,838,000) were not past due; (ii) HK\$910,000 (2024: HK\$3,248,000) had been past due for less than 90 days; (iii) nil (2024: HK\$12,900,000) had been past due for more than 90 days but less than 180 days; (iv) nil (2024: HK\$12,143,000) had been past due for more than 180 days but less than 365 days; and (v) HK\$21,453,000 (2024: HK\$9,909,000) had been past due for 365 days or more.

At the end of each reporting period, the Group's loan receivables were individually and collectively assessed for impairment. An impairment allowance of HK\$12,413,000 had been provided at 31 March 2025 (2024: HK\$8,832,000).

12. Trade and other payables

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>note</i>)	2,079	9,374
Other payables and accruals	4,042	4,504
Receipt in advance	2,187	4,609
Amounts due to non-controlling interests	138	138
	<u>8,446</u>	<u>18,625</u>

Note:

An aging analysis of the Group's trade payables as of the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	557	8,249
31 to 90 days	393	62
91 to 180 days	101	218
Over 180 days	1,028	845
	<u>2,079</u>	<u>9,374</u>

The average credit period is within 90 days for the current year (2024: within 90 days).

13. Bank borrowings

	2025 HK\$'000	2024 HK\$'000
Advances drawn on bill receivables discounted with full recourse (<i>note</i>)	<u>41,638</u>	<u>24,487</u>

Note:

The amount represented the Group's borrowings secured by the bill receivables discounted to banks with full recourse (note 10(ii)), the amount was repayable in accordance with the terms of the bills and carried interest at the banks' lending rate plus certain basis points.

14. Event after reporting period

On 25 April 2025, Ms. Wang Jingyu ("**Ms. Wang**") informed the Company that she disposed 100% shareholding in Champion Alliance Enterprises Limited, which in turns holds 244,435,994 ordinary shares having a par value of HK\$0.01 each in the Company (representing approximately 22.35% of the total issued share capital of the Company as at the date of this announcement), to Able King International Group Limited ("**Able King**") on 25 April 2025 ("**Disposal**"). Immediately after completion of the Disposal, (i) Ms. Wang ceased to have any interest in the Shares and ceased to be a substantial shareholder; and (ii) Mr. Yang Zheng and Able King, became substantial shareholders.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended 31 March 2025 (2024: nil).

BUSINESS REVIEW

For the year ended 31 March 2025 (“FY2025” or the “Year”), the Group operated in three business segments, namely, forest-related business comprising timber supply chain and sustainable forest management, and money lending business. Considering that the business of leasing properties has not contributed to the Group for several years and in light of current market conditions, the Group has decided to discontinue the properties leasing segment.

For FY2025, the Group recorded an approximately 43% decline in revenue, amounting to HK\$174,725,000 (2024: HK\$305,613,000) and a loss attributable to owners of the Company of HK\$16,548,000 (2024: loss of HK\$4,453,000), primarily owing to the challenging business conditions faced by the Group. The Group as a whole recorded a net loss of HK\$26,778,000 (2024: HK\$9,669,000), with a loss of HK\$10,230,000 (2024: HK\$5,216,000) being shared by the non-controlling interests. The loss incurred by the Group was mainly attributed to (i) the loss recorded by the Group’s timber supply chain operation (the “**TSC Operation**”) primarily due to the decline in its revenue, the squeeze in its profit margin, and the impairment loss on certain trade and other receivables; and (ii) the loss recorded by the Group’s money lending operation primarily due to (a) the decline in its revenue owing to the reduced size of its loan portfolio and (b) the impairment loss on certain loan receivables and repossessed assets. Overall speaking, the money lending operation recorded a loss of HK\$4,332,000 (2024: profit of HK\$5,206,000), whilst the TSC Operation recorded a loss of HK\$17,541,000 (2024: HK\$5,437,000) for the Year.

Forest-related Business

Timber Supply Chain

During FY2025, the Group’s TSC Operation continued with its strategic plan of building a global network of supply sources of timber to serve its customers predominantly in the Mainland China as well as in other countries. Our timber supply chain operation encompasses all value-added activities typical of the industry, including plantation and harvesting rights, sourcing and procurement, timber harvesting and logging, quality inspection, land and sea transport, wood processing, inventory management, customs clearance, sales and marketing, and after-sales services.

The Group continued to operate a fully functional lumber processing plant in Romania, with a designated production capacity of up to 8,000 m³ of wood lumber per annum. During the Year, the Group strived to improve its production scale and exploring new product types to better meet client needs.

For FY2025, the Group's TSC Operation recorded an approximately 42% decline in revenue, amounting to HK\$170,127,000 (2024: HK\$295,421,000) and an increase in loss, amounting to HK\$17,541,000 (2024: HK\$5,437,000).

The decrease in revenue and the loss-making results of the TSC Operation were mainly due to (i) weak market performance in the real estate industry in the Mainland China; (ii) ongoing global geopolitical instability; (iii) the squeeze in the profit margin; and (iv) the impairment loss on certain trade and other receivables. For FY2025, the transaction volume of timber and wood products traded by the operation was approximately 63,000 m³ (2024: 145,000 m³), a decrease of approximately 57% from the prior year.

Sustainable Forest Management

At 31 March 2025, the Group was not holding any forest assets, nevertheless, the Group continues to seize investment opportunities in forest assets in Europe for the development of its sustainable forest management business.

Money Lending Business

The Group's money lending business is conducted through Reliance Credit Limited (“**Reliance Credit**”) and Reliance Capital Finance Limited, both of which are indirect wholly-owned subsidiaries of the Company, and are licensed to conduct money lending activities under the Money Lenders Ordinance. The Group aims to make loans that could be covered by sufficient collateral, preferably commercial and residential properties in Hong Kong, and to borrowers with good credit history. The Group has a stable source of loan deals through referrals from its marketing agents, cooperation with property agents and participation in co-lending activities, as well as through advertisements in traditional and digital media.

For FY2025, the Group's money lending business recorded an approximately 55% decline in revenue, amounting to HK\$4,598,000 (2024: HK\$10,192,000) and turned profit to a loss of HK\$4,332,000 (2024: profit of HK\$5,206,000). The decline in revenue of the business was mainly due to the reduced size of its loan portfolio when compared to the prior year, primarily owing to the cautious approach of the management in granting new loans in view of the economic conditions in Hong Kong during FY2025, including the general fall in property price during the Year, whilst the loss suffered was due to the fact that (i) the decline in interest income to HK\$4,598,000 (2024: HK\$9,997,000), (ii) the recognition of net impairment loss on loan receivables of HK\$3,581,000 (2024: HK\$605,000) and (iii) the net impairment loss on repossessed assets of HK\$2,442,000 (2024: HK\$1,060,000). The impairment loss on loan receivables was determined after performing assessment on the current creditworthiness of the borrowers on an individual basis by considering factors including their repayment history and value of collateral provided, and the credit status of the Group's loan portfolio on a collective basis in light of the current economic and market conditions in Hong Kong. The reversal of impairment loss on loan receivables, on the other hand, was determined based on the recoveries from borrowers of certain credit-impaired loans. The impairment loss on repossessed assets, being properties in Hong Kong, was determined based on a valuation of the repossessed assets by a professional valuer engaged by the Group.

At 31 March 2025, the Group's loan portfolio was constituted by 12 loans (2024: 14 loans), there were 8 loans (2024: 9 loans) with a carrying amount totalling HK\$36,044,000 (2024: HK\$53,206,000) (net of impairment allowance on loan receivables of HK\$12,413,000 (2024: HK\$8,832,000)) granted to 8 borrowers (2024: 9 borrowers), and 4 credit-impaired loans (2024: 5 credit-impaired loans) being classified as repossessed assets with carrying amount totalling HK\$39,626,000 (2024: HK\$54,837,000) (net of impairment allowance on repossessed assets of HK\$4,768,000 (2024: HK\$2,326,000)) after the Group took possession of the collateral assets. Details of the Group's loan portfolio (excluding credit-impaired loans classified as repossessed assets) are as follows:

Type of loan	Approximate weighting to the carrying amount of the Group's loan portfolio	Interest rate per annum	Original maturity	Remarks
First mortgage loans	46%	8.5%-12%	Within three years	Loans were secured by properties located in Hong Kong
Second mortgage loan	8%	12%	Within two years	Loan was secured by property located in Hong Kong
Corporate loans	46%	12%	Within one year	Loans were granted to listed company in Hong Kong and were secured by collateral
Total	100%			

At 31 March 2025, on a net of impairment allowance basis, the size of individual loan comprising the Group's loan portfolio ranged from approximately HK\$2,772,000 to HK\$16,690,000 (2024: from HK\$2,323,000 to HK\$16,690,000). The Group's loan portfolio had an average loan size of around HK\$4.5 million (2024: HK\$5.9 million), it was credit healthy as 100% (2024: 90%) of the portfolio was secured by collateral, and earning a satisfactory return with weighted average interest rate amounting to approximately 11% (2024: 11%). Collateral of the mortgage loans were mainly residential and commercial properties situated in Hong Kong with a total valuation attributable to the Group of around HK\$28 million (2024: HK\$38 million) as of 31 March 2025. Such loans were granted to Hong Kong residents, companies incorporated in Hong Kong and companies listed on the Stock Exchange. As of 31 March 2025, the loan made to the largest borrower amounted to HK\$16,690,000 (2024: HK\$16,690,000) and the loans made to the five largest borrowers totaled HK\$36,044,000 (2024: HK\$44,748,000), which accounted for 46% and 100% (2024: 31% and 84%) of the Group's loan portfolio (on a net of impairment allowance basis) respectively.

In assessing expected credit loss, the loan receivables have been assessed with reference to the latest analysis on credit rating of the loans on individual and collective basis. The Group's loan portfolio mainly comprised mortgage loans, and the loan-to-value ratio for each of the mortgaged properties have been under regular review. For corporate loan, the credit rating of the loan was analysed with reference to the borrowers' creditworthiness and credit history, including its financial position, previous records of default in payment, value of collateral pledged (if any) and prevailing market conditions. For FY2025, a net impairment loss on loan receivables of HK\$3,581,000 (2024: HK\$605,000) was recognised with the balance of the impairment allowance increased to HK\$12,413,000 at 31 March 2025 (2024: HK\$8,832,000). The net impairment loss of HK\$3,581,000 was determined in accordance with the Group's loan impairment policy.

OVERALL RESULTS

For FY2025, the Group recorded a loss attributable to owners of the Company of HK\$16,548,000 (2024: HK\$4,453,000), and basic loss per share was approximately HK1.57 cent (2024 (restated): HK0.49 cent). The Group as a whole recorded a net loss of HK\$26,778,000 (2024: HK\$9,669,000), with a loss of HK\$10,230,000 (2024: HK\$5,216,000) being shared by the non-controlling interests. The total comprehensive expense attributable to owners of the Company was HK\$16,785,000 (2024: HK\$4,743,000), after having recognised the other comprehensive expense of HK\$464,000 (2024: HK\$569,000) representing the exchange differences on translation of financial statements of foreign operations.

FINANCIAL REVIEW

For the purpose of financing the operation of the timber supply chain business, the Group has also obtained from well-established banks in Hong Kong bills discounting facilities in the amounts of US\$40,000,000, EUR5,000,000 and HK\$100,000,000 (the **"Bills Discounting Facilities"**). The Bills Discounting Facilities obtained have substantially strengthened the Group's financial flexibility in conducting its timber supply chain business. At 31 March 2025, the advance drawn under the Bills Discounting Facilities amounted to HK\$41,638,000 (2024: HK\$24,487,000).

On 21 June 2024, an aggregate of 1,822,980,000 new ordinary shares (the **"Placing Shares"**) of the Company have been successfully placed under the general mandate by the placing agent to not less than six placees which are professional, institutional and/or other investors, who and whose ultimate beneficial owners are independent third parties at the placing price (the **"Placing Price"**) of HK\$0.0193 per Placing Share pursuant to the terms and conditions of the placing agreement (the **"Placing Agreement"**) dated 29 May 2024 (the **"Placing"**). The aggregate nominal value of the maximum number of Placing Shares under the Placing is HK\$18,229,800. The Board considers 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 of the Company (the **"Shareholders"**) as a whole.

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 29 May 2024, being the date of the Placing Agreement; 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. An aggregate of 1,822,980,000 new shares of the Company represents approximately 20.00% of the issued share capital of the Company immediately before the completion of the placing and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the placee and its ultimate beneficial owner(s) are independent third parties and not connected with the Company and its connected person as of the date of completion.

The gross and net proceeds were approximately HK\$35.18 million and HK\$34.27 million respectively. The net placing price per Placing Share was approximately HK\$0.0188. For the net proceeds, the Company intends to use (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. For further details, please refer to the Group's announcements dated 29 May 2024 and 21 June 2024.

The following table illustrates the status of the use of net proceeds as of 31 March 2025:

		Planned use of proceeds as disclosed in the announcement dated 29 May 2024 <i>HK\$ million</i>	Actual utilized amount as of 31 March 2025 <i>HK\$ million</i>	Unutilized amount as of 31 March 2025 <i>HK\$ million</i>
Expansion of the Group's timber supply chain business	60%	20.56	(17.82)	2.74
General working capital	40%	13.71	(11.86)	1.85
Total	100%	34.27	(29.68)	4.59

The unutilised amount of net proceeds of approximately HK\$4.59 million is expected to be fully utilised in the next financial year.

The Company has implemented a capital reorganisation on 30 August 2024 and the Capital Reorganisation has become effective on 3 October 2024 (the “**Capital Reorganisation**”). On 30 August 2024, the Company proposed to consolidate every ten (10) issued existing shares into one (1) consolidated share (the “**Share Consolidation**”). Upon the Share Consolidation becoming effective, a capital reduction has taken place which involved: (i) the cancellation of any fractional consolidated shares in the issued share capital of the Company arising from the Share Consolidation; and (ii) the reduction of the par value of each issued consolidated share from HK\$0.10 to HK\$0.01 by cancelling the paid-up share capital of the Company to the extent of HK\$0.09 on each of the then issued consolidated shares (the “**Capital Reduction**”). As all of the conditions of the Capital Reorganisation as stated in the circular of the Company dated 6 September 2024, including the passing of a special resolution by the Shareholders to approve the Capital Reorganisation at the annual general meeting held on 30 September 2024, have been fulfilled, the Capital Reorganisation has become effective on 3 October 2024. For the details of the Capital Reorganisation, please refer to the announcements of the Company dated 30 August 2024 and 3 October 2024; and the circular of the Company dated 6 September 2024.

Immediately when the Capital Reorganisation became effective, the authorised share capital of the Company was HK\$575,340,000 divided into 30,000,000,000 ordinary shares of a par value of HK\$0.01 each and 27,534,000,000 convertible preferred shares of a par value of HK\$0.01 each, of which 1,093,841,518 New Shares and 3,089,833,015 convertible preferred shares were issued as fully paid or credited as fully paid.

During the Year, the Company has applied idle cash to invest in some listed and unlisted securities in Hong Kong for treasury purpose. The increase in the other income from HK\$462,000 to HK\$3,762,000 was mainly due to the combined effect of recording net fair value gain on financial assets at fair value through profit and loss (“**FVPL**”) of HK\$5,732,000 and net loss on disposal of financial assets at FVPL of HK\$2,260,000.

Administrative expenses rose by approximately HK\$1,924,000 to HK\$27,035,000 (2024: HK\$25,111,000), mainly as a result of the combined effects of increase in exchange losses, decrease in staff costs, and increase in professional fees.

The increase in other operating expenses by approximately HK\$2,490,000 to HK\$9,839,000 (2024: HK\$7,349,000) was mainly due to the increase in impairment losses on trade and other receivables, loan receivables and repossessed assets.

Net finance income of HK\$1,039,000 (2024: net finance costs of HK\$2,155,000) was recorded during the Year. This was primarily due to the finance cost of HK\$779,000 from interest on advances drawn against bill receivables discounted with full recourse, which was outweighed by total bank interest and other interest income amounting to HK\$1,853,000.

Liquidity and Financial Resources

For FY2025, the Group financed its businesses mainly by cash generated from operations, the Bills Discounting Facilities provided by banks and the proceeds from the Placing.

For details of the Placing, please refer to the paragraph headed “Financial Review” in this announcement.

At 31 March 2025, the Group had current assets of HK\$235,973,000 (2024: HK\$238,511,000) and cash and cash equivalents of HK\$64,905,000 (2024: HK\$76,064,000). The Group’s current ratio, calculated based on current assets over current liabilities of HK\$51,244,000 (2024: HK\$43,936,000), was at a strong ratio of about 4.6 (2024: 5.4).

At 31 March 2025, there were bank borrowings of HK\$41,638,000 (2024: bank borrowings of HK\$24,487,000). The bank borrowings represented the advances to the Group for the bill receivables discounted to banks with full recourse. The bank borrowings bore interests at floating rates, secured by the relevant bill receivables and were repayable in accordance with the terms of the bills.

At 31 March 2025, the equity attributable to owners of the Company increased by approximately 7% or HK\$17,491,000 to HK\$258,545,000 (2024: HK\$241,054,000). The Group’s gearing ratio expressed as a percentage of the total borrowings of HK\$41,638,000 (2024: HK\$24,487,000) over the equity attributable to owners of the Company of HK\$258,545,000 (2024: HK\$241,054,000), increased to approximately 16% at 31 March 2025 (2024: 10%) and was mainly a result of the increase in bank borrowings as of the year end date.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement and future business development.

Charge on Assets

At 31 March 2025, bill receivables of HK\$41,638,000 (2024: HK\$24,487,000) were pledged to banks to secure the advances drawn on the bill receivables.

Contingent Liabilities

At 31 March 2025, the Group had no significant contingent liability (2024: nil).

Litigation

At 31 March 2025, there was no significant litigation claim against the Group (2024: nil).

Significant Investment

During the Year, the Group invested in listed and unlisted securities and recorded as financial assets at FVPL for treasury purposes. The Group held a significant investment with a carrying amount accounting for 5% or more of the Group's audited consolidated total assets as of 31 March 2025, as detailed below:

On 21 March 2025, an indirect wholly-owned subsidiary of the Company subscribed for Class A shares in CSC Global Longevity Fixed Income Fund SP (the “**Fund**”), which is a segregated portfolio of CSC Wealth Asset Management SPC I, an exempted segregated portfolio company incorporated under the laws of the Cayman Islands, with the total subscription amount of HK\$30 million. The Group considers this investment to be an effective treasury function due to its flexible redemption features, diversification in the investment portfolio, and potential for capital appreciation. For details, please refer to the Company's announcement dated 21 March 2025.

The segregated portfolio will seek long-term capital appreciation by allocating assets among a wide range of instruments, including but not limited to listed and unlisted equities, pre-IPO investments, preferred stocks, convertible securities, equity-related instruments, bonds and debt securities and obligations (which may be below or without investment grade), fixed income funds, currencies, commodities, futures, options, warrants, swaps and other derivative instruments.

As of 31 March 2025, the Group held 3,857.06 Class A shares of the Fund, with a net assets value of approximately HK\$30 million, representing approximately 10% of the Group's total assets as of 31 March 2025. The Fund had not yet started its investment operations as at 31 March 2025.

Save as disclosed above, the Group did not have any significant investments that accounted for more than 5% of the Group's total assets as at 31 March 2025.

Foreign Exchange Risk

The Group mainly operates in Hong Kong, Europe and the Mainland China. During FY2025, the revenue, costs and expenses of the Group's operations were mainly denominated in Hong Kong dollar, United States dollar, Euro, Romanian Leu and Renminbi.

The Group maintains a prudent strategy in its foreign currency risk management, where possible, foreign exchange risks are minimised via balancing the foreign currency monetary assets versus the corresponding foreign currency liabilities, and foreign currency revenues versus the corresponding foreign currency expenditures. The Group is not subject to foreign exchange risk of United States dollar as it is pegged to the Hong Kong dollar, the Group is nevertheless exposed to potential foreign exchange risk as a result of the fluctuations of Euro, Romanian Leu and Renminbi. In addition, some of the Group's assets are located in Europe and denominated in Euro and Romanian Leu while the Group's reporting currency is in Hong Kong dollar, this also exposes the Group to potential foreign exchange risk upon translation of these assets on each reporting date.

For FY2025, the Group incurred net exchange loss of HK\$1,737,000 (2024: HK\$374,000) charged to profit or loss largely due to the fluctuation of Euro. As for Romanian Leu and Renminbi, the Group's exposure to their exchange rate fluctuations were not significant as their weightings to the Group's total transaction volume, assets and liabilities were low. For the Group's assets in Europe, any foreign exchange gains or losses due to the translation of the carrying value of these assets to the Group's reporting currency on the reporting dates are unrealised and non-cash in nature, accordingly, the Group has not entered into any arrangements or financial instruments for the purpose of hedging against these potential foreign exchange risks. For FY2025, the Group recorded other comprehensive expense representing an exchange loss of HK\$464,000 (2024: HK\$569,000) resulted from the translation of the financial statements of the Group's operations in Europe.

EVENTS AFTER REPORTING PERIOD

On 25 April 2025, Ms. Wang Jingyu ("**Ms. Wang**") informed the Company that she disposed 100% shareholding in Champion Alliance Enterprises Limited, which in turns holds 244,435,994 ordinary shares having a par value of HK\$0.01 each in the Company (representing approximately 22.35% of the total issued share capital of the Company as at the date of this announcement), to Able King International Group Limited ("**Able King**") on 25 April 2025 ("**Disposal**"). Immediately after completion of the Disposal, (i) Ms. Wang ceased to have any interest in the Shares and ceased to be a substantial shareholder; and (ii) Mr. Yang Zheng and Able King, became substantial shareholders. For details, please refer to the announcement of the Company dated 25 April 2025.

On 13 May 2025, Reliance Credit Limited, an indirect wholly-owned subsidiary of the Company, as the lender and Sewco Toys & Novelty Limited, as the borrower, entered into the fourth extension letter, pursuant to which the maturity date of a term loan in the aggregated principal amount of HK\$17,000,000 was extended from 13 May 2025 to 13 May 2026. For details, please refer to the announcement of the Company dated 13 May 2025.

PROSPECTS

Looking ahead, we are dedicated to exploring new business and investment opportunities that prioritize the best interests of our Shareholders. As we navigate current challenges, our focus will remain on identifying avenues for growth and resilience. The Group is optimistic about the development of the Asian market and has established a regional office in Vietnam to pursue these opportunities. In addition, the Group has begun to explore opportunities for business diversification to strive for improvement of its overall business. We believe that by adapting our strategies, we can position the Group for a brighter future and enhance long-term value for our stakeholders.

CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions of the Corporate Governance Code set out in Part 2 of Appendix C1 to the Listing Rules for the year ended 31 March 2025.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for the year ended 31 March 2025 have been reviewed by the Audit Committee and duly approved by the Board under the recommendation of the Audit Committee.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2025, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury share during the year ended 31 March 2025.

By Order of the Board
Reliance Global Holdings Limited
Yiu Wai Yee, Catherine
Executive Director

Hong Kong, 27 June 2025

As at the date of this announcement, the Board comprises Mr. Yang Zheng (Chairman), Mr. Lai Ming Wai (Chief Executive Officer) and Ms. Yiu Wai Yee, Catherine as Executive Directors and Mr. Fung Kim Shun, Ms. Han Li and Mr. Lin Wei Qiao as Independent Non-Executive Directors.