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RELIANCE PACIFIC BERHAD

(Incorporated in Malaysia – Company No. 244521 A)

CIRCULAR TO SHAREHOLDERS

in relation to the

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE AND NEW SHAREHOLDERS’ MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Notice convening the 23rd Annual General Meeting of RELIANCE PACIFIC BERHAD to be held at the Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on 23 September 2015 at 3.00 p.m. is set out in the 2015 Annual Report of the Company. The shareholders are advised to refer to the Notice of the 23rd Annual General Meeting and the proxy form which are included in the 2015 Annual Report.

Last day and time for lodging the proxy form : Monday, 21 September 2015 at 3.00 p.m.

Date and time of the 23rd Annual General Meeting : Wednesday, 23 September 2015 at 3.00 p.m.

This Circular dated 28th day of August, 2015.

DEFINITIONS

In this Circular and the accompanying appendices, the following shall have the following meanings unless otherwise stated:

- “Act”** : Companies Act, 1965, as amended from time to time and any re-enactment thereof.
- “AGM”** : Annual General Meeting.
- “Annual Report”** : The Annual Report and Audited Financial Statements of RPB for the year ended 31 March 2015.
- “Board”** : The Board of Directors of RPB.
- “Bursa Securities”** : Bursa Malaysia Securities Berhad (635998 W)
- “Director”** : A director or directors of RPB or the Group.
- “Listing Requirements”** : Main Market Listing Requirements of Bursa Securities as amended from time to time and any re-enactment thereof .
- “LPD”** : Latest practicable date, prior to printing of this Circular, 6 August 2015.
- “Major Shareholder”** : A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-
- (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or
 - (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company.

This includes any person who is or was within preceding 6 months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of the Company.

For the purposes of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act.

“Person Connected”

Such person, in relation to the Director or Major Shareholder, who falls under any one of the following categories:

- (a) a family member of the director, major shareholder or management team member;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the director, major shareholder, management team member, or a family member of the director, major shareholder or management team member, is the sole beneficiary;
- (c) a partner of the director, major shareholder, management team member, or a partner of a person connected with that director, major shareholder or management team member;
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (e) a person in accordance with whose directions, instructions or wishes the director, major shareholder, or management team member is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director, major shareholder or management team member;
- (g) a body corporate or its directors whose directions, instructions or wishes the director, major shareholder or management team member is accustomed or under an obligation, whether formal or informal, to act;

- (h) a body corporate in which the director, major shareholder, or management team member, or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) a body corporate which is a related corporation

“Proposed Shareholders’ Mandate ”	:	Proposed renewal of the existing shareholders’ mandate and proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature.
“Related Party”	:	A Director, Major Shareholder or person connected with such Director or Major Shareholder of RPB and the Group.
“Recurrent Related Party Transactions”	:	Related party transactions which is recurrent, of a revenue or trading nature which is necessary for the day-to-day operations of RPB and the Group.
“RRPT”	:	Recurrent Related Party Transactions of a Revenue or Trading Nature
“RPB” or “the Company”	:	Reliance Pacific Berhad (244521 A)
“RPB Group” or “the Group”	:	RPB and its subsidiary companies as defined in Section 5 of the Companies’ Act, 1965

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RELIANCE PACIFIC BERHAD
(Company No. 244521 A)
(Incorporated in Malaysia)

Registered Office:

Unit E-3-1, Level 3, Block E
Southgate Commercial Centre
No. 2, Jalan Dua
Off Jalan Chan Sow Lin
55200 Kuala Lumpur
Date: 28 August 2015

The Board of Directors

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam (*Chairman*)
Datin Irene Tan (*Chief Executive Officer*)
See Ah Sing (*Non-Independent Executive Director*)
Tan Sin Chong (*Independent Non-Executive Director*)
Abdul Aziz Bin Abdul Wahab (*Independent Non-Executive Director*)

To: The Shareholders of RELIANCE PACIFIC BERHAD

Dear Sir/Madam,

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND NEW
SHAREHOLDERS' MANDATE ON RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE
("PROPOSED SHAREHOLDERS' MANDATE")**

1.0 INTRODUCTION

- 1.1 At an AGM held on 26 September 2014, the Company has obtained approval from its shareholders a mandate for the RPB Group to enter into RRPT with Related Party in the ordinary course of business made on an arm's length basis and on commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders and which are necessary for RPB Group's day-to-day operations. The approval will, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM.
- 1.2 On 30 July 2015, the Company has announced to the Bursa Securities that the Board proposes to seek Shareholders' approval for the Proposed Shareholders' Mandate from the conclusion of the forthcoming AGM up to the date of the next AGM of the Company.
- 1.3 The purpose of this Circular is to provide you with the relevant information on the Proposed Shareholders' Mandate and to seek your approval for the ordinary resolution to be tabled at the forthcoming AGM. A notice of the AGM together with the proxy form are enclosed in the Annual Report of the Company.

2.0 DETAILS OF PROPOSED SHAREHOLDERS' MANDATE

Pursuant to paragraph 10.09 (2) of the Listing Requirements, a listed corporation may seek a mandate from its shareholders in respect of RRPT which is necessary for its day-to-day operations subject to, amongst others, the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where:
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (ii) the percentage ratios of such RRPT is 1% or more,whichever is the higher;
- (c) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested Major Shareholder or interested persons connected to a Director or Major Shareholder, and where it involves the interest of an interested Person Connected to a Director or Major Shareholder, such Director or Major Shareholder, must not vote on the resolution to approve the transactions. An interested Director or interested Major Shareholder must ensure that persons connected to him abstain from voting on the resolution approving the transactions; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by ten percent (10%) or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The principal activities of the Company are investment holding and provision of management services. RPB Group is principally involved in hotel and property management, property development and tourism related services.

The Board proposes to seek approval from the shareholders of the Company to allow the RPB Group, in its normal course of business, to enter into RRPT of a revenue or trading nature provided that such transactions are made at arm's length, on the RPB Group's normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders. These shall include transactions such as those described in Section 2.1.

The Proposed Shareholders' Mandate is subject to annual renewal, if approved by the shareholders of RPB at the forthcoming 23rd AGM shall take immediate effect from the date of the 23rd AGM and continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming 23rd AGM at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by the resolution passed at the meeting, the authority is renewed;

- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting,
- whichever is earlier.

Thereafter, the approval from the shareholders will be sought for the shareholders' mandate for the RRPT, as applicable, at such subsequent AGM of the Company.

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2.1 Class and Nature of RRPT

Set out below is the actual value transacted of each RRPT, from the date on which the existing mandate was obtained on 26 September 2014 up to 6 August 2015, being the latest practicable date before the printing of this Circular, together with its estimated value to be incurred from the forthcoming AGM to be held on 23 September 2015 to the next AGM*:

I. Proposed Renewal of Shareholders' Mandate

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate		Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)	
					Estimated Value as disclosed in the preceding year's circular (RM'000)	Actual Value from 26/9/2014 to LPD (RM'000)	Receivable by RPB Group	Payable by RPB Group	Receivable by RPB Group	Payable by RPB Group
	<u>Malaysian incorporated companies</u>									
RPB Group	Reliance Shipping & Travel Agencies Sdn Berhad	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 1)	Provision of tourism, leisure and hospitality services	75	42	43%>	75	150	150
RPB Group	Reliance Shipping & Travel Agencies Sdn Berhad	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 1)	Provision of advertising and media services	3,300	2,396	27%>	3,000	0	0

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)
					Estimated Value as disclosed in the preceding year's circular (RM'000)	Actual Value from 26/9/2014 to LPD (RM'000)		Receivable by RPB Group	Payable by RPB Group	Receivable by RPB Group	
	Malaysian incorporated companies										
RPB Group	PYO Travel (MY) Sdn Bhd	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 2)	Provision of tourism, leisure and hospitality services	30,000	4,453	5,522	15,000	4,453	5,522	7,500
RPB Group	PYO Travel (MY) Sdn Bhd	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 2)	Provision of advertising and media services	1,000	100	0	0	100	0	0
RPB Group	Reliance Travel.Com Services Sdn Bhd	Airline representative, travel services, tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 3)	Provision of tourism, leisure and hospitality services	1,000	0	0	0	0	0	0
RPB Group	Reliance Sightseeing Sdn Bhd	Inbound travel services and tours, coach hire and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 4)	Provision of tourism, leisure and hospitality services	800	40	74	100	40	74	250

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)
					Estimated Value as disclosed in the preceding year's circular (RM'000)	Actual Value from 26/9/2014 to LPD (RM'000)		Receivable by RPB Group	Payable by RPB Group	Receivable by RPB Group	
RPB Group	Malaysian incorporated companies Vacation Asia Holdings Sdn Bhd	Investment holding	Datin Irene Tan and Dato' Gan Eng Kwong (Note 5)	(i) Provision of about 21,831 sq.ft office space at Block E, Pusat Komersial Southgate, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur for a tenure of 3 years on a monthly rental; and	650	0	711	0	9%	850	0
				(ii) Provision of office administration, maintenance and related services	2,350	500	1,615	0	<31%>	3,000	800
RPB Group	Vacation Asia International Sdn Bhd	Sale and marketing of hotel accommodations and representation of hotel chains	Datin Irene Tan and Dato' Gan Eng Kwong (Note 6)	Provision of tourism, leisure and hospitality services and provision of advertising and media services	9,000	1,000	1,892	23	<79%>	7,000	500

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)	
					Estimated Value as disclosed in the preceding year's circular (RM'000)	Actual Value from 26/9/2014 to LPD (RM'000)		Receivable by RPB Group	Payable by RPB Group	Receivable by RPB Group		Payable by RPB Group
	Malaysian incorporated companies											
RPB Group	Vacation Asia International Sdn Bhd	Sale and marketing of hotel accommodations and representation of hotel chains	Datin Irene Tan and Dato' Gan Eng Kwong (Note 6)	Provision of Information Technology (IT) services and other IT related services	0	800	0	770	0%	<4%>	0	750
RPB Group	Hotemart International (Labuan) Ltd	Travel services and tours, coach hire and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 6)	Provision of tourism, leisure and hospitality services	10	500	0	0	<100%>	<100%>	10	100
RPB Group	Layang Layang Island Resort Sdn Bhd	Diving and resort operation	Datin Irene Tan and Dato' Gan Eng Kwong (Note 7)	Provision of tourism, leisure and hospitality services	150	50	127	0	<15%>	<100%>	150	50

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)		
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 26/9/2014 to LPD (RM'000)		Receivable by RPB Group	Payable by RPB Group		Receivable by RPB Group	Payable by RPB Group
					Receivable by RPB Group	Payable by RPB Group	Receivable by RPB Group	Payable by RPB Group					
RPB Group	Overseas incorporated companies Reliance Tours (UK) Limited <i>(Incorporated in UK)</i>	Travel services & tours	Datin Irene Tan and Dato' Gan Eng Kwong <i>(Note 8)</i>	Provision of tourism, leisure and hospitality services	50	500	0	0	<100%>	50	250		
RPB Group	Malaysian incorporated companies Relvest Management Services Sdn Bhd	Provision of secretarial and management services	Datin Irene Tan, Dato' Gan Eng Kwong and Tan Bee Leng @ Belinda <i>(Note 9)</i>	Provision of secretarial and management services	100	280	77	234	<23%>	100	280		
RPB Group	Reliance College Sdn Bhd	Provision of tertiary education and human resource training for the tourism industry	Datin Irene Tan and Nigel Gan Chin Hoong <i>(Note 10)</i>	Provision of tertiary education and human resource training for the tourism industry and provision of advertising and media services	200	100	42	0	<79%>	100	50		

II. Proposed New Shareholders' Mandate

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors/Major Shareholders and persons connected to them	Nature of Transaction	Estimated aggregate value to be incurred from forthcoming AGM on 23/9/2015 to the next AGM* (RM'000)	
					Receivable by RPB Group	Payable by RPB Group
RPB Group	<u>Overseas incorporated companies</u> PYO Travel Pte Limited (Incorporated in Singapore)	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 11)	(i) Provision of tourism, leisure and hospitality services (ii) Provision of about 132 sq ft office space at 101 Upper Cross Street #07-08A, People's Park Centre, Singapore 058357 at monthly rental of S\$1,800 per month (subject to GST)	10,000 70	0 0
RPB Group	PYO Travel Limited (Incorporated in Hong Kong)	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 11)	Provision of tourism, leisure and hospitality services	5,600	0

Note :

* The estimated values disclosed may vary subject to changes.

Note 1

Alpha Vantage Sdn Bhd ("AVSB") is an investment holding company incorporated in Malaysia. Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of AVSB. AVSB holds 100% shares in Reliance Shipping & Travel Agencies Sdn Berhad ("RTA"). By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB, they have deemed interest in RTA.

Note 2

PYO Travel (MY) Sdn Bhd ("PYOMY") is a wholly-owned subsidiary of RTA. By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB as mentioned in Note 1 above, they have deemed interest in PYOMY.

Note 3

Reliance Travel.Com Services Sdn Bhd ("RT.Com") is a wholly-owned subsidiary of RTA. By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong as mentioned in Note 1 above, they have deemed interest in RT.Com.

This transaction is not for renewal for the forthcoming AGM.

Note 4

Alpha Vantage Sdn Bhd ("AVSB") is an investment holding company incorporated in Malaysia. Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of AVSB. AVSB holds 100% shares in Reliance Sightseeing Sdn Bhd ("RSB"). By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB, they have deemed interest in RSB.

Note 5

Alpha Vantage Sdn Bhd ("AVSB") is an investment holding company incorporated in Malaysia. Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of AVSB. AVSB holds 100% shares in Vacation Asia Holdings Sdn Bhd ("VAH"). By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB, they have deemed interest in VAH.

Note 6

Vacation Asia Holdings Sdn Bhd ("VAH"), a wholly owned subsidiary of AVSB is an investment holding company incorporated in Malaysia and holds 100% shares of all the companies stated below.

List of Companies % of shareholdings held by VAH

(a) Vacation Asia International Sdn Bhd ("VAI") 100

(b) Hotemart International (Labuan) Ltd ("HML") 100

By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB as mentioned in Note 5, they have deemed interest in VAI and HML.

Note 7

Alpha Vantage Sdn Bhd ("AVSB") is an investment holding company incorporated in Malaysia. Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of AVSB. AVSB holds 50% shares in Layang Layang Island Resort Sdn Bhd ("LLIR"). By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB, they have deemed interest in LLIR.

Note 8

Diamond Heritage (S) Pte Ltd ("DH") is an investment holding company incorporated in Singapore and holds 97% shares in Reliance Tours (UK) Limited ("RT UK"). Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of DH. By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in DH, they have deemed interest in RT UK.

Note 9

Reliance Interconsortium Sdn Bhd ("RI") is an investment holding company incorporated in Malaysia. RI holds 100% shares in Relvest Management Services Sdn Bhd ("RMS"). Datin Irene Tan and Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 are directors and shareholders of RI. By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in RI, they have deemed interest in RMS.

Tan Bee Leng @ Belinda is a director of some subsidiaries of RPB and also a director of RMS. By virtue of this, she has deemed interest in RMS.

Note 10

Datin Irene Tan is a director and holder of 70% shares in Reliance College Sdn Bhd ("REC"). Nigel Gan Chin Hoong is a director in REC. He is a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965. By virtue of the interest of Datin Irene Tan and Nigel Gan Chin Hoong, they have deemed interest in REC.

Note 11

Dato' Gan Eng Kwong, a person connected to Datin Irene Tan pursuant to Section 122(A) of the Companies Act, 1965 is a director of PYO Travel Pte Ltd, a company incorporated in Singapore (PYO-S) and PYO Travel Limited, a company incorporated in Hong Kong (PYO-HK). By virtue of this, Datin Irene Tan and Dato' Gan Eng Kwong has deemed interest in PYO-S and PYO-HK.

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2.2 Amount due and owing by the Related Parties pursuant to RRPT

Set out below is the breakdown of the total amount due and owing by the Related Parties under RRPT which exceeded the credit terms as at the end of financial year ended 31 March 2015:-

Exceeded credit term for:-	Outstanding Amount from Related Parties as at 31.03.2015		
	Principle (RM'000)	Interest (RM'000)	Total (RM'000)
a period of 1 year or less	3,494	298	3,792
a period of more than 1 to 3 years	-	-	-
a period of more than 3 to 5 years	-	-	-
a period of more than 5 years	-	-	-
Total	3,494	298	3,792

A late payment charge at the rate of 8% per annum will be levied on overdue trade receivable for related parties.

The management is continuously monitoring all outstanding. The Board is of the opinion that the amount is recoverable as they are long standing clients with continuous business support.

3.0 DIRECTOR AND MAJOR SHAREHOLDER INTEREST

The interested director and major shareholder namely Datin Irene Tan has abstained and will continue to abstain from Board deliberation and voting on the Proposed Shareholders' Mandate at the board meeting. Datin Irene Tan and persons connected to her will abstain from voting on the resolution approving Ordinary Resolution No. 7 for the Proposed Shareholders' Mandate on RRPT in respect of her/their direct and indirect shareholdings in the Company at the AGM to be held on 23 September 2015. Dato' Gan Eng Kwong will abstain from voting at the AGM to be held on 23 September 2015 and will ensure that persons connected to him will also abstain from voting at the above AGM.

The Directors and the major shareholders of RPB and the Group who are deemed to have an interest in the RRPT have an interest in the following ordinary shares of RM 0.20 each in the Company as at LPD:-

Name	Shares Held		%	
	Direct	Indirect	Direct	Indirect
Datin Irene Tan	-	387,355,733 ^(a)	-	45.12
Dato' Gan Eng Kwong	399,150	386,956,583 ^(b)	0.05	45.07
Nigel Gan Chin Hoong ^(c)	-	-	-	-
Tan Bee Leng @ Belinda ^(d)	-	-	-	-

Notes:

- (a) Datin Irene Tan is deemed to have an interest by virtue of Section 122(A) being spouse of Dato' Gan Eng Kwong and by virtue of Section 6A (4) of the Companies' Act, 1965 held through Reliance Holdings Sdn Bhd. Datin Irene Tan is an executive non-independent director and Chief Executive Officer of the Company.
- (b) Dato' Gan Eng Kwong is deemed to have an interest by virtue of Section 6A(4) of the Companies' Act, 1965 in the shares of the Company held through Reliance Holdings Sdn Bhd and nominees.
- (c) Nigel Gan Chin Hoong is deemed to have an interest by virtue of Section 122(A) being a Person Connected to Datin Irene Tan, have no shareholdings direct or indirect in the Company.
- (d) Tan Bee Leng @ Belinda who is a director of some subsidiaries of RPB has no shareholdings direct or indirect in the Company.

Save as disclosed above, none of the other directors and/or major shareholders or persons connected to such directors or major shareholders (as defined in the Listing Requirements) have any interest, directly or indirectly in the Proposed Shareholders' Mandate.

4.0 REVIEW PROCEDURES FOR THE RRPT

To ensure that the RRPT are undertaken on transaction prices and conducted on terms not more favourable to the Related Party than those generally available to the public and are not to the detriment of or prejudicial to the minority shareholders, the following are the procedures:-

- (i) To ensure that such RRPT are conducted at arm's length and based on normal commercial terms consistent with the RPB Group's usual business practices and policies and are not to the detriment of the minority shareholders, the management of the Company will ensure that the RRPT with the Related Party to the Proposed Shareholders' Mandate are entered into after taking into account the pricing, level of service and quality of product. The prices, terms and conditions of the RRPT are based on market rates. Where practical and feasible, quotations and

tenders will be obtained from third parties to ascertain the appropriate prices.

- (ii) Records will be maintained by the Company to record all RRPT which are entered into pursuant to the Proposed Shareholders' Mandate.
- (iii) The Audit Committee will review the RRPT and provide a statement that it has reviewed and is satisfied with the review procedures to the extent that the procedures are relevant and sufficient to ensure that such RRPT will be carried out on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of or prejudicial to the minority shareholders.
- (iv) The Audit Committee has instructed the internal auditor to carry out a review of the RRPT to ascertain that the guidelines and procedures established to monitor the RRPT have been complied with.
- (v) Disclosure will be made in the annual report of the aggregate value of the RRPT.
- (vi) Any Director who has an interest in any RRPT shall abstain from board deliberation and voting and will ensure that they and any person(s) connected to them will also abstain from voting on the resolution before them.
- (vii) The guidelines for the approval of RRPT within the RPB Group are that all nature of trading transactions will be reviewed and approved by managing director, marketing director and/or general manager, where appropriate (not being a Person Connected to the Related Party) designated by the Audit Committee from time to time for such purpose and tabled for review by the Audit Committee.

At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of products/services and/or quantities. In the event that quotations or comparative pricing from unrelated third parties cannot be obtained, the transaction will be determined based on usual business practices of the RPB Group to ensure that the RRPT is not detrimental to the RPB Group.

5.0 AUDIT COMMITTEE'S VIEW

The Audit Committee is of the view that the procedures in paragraph 4.0 are sufficient to ensure that RRPT are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

The Audit Committee is also of the view that the RPB Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee conducts the review of these procedures and processes on a yearly basis.

6.0 RATIONALE FOR AND BENEFITS TO THE GROUP

The RRPT to be entered into by the RPB Group will be in its ordinary course of business.

The Proposed Shareholders' Mandate would eliminate the need to convene separate general meeting from time to time to seek the shareholders' approval as and when RRPT which are in the ordinary course of business arise, thereby reducing substantially administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the RPB Group or adversely affecting the business opportunities available to the RPB Group.

The RPB Group has a long-standing business relationship with the Related Party. The business relationship with the Related Party disclosed in Section 2.1 has existed even before the Company was listed on the Bursa Securities. The Related Party are both good customers of the RPB Group as well as reliable suppliers of goods and services required by the RPB Group for its business. The goods and services provided by the Related Party are priced competitively and all transactions between the RPB Group and the Related Party are carried out on an arms-length basis and are on terms not more favourable to the Related Party than those generally available to the public. The RPB Group would like to seek approval for the RRPT as the close co-operation between the RPB Group and the Related Party have reaped mutual benefits and have been and is expected to continue to be beneficial to the business of the RPB Group.

7.0 DISCLOSURE OF RRPT

In accordance with Chapter 10.09 of the Listing Requirements, disclosure of the aggregate value of the RRPT in the Annual Report must provide a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:-

- (a) the type of the RRPT made; and
- (b) the names of the Related Party involved in each type of the RRPT made and their relationship with the Company.

8.0 DIRECTORS' RECOMMENDATION

Your Board, (with exception of Datin Irene Tan) having considered all aspects including the rationale and benefits of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate are in the best interest of the Company and its shareholders. Accordingly, they (with exception of Datin Irene Tan) recommend that you vote in favour of the ordinary resolution in respect thereof.

9.0 23RD ANNUAL GENERAL MEETING

The 23rd AGM, notice of which is enclosed in the 2015 Annual Report, will be held at the Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 23 September 2015 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the Ordinary Resolution No. 7 for Proposed Shareholders' Mandate, as set out under Special Business of the agenda of the 23rd AGM.

A Proxy Form is enclosed in the 2015 Annual Report which you are requested to complete and deposit at the Registered Office of the Company at Unit E-3-1, Level 3, Block E, Southgate Commercial Centre, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur not less than forty-eight (48) hours before the time fixed for convening the 23rd AGM or any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

10.0 FURTHER INFORMATION

Shareholders are advised to refer to the attached Appendix I of this Circular for further information.

Yours faithfully
For and on behalf of the Board
RELIANCE PACIFIC BERHAD

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Tan Sin Chong
Independent Non-Executive Director

APPENDIX I

FURTHER INFORMATION

1.0 Directors' Responsibility Statement

This Circular has been seen and approved by the Directors of RPB and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2.0 Material Contracts

Save and disclosed below, neither RPB or its subsidiary companies have entered into any contracts which are material within the two (2) years preceding the date of this Circular, other than contract entered into in the ordinary course of business:-

- 2.1 On 20 June 2014, Culmen Sdn Bhd a wholly owned subsidiary of RPB Development Sdn Bhd and ultimately owned by RPB had entered into a Share Sale Agreement with Ibu Kota Developments Sdn Bhd for the sale of 39.99% stake, equivalent to 2,728,267 ordinary shares of RM1.00 each in Menara Ampang Sdn Bhd for a total consideration of RM41,515,000.
- 2.2 On 6 August 2015, the Company has announced that Culmen Sdn Bhd and Ibu Kota Developments Sdn Bhd have mutually agreed to extend the completion date of the Share Sale Agreement to 30 June 2017.

3.0 Material Litigation

Neither RPB nor its subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which will have a material effect on the financial position of the Group and the Board is also not aware of any proceedings, pending or threatened against RPB and/or its subsidiaries or any facts likely to give rise to any proceedings which might materially affect the financial position and business of the RPB Group.

4.0 Documents Available for Inspection

Copies of the following documents will be available for inspection at the Registered Office of RPB at Unit E-3-1, Level 3, Block E, Southgate Commercial Centre, No. 2, Jalan Dua, Off Jalan Chan Sow Lin, 55200 Kuala Lumpur, during normal office hours (Monday to Friday) from the date of this Circular up to and including the date of the 23rd AGM:

- 4.1 Memorandum and Articles of Association of RPB;
- 4.2 The audited financial statements of RPB Group for the past 2 financial years ended 31st March 2014 and 2015 and the unaudited accounts for the 1st quarter ended 30 June 2015.
- 4.3 Relevant documents in respect of material contracts referred to in Section 2.0 above.

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RELIANCE PACIFIC BERHAD

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The Share Registrars, Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia.