

RELIANCE PACIFIC BERHAD (“RPB or the Company”)

Re: Disposal of Investment

We refer to the announcement dated 20 June 2014 pertaining to the sale of 39.99% stake in Menara Ampang Sdn Bhd (Menara Ampang). The Share Sale Agreement was signed between Culmen Sdn Bhd, a wholly-owned subsidiary of RPB, as the vendor and Ibu Kota Developments Sdn Bhd, as the Purchaser. Ibu Kota Developments Sdn Bhd was incorporated on 23 September 1965 in Malaysia and its principal activity is holding shares and properties for investment and rental purposes.

We are pleased to provide the following information:

1.0 Time frame and breakdown for full utilization of proceeds

The total cash consideration of RM41,515,000.00 will be utilized for repayment of bank borrowing of RM18.3 million upon receipt of the full consideration and the remaining balance will be utilized for working capital purpose for a period of 6 months.

2.0 The original cost of investment of the share sale

The original cost of investment of the share sale was RM36,399,000.00. The investment was made on 7 March 2012.

3.0 Method of Valuation and disclosed quantification of market value

The sale consideration was arrived at after taking into consideration of the financial valuation which was conducted by the auditor, AljeffriDean dated 6 May 2014. The financial valuation was based on the NTA method and also based on the property valuation conducted by Henry Butcher Malaysia Sdn Bhd dated 17 April 2014. Henry Butcher Malaysia Sdn Bhd has adopted the “comparison approach” method in arriving at the market value of the property which is valued in the range of RM15.216 to RM15.749 per share.

4.0 Particulars of liability to be assumed by the purchaser arising from the disposal.

Save for the liabilities in the accounts of Menara Ampang, there are no liabilities to be assumed by the Purchaser in respect of the Share Sale.

5.0 Effects on earnings per share and net assets for financial year ending 31/3/2015

The disposal of investment will not have any material effect on earnings per share and net assets of the Group for the financial year ending 31/3/2015.

6.0 The highest percentage ratio applicable to the transaction pursuant to Paragraph 10.02 (g) of the Listing Requirement.

The highest percentage ratio applicable to the transaction is 12.09% pursuant to paragraph 10.02(g) of the Listing Requirement.

7.0 Expected gain or loss to the Group

RPB will realize an estimated net gain on disposal of RM1.1 million.

8.0 Estimated time frame to complete the Share Sale

Barring any unforeseen circumstances, the Board of RPB expects the share sale to be completed within 3 months from the date of the share sale agreement, or such other date as may be agreed upon between the Vendor and the Purchaser.

9.0 The Salient terms of Share Sale Agreement

Terms of payment:

Deposit	RM4,151,500.00 (10%)	Upon execution of the Share Sale Agreement
Balance	RM37,363,500.00 (90%)	On or before completion date (i.e. a date following on or before 3 months from the date of the Share Sale Agreement, or such other date as may be agreed upon between the vendor and the Purchaser.)

10.0 Brief Description of Property owned by Menara Ampang

Menara Ampang owns two parcels of freehold land held under Geran 36009, Seksyen 0058, Lot No. 138 and Geran No: 33555, Seksyen 0058, Lot No. 129, both located along Jalan Ampang, Town and District of Kuala Lumpur, Wilayah Persekutuan.

The two parcels of land measure 2,238.344 sq m (24,093 sq ft) and 1,955.074 sq m (21,044 sq ft) respectively and bearing the postal address of 113 Jalan Ampang, 50450 Kuala Lumpur.

The two parcels of land has a 2 storey building erected thereon. The building is approximately 12 years old. The lettable space is 4,193.418 sq meters and it is 100% occupied.

The property is free from encumbrances.

The property is currently being tenanted to Zouk Club (KL) Sdn Bhd. The tenancy agreement expires on 15 January 2015. The current rental is RM138,600.00 per month.

The principal activity of Menara Ampang is property investment holding.

Based on its latest audited accounts for the financial year ended 31 December 2012, the net profit and net assets of Menara Ampang are as follow:-

Income Statement	RM
Profit before taxation	1,925,193.00
Profit after taxation	1,434,738.00

Balance sheet	
Net Asset	27,305,818.00

The net asset does not take into consideration the latest revaluation of its real estate.

11.0 Statement by Board of Directors

The Board of RPB having considered all aspects of the transaction is of the opinion that it is in the best interest of RPB Group.

12.0 The time and place where the Share Sale Agreement and Valuation Report may be inspected, and the period during which the above documents may be inspected

The Share Sale Agreement and the Valuation Report are available for inspection at RPB's registered office 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 from Monday to Friday (except public holidays) for a period 3 months from the date of this announcement.