

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



RELIANCE PACIFIC BERHAD

(Incorporated in Malaysia – Company No. 244521 A)

CIRCULAR TO SHAREHOLDERS

in relation to the

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

The above proposal will be tabled as Special Business at the 24th Annual General Meeting of RELIANCE PACIFIC BERHAD to be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara off Jalan Damansara, 60000 Kuala Lumpur on 22 September 2016 at 3.00 p.m. The Notice of 24th Annual General Meeting and proxy form are dispatch together with this Circular. The shareholders are advised to refer to the Notice of the 24th Annual General Meeting and the proxy form.

Last day and time for lodging the proxy form : Tuesday, 20 September 2016 at 3.00 p.m.

Date and time of the 24th Annual General Meeting : Thursday, 22 September 2016 at 3.00 p.m.

This Circular dated 30th day of August, 2016.

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 2016.
- “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, 1 August 2016.
- “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 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

TABLE OF CONTENTS

PAGE

LETTER TO SHAREHOLDERS IN RELATION TO THE PROPOSAL CONTAINING:

1.0	INTRODUCTION	1
2.0	DETAILS OF PROPOSED SHAREHOLDERS' MANDATE	2-3
2.1	CLASS AND NATURE OF RRPT	4-10
2.2	AMOUNT DUE AND OWING BY THE RELATED PARTIES PURSUANT TO RRPT	11
3.0	DIRECTORS AND MAJOR SHAREHOLDERS INTEREST	11-12
4.0	REVIEW PROCEDURES FOR THE RRPT	12-13
5.0	AUDIT COMMITTEE'S VIEW	13
6.0	RATIONALE FOR AND BENEFITS TO THE GROUP	14
7.0	DISCLOSURE OF RRPT	14
8.0	DIRECTORS' RECOMMENDATION	15
9.0	24 th ANNUAL GENERAL MEETING	15
10.0	FURTHER INFORMATION	15
	APPENDIX I – FURTHER INFORMATION	16-17
	NOTICE OF THE ANNUAL GENERAL MEETING & PROXY FORM	Enclosed



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: 30 August 2016

The Board of Directors

Tan Sri Dato' Sri Dr. Samsudin Bin Hitam (*Independent Non-Executive Chairman*)
See Ah Sing (*Managing Director*)
Datin Irene Tan (*Chief Executive Officer*)
Tan Sin Chong (*Independent Non-Executive Director*)
Amirul Azhar Bin Baharom (*Independent Non-Executive Director*)
Onn Kien Hoe (*Independent Non-Executive Director*)

To: The Shareholders of RELIANCE PACIFIC BERHAD

Dear Sir/Madam,

PROPOSED RENEWAL OF EXISTING 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 23 September 2015, 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 19 August 2016, 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. The notice of AGM and proxy form are dispatch together with this Circular.

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 24th AGM shall take immediate effect from the date of the 24th AGM and continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the forthcoming 24th 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.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 23 September 2015 up to 1 August 2016, 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 22 September 2016 to the next AGM*:

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 22/9/2016 to the next AGM* (RM'000)			
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 24/9/2015 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	Receivable by RPB Group	Payable by RPB Group						
RPB Group	Malaysian incorporated companies 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	150	36	27	30	-52%	-82%	15		
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	3,000	0	1,550	0	150	-48%	0.0%	0		
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	15,000	7,500	527	1,036	100	-96%	-86%	50		

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 22/9/2016 to the next AGM* (RM'000)		
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 24/9/2015 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	<u>Malaysian incorporated companies</u> 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	500	0	0	0	-100%	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 3)	Provision of tourism, leisure and hospitality services	400	250	58	137	-86%	20	30		
RPB Group	Vacation Asia Holdings Sdn Bhd	Investment holding	Datin Irene Tan and Dato' Gan Eng Kwong (Note 4)	(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 (ii) Provision of office administration, maintenance and related services	850	0	764	0	-10%	100	0		
					3,000	800	888	0	-70%	100	0		

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 22/9/2016 to the next AGM* (RM'000)			
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 24/9/2015 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	<u>Malaysian incorporated companies</u> 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 5)	Provision of tourism, leisure and hospitality services and provision of advertising and media services	7,000	500	2,925	289	Receivable by RPB Group	Payable by RPB Group	-58%	-42%	200	45
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 5)	Provision of Information Technology (IT) services and other IT related services	0	750	0	510	Receivable by RPB Group	Payable by RPB Group	0	-32%	60	100
RPB Group	Hotmart International (Labuan) Ltd	Travel services and tours, coach hire and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 5)	Provision of tourism, leisure and hospitality services	10	100	0	0	Receivable by RPB Group	Payable by RPB Group	-100.0%	-100.0%	0	0

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 22/9/2016 to the next AGM* (RM'000)		
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 24/9/2015 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					
	<u>Malaysian incorporated companies</u>												
RPB Group	Layang Layang Island Resort Sdn Bhd	Diving and resort operation	Datin Irene Tan and Dato' Gan Eng Kwong (Note 6)	Provision of tourism, leisure and hospitality services	150	50	118	0	21%	-100%	50	0	
RPB Group	Relvest Management Services Sdn Bhd	Provision of secretarial and management services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 7)	Provision of secretarial and management services	100	280	0	260	-100%	-7%	11	100	
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 (Note 8)	Provision of tertiary education and human resource training for the tourism industry and provision of advertising and media services	100	50	76	0	-24%	-100%	10	0	

Transacting Company within RPB Group	Related Party	Principal Activities	Interested Directors and persons connected to them	Nature of Transaction	Existing Shareholders' Mandate				Variance (%)		Estimated aggregate value to be incurred from forthcoming AGM on 22/9/2016 to the next AGM* (RM'000)		
					Estimated Value as disclosed in the preceding year's circular (RM'000)		Actual Value from 24/9/2015 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					
	<u>Overseas incorporated companies</u>												
RPB Group	Reliance Tours (UK) Limited <i>(Incorporated in UK)</i>	Travel services & tours	Datin Irene Tan and Dato' Gan Eng Kwong (Note 9)	Provision of tourism, leisure and hospitality services	50	250	0	0	-100%	0	0		
RPB Group	PYO Travel Pte Limited <i>(Incorporated in Singapore)</i>	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 10)	(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	0	1,500	0	-85%	0	0		
RPB Group	Plan Your Own Travel Limited <i>(formerly known as PYO Travel Limited)</i> <i>(Incorporated in Hong Kong)</i>	Travel services, outbound tours and other related services	Datin Irene Tan and Dato' Gan Eng Kwong (Note 10)	Provision of tourism, leisure and hospitality services	70	0	26	0	-63%	10	0		
RPB Group					5,600	0	0	0	-100%	2	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.

This transaction will not be renewed at the forthcoming AGM.

Note 3

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 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 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 5

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

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

100

% of shareholdings held by VAH

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

100

(This transaction will not be renewed at the forthcoming AGM)

By virtue of the interest of Datin Irene Tan and Dato' Gan Eng Kwong in AVSB as mentioned in Note 4, they have deemed interest in VAI and HML.

Note 6

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 7

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.

Note 8

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 9

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.

This transaction will not be renewed at the forthcoming AGM.

Note 10

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 Plan Your Own Travel Limited (formerly known as 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.

There will be no renewal at the forthcoming AGM for the provision of tourism , leisure and hospitality services under PYO Travel Pte Ltd.

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

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 2016:-

Exceeded credit term for:-	Outstanding Amount from Related Parties as at 31.03.2016		
	Principal (RM'000)	Interest (RM'000)	Total (RM'000)
a period of 1 year or less	909	54	963
a period of more than 1 to 3 years	70	-	70
a period of more than 3 to 5 years	-	-	-
a period of more than 5 years	-	-	-
Total	979	54	1,033

The management is monitoring all outstanding and will continue to discuss with the related parties for early settlement. 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 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, Dato' Gan Eng Kwong, Nigel Gan Chin Hoong and persons connected to them will abstain from voting on the resolution approving Ordinary Resolution No. 6 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 22 September 2016.

Datin Irene Tan and persons connected to her who is/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	-	14,689,650 ^(a)	-	1.71
Dato' Gan Eng Kwong	366,400	14,323,250 ^(b)	0.04	1.67
Nigel Gan Chin Hoong ^(c)	-	-	-	-

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 of the Companies' Act, 1965 held through Reliance Holdings Sdn Bhd's nominees. 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 of the Companies' Act, 1965 in the shares of the Company held through Reliance Holdings Sdn Bhd's 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.

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 24th ANNUAL GENERAL MEETING

In the notice of the 24th AGM which will be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 22 September 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the Ordinary Resolution No. 6 for Proposed Shareholders' Mandate, as set out under Special Business of the agenda of the 24th AGM.

A Proxy Form is enclosed with the Notice of AGM 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 24th 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

.....
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 6 August 2015, the Company has announced that its wholly owned subsidiary, Culmen Sdn Bhd (the "Vendor") has mutually agreed with Ibu Kota Developments Sdn Bhd (the "Purchaser") to extend the completion date of the Share Sale Agreement pertaining to 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 to 30 June 2017.
- 2.2 On 25 August 2015, RPB has entered into an additional term loan and bank guarantee of RM71 Million from RHB Bank Berhad. The term loan is secured against the third party first legal charge on subsidiary company properties located in Port Dickson.

This announcement was made on 26 August 2015.

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 24th 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 2015 and 2016 and the unaudited accounts for the 1st quarter ended 30 June 2016.
- 4.3 Relevant documents in respect of material contracts referred to in Section 2.0 above.