

STATEMENT ON CORPORATE GOVERNANCE

1. ESTABLISHE CLEAR ROLES AND RESPONSIBILITIES

1.1. Clear functions reserved for the Board and those delegated to Management.

The respective roles and responsibilities of the Board and Management are clearly set out and understood by both parties to ensure accountability.

The Board is responsible for the overall oversight and management of the Group. The Board functions on the principal that all significant matters are addressed by the Board as it is accountable under the applicable laws and regulations for the Group's activities, strategies, financial position and performance.

The Board delegates certain functions to the Board Committees, the Group Managing Director and the Management.

Key matters reserved for the Board's approval are specified in the Board Charter and the approved Terms of Reference ("TOR") of the respective Board Committees. These include the Group's goals and strategies, financial plans and forecast, quarterly financial statements, public announcements and matter concerning the appointment or re-appointment of External Auditors.

1.2 Clear roles and responsibilities

The Board adheres to the Code of Conduct/Ethics for Directors which highlights the criterias that directors should observe in the performance of their duties. The following are the roles and responsibilities of the Board in discharging its fiduciary functions:-

- Leads, controls, provides strategic direction and has the overall responsibilities for corporate governance.
- Formulates key policies, overseeing investments and businesses for the Group.
- Ensures that the Company has appropriate corporate disclosure policies and procedures.
- Establish succession planning and ensures that all candidates appointed to senior management are of sufficient calibre.
- Identifies principal risks and to ensures the implementation of appropriate internal controls.

The management is accountable for the execution of corporate objectives and policies set by the Board.

The Board has delegated specific responsibilities to the committees to assist the Board in the effective operations and governance of the Group. The functions and the Terms of Reference of the committees have been defined by the Board in the Terms of Reference of the respective committees. These committees are the Audit Committee, Nomination Committee and Remuneration Committee. The Terms of Reference of these committees are available in on the Company's website.

The duties and responsibilities of the Chairman and Managing Director ("MD") are distinct and separate with clear division of responsibilities. The Chairman is responsible for managing the conduct of the Board and ensuring its effectiveness including ensuring all directors receive sufficient relevant information on all financial, business, operational and corporate matters to enable each of them to participate actively and effectively in Board decisions. The MD is responsible for the efficient and effective management of the business operations and strategic direction of the Group.

1.3 Code and Conduct and Ethics

The Group is committed to promoting and maintaining high standards of transparency, accountability and ethics in the conduct of its business and operations.

The Group's Employee Handbook govern the terms and conditions of employment and the standards of ethics and good conduct expected of the Group Managing Director and employees.

The Board has established the Code of Conduct and Ethics for Directors (Executive and Non-Executive Directors) which described the standards of business conduct and ethical behavior for Directors in the performance and exercise of their duties and responsibilities as Directors of the Company or when representing the Company.

1.4 Promoted Sustainability

The Group recognises the importance of sustainability and its increasing impact to the business and is committed to understanding and implementing sustainable practices. The Group will set long term and short term targets for its sustainability efforts in order to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success. The Group acknowledges its corporate social responsibility in the community and will continue to support worthy causes.

1.5 Access to Information and Advice

All Directors were provided with the agenda and relevant Board papers prior to every Board meeting. The Board papers include a comprehensive write up on the latest status of the Group's finance, operations and administrative matters and significant changes in key business strategies of operating units. All matters requiring Board approval are also circulated prior to the Board meeting. During Board meetings, the Directors debate issues openly and constructively and were committed to the collective decision-making processes. The Directors also have direct access to the advice and services of the Company Secretary whenever required. In furtherance of its duties, the Board may also seek external professional advice whenever deemed necessary.

1.6 Qualified and competent Company Secretary

The key roles of the Company Secretary is to provide unhindered advice and services to the Directors, as and when the need arises, to enhance the effective functioning of the Board and to ensure statutory and regulatory compliance. She is suitably qualified, competent and capable of carrying out the duties required of the role.

The Company Secretary constantly keeps herself abreast of relevant updates on statutory and regulatory requirements through continuous training. The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging their functions.

1.7 Board Charter

The Board Charter is made available for reference on the Company's website.

It serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. It sets out the duties and responsibilities to be discharged by the Board members collectively and individually. It shall be reviewed and updated from time to time to reflect changes to the amendments of relevant rules and regulations.

2. STRENGTHEN COMPOSITION

2.1 Remuneration Committee

The Remuneration Committee currently comprises of three Independent Non-Executive Directors.

Chairman: Onn Kien Hoe
(Independent Non-Executive Director)
Members: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)
Dato' Faisal Zelman Bin Datuk Abdul Malik
(Independent Non-Executive Director)

The Terms of Reference of the Remuneration Committee are as follows:-

- (i) Assist the Board in establishing formal and transparent remuneration policies and procedures for directors and senior executives of RPB and its subsidiaries including the executive directors and Managing Director ("MD") of the Company.
- (ii) Recommend to the Board remuneration package for directors and senior executives of RPB and its subsidiaries.
- (iii) Review the performance evaluations of senior executives of RPB and its subsidiaries and approve their bonus and salary increment proposals.
- (iv) Approve the overall bonus and salary increment proposals for RPB and its subsidiaries.
- (v) Review and approve the succession plan for senior executives of RPB and its subsidiaries.
- (vi) Recommend to the Board the establishment of long term incentive plan(s) for eligible employees and eligible executives of RPB and its subsidiaries.
- (vii) Administer the Executive Share Option Scheme, Share Grant Plan and any other incentive plans to be established by the Company from time to time.

The Nomination Committee currently comprises of three Independent Non-Executive Directors.

Chairman: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)
Members: Onn Kien Hoe
(Independent Non-Executive Director)
Dato' Faisal Zelman Bin Datuk Abdul Malik
(Independent Non-Executive Director)

The Terms of Reference of the Nomination Committee are as follows and they are also available on the Company's website:-

- (i) Responsibility to oversee the selection and assessment of directors of RPB and its subsidiaries.
- (ii) Ensure that the Board composition meets the needs of the Company and its subsidiaries.
- (iii) Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors and senior executives of RPB and its subsidiaries.
- (iv) Responsibilities include assessing and recommending to the board the candidature of directors, appointment of directors to board committees, review of board succession plans and training programmes for the Board of RPB and its subsidiaries.
- (v) In assessing the suitability of candidates, considerations should be given to the competencies, commitment, contribution and performance.
- (vi) Facilitate board induction and training programmes.
- (vii) Take steps to ensure that women candidates are sought as part of its recruitment exercise.
- (viii) Conduct an assessment on independent directors annually.
- (ix) Review and approve the succession plan for senior executives of RPB and its subsidiaries.
- (x) Review the term of office and performance of the audit committee and each of its members annually or when appropriate.

2.2. Develop, Maintain and review Criteria for Recruitment and Annual Assessment of Directors

The appointment of new Directors is under the purview of the Remuneration Committee which is responsible to perform a thorough assessment of the candidates and to deliberate on the assessment prior to recommending the candidates to the Board for its approval.

The Remuneration Committee has carried out an evaluation of the effectiveness of the Board and Board Committees and individual Directors. This includes the Role and Responsibilities of the Board; the Board composition; Information to the Board; Conduct of Board meetings, Performance Evaluation on Board and Board Committees and Directors' self-assessments. The Remuneration reviewed the outcome of the evaluation exercise and the areas for continuous improvement.

The Board views that it is important to have boardroom diversity such as diversity in ethnicity, gender and age. The Board has currently appointed Puan Yulina Binti Baharuddin as a Non-Independent Executive Director.

2.3 Remuneration policies and procedures

The aggregate remuneration of the Directors during the financial year 2017 are categorized into appropriate components as follow:

Board of Directors	Salary and other Emoluments RM	Fee RM	Benefit-in-Kind RM	Total RM
Executive Director	1,324,986.00	-	37,620.00	1,362,606.00
Non-Executive Directors	-	188,000.00	46,500.00	234,500.00

Range of Remuneration	Executive Director	Number of Director Non-Executive Director
Below RM50,000	-	4
RM50,001 to RM100,000	-	1
RM100,001 to RM150,000	-	1
RM150,001 to RM200,000	1	-
RM500,001 to RM550,000	1	-
RM700,001 to RM750,000	1	-

Note: Successive bands of RM50,000 are not shown as they are not represented.

The Board is mindful of the disclosure of details of the remuneration of Directors. The Company complies with the disclosure requirement under the MMLR of BMSB. The Board is of the view that the transparency and accountability aspect of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the above disclosure.

3. REINFORCE INDEPENDENCE

3.1 Annual Assessment of Independence

The Board assesses the independence of the Independent Non-Executive Directors annually based on the criteria developed by the Nomination Committee. The Board is satisfied with the level of independence demonstrated by all the independent Non-Executive Directors and their ability to act in the best interest of the Company.

3.2 Tenure of Independent Directors

In line with the recommendation of the Code, the tenure of an Independent director of the Company shall not exceed a cumulative term of nine (9) years. An Independent Director may continue to serve the Board subject to re-designation of the Independent Director as a Non-Independent Director. In

the event the Board intends to retain the Independent Director as an Independent Director after serving a cumulative term of nine (9) years, shareholders' approval will be sought.

3.3 Separation of positions of the Chairman and Group Managing Director

Although the Chairman has some influence over the role of the Executive Director/Group Managing Director and the strategic business direction of the Group, the role of the Chairman is separate from the role of the Executive Director/Group Managing Director and his responsibilities are clearly defined to ensure the balance of power and authority. The Chairman is primarily responsible for the orderly conduct and working of the Board while the Executive Director/Group Managing Director is responsible for the overall operations of the business and the implementation of Board strategies.

3.4 Composition of the Board

The composition of the Board consist of members with a wide range of skills and experiences from the financial and business background to lead and control the Group.

The Board continues to give due consideration to its size, composition and spread of experience and expertise. No individual or group of individuals dominates the Board's decision-making ability. The Board has the appropriate number of Directors in terms of the complexity and size of the Group. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account the long-term interests of shareholders and stakeholders of the Group.

The current Board has five (5) members comprising One (1) Executive Directors, three (3) Independent Non-Executive Directors and One (1) Non-Independent Executive Director.

The composition of the Board is in compliance with Paragraph 15.02 of the MMLR of BMSB which requires that at least 2 directors or 1/3 of the Board of Directors, whichever is the higher, to be independent.

The Directors contribute greatly to the Company through their business acumen, wide range of knowledge and skills from their vast experiences. A brief description of the background of each director is contained in the Directors' Profile section. This composition and combination of difference skills ensures an effective Board decision-making process and enables the Board to efficiently lead and control the Group.

4. FOSTER COMMITMENT

4.1 Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. There were Nine (9) Board meetings held in the Financial Year 2017. The attendance of the members of the Board at Board meetings in the Financial Year 2017 are as follows:

Director	Attendance
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	9/9
See Ah Sing	9/9
Onn Kien Hoe (Appointed on 01/06/2016)	7/7
Dato' Faisal Zelman Bin Datuk Abdul Malik (Appointed on 10/10/2016)	3/3
Yulina Binti Baharuddin (Appointed on 04/11/2016)	2/2
Amirul Azhar Bin Baharom (Resigned on 10/10/2016)	6/6
Datin Irene Tan (Resigned on 30/09/2016)	5/5
Tan Sin Chong (Retired on 22/09/2016)	5/5
Datuk Md Wira Dani Bin Abdul Daim (Appointed on 27/07/2016) (Resigned on 18/08/2016)	0/2

4.2 Directors' Training

All directors have attended and successfully completed the Mandatory Accreditation Programme accredited by BMSB. In addition, seminars and conferences organized by BMSB, relevant regulatory bodies and professional bodies on areas pertinent to the Directors are communicated to the Board for their participation. The Board has identified training needs amongst the Directors and enrolled themselves for the training programmes as and when required. Directors may also request to attend additional training to keep abreast of their individual requirements.

The various other training programmes, seminars and conferences attended by the Directors are as follows:-

Directors	Training Programmes/Seminars/Conference
TAN SRI DATO' SRI DR.	- ACCA Malaysia Sustainability Reporting

SAMSUDIN BIN HITAM	Awards (MaSRA) 2016 - Bursa Malaysia's Sustainability Forum 2017: The Velocity of Global Change & Sustainability – The New Business Model - Board Chairman Series Part 2: Leadership Excellence From The Chair - Nominating Committee Programme Part 2: Effective Board Evaluations
SEE AH SING	CG Breakfast Series with Directors: The Strategy, the Leadership, the Stakeholder and the Board
YULINA BINTI BAHARUDDIN	- Mandatory Accreditation Programme for Directors of Public Listed Companies - CG Breakfast Series with Directors: Anti – Corruption & Integrity – Foundation of Corporate Sustainability
ONN KIEN HO	- National Tax Conference 2016 - Takaful For Directors - International Experience Sharing on IFRS Implementation - MFRS - A Broad Overview and Business Implications
DATO' FAISAL ZELMAN BIN ABDUL MALIK	- Mandatory Accreditation Programme for Directors of Public Listed Companies - CG Breakfast Series with Directors: The Cybersecurity Threat and How Board Should Mitigate the Risks

5. UPHOLD INTERGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Directors aim to present a balanced and understandable assessment of the Group's position and prospects when presenting the financial statements, quarterly announcements and submission of reports to regulators.

The annual and quarterly financial reports are prepared in accordance with the provision of the Companies' Act, 2016 and approved accounting standards.

The annual and quarterly financial reports are reviewed by the Audit Committee to ensure that the financial statements comply with applicable financial reporting standards prior to the Board's approval.

5.2 Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. The Audit Committee also had obtained assurance from the external auditors confirmed that they have been independent throughout the audit engagement. The Audit Committee is satisfied with the external auditors' performance and will recommend their re-appointment to the Board and seek shareholders' approval during AGM.

The Board has established a formal and transparent relationship with the External Auditors. The Audit Committee meets with the External Auditors, excluding the attendance of the Executive members of the committee at least twice a year to facilitate to exchange of views on issues requiring attention.

6. RECOGNISE AND MANAGE RISK

6.1 Sound framework to manage risks

The Board is responsible for ensuring that risks and also opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with those risks and opportunities.

The Company's approach to risk management is based on the identification, assessment, monitoring and management of material risks embedded in its business and management systems.

The Statement on Risk Management and Internal Control made pursuant to Paragraph 15.26(b) of the MMLR of BMSB is separately set out in the Annual Report.

6.2 Internal Audit function

The Board has established an Internal Audit function within the Company which is led by the Senior Manager, Internal Audit Unit who reports directly to the Audit Committee.

Details of the key elements of the Group's internal controls system are set out separately in the Statement on Risk Management and Internal Control and the Report of the Audit Committee in this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Appropriate Corporate Disclosure Policies and Procedures

The Group has put in place appropriate controls on the confidentiality of information where all Executive Directors and employees of the Company are required to sign a Confidentiality Agreement before appointment. This is ensure that the confidential information is properly handled to avoid leakage and improper use of such information. The Group uphold strict standards on confidentiality with regard to the undisclosed material information and to ensure that the dissemination of information to the shareholders and general public is done in a timely and fair manner. The Board is mindful that information which is expected to be material must be announced immediately.

In addition, the Board has established the Corporate Disclosure Policies and Procedures which applies to all Directors, management and employees of the Group. It outlines the Company's approach toward the determination and dissemination of material information, the circumstances under which the confidentiality of information will be maintained and restrictions on insider trading. It also provides guidelines in order to achieve consistent disclosure practices across the Company.

7.2 Leverage on Information technology for effective dissemination of information

The Company's website incorporates the corporate information of the Company and is accessible to the public. The website also incorporates an Investor Relations section which provides all relevant information on the Company's shares, financial information announcements made by the Company to Bursa Malaysia as well as the latest media news on the Company. The Company has continuously leveraged on information technology for effective dissemination of information to shareholders and to the public.

8. STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

8.1 Encourage shareholder participation at general meetings

The Notice of General Meetings together with a copy of the Company's Annual Report and/or Circular to Shareholders will be dispatched to shareholders within the prescribed notice period prior to the scheduled general meetings in order to provide sufficient time the shareholders to make the necessary arrangements to attend and participate either in person, by corporate representative or by proxy. The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations and more importantly, it provides an avenue for the shareholders to make enquires on the resolutions being proposed and to seek clarification on the business and performance of the Group.

8.2 Poll Voting

At the forthcoming AGM, all resolutions put to the meeting shall be voted by poll and an announcement of the results with the number of votes cast for and against each resolution shall be made.

8.3 Effective communication and proactive engagement

The Company recognizes the importance of providing adequate information to the shareholder on a timely announcements and disclosures made to Bursa Malaysia including the release of financial results on a quarterly basis. Additionally, the Annual General Meeting is the principal forum for dialogue and interaction with all shareholders, who are given the opportunity to enquire and seek clarification on the operations and financial performance of the Group.

In additions to the above, the Company is always willing to meet up with institutional investors whenever the need arises, to elaborate or to further clarify the information which has been disclosed to the shareholders. The shareholders can also obtain up-to-date information from the Company's website www.rpb.com.my

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

- **Utilisation of proceeds raised from Corporate Proposals**

There were no proceeds raised from Corporate Proposals during the financial year.

- **Audit Fees**

Audit fees paid/payable to external auditors by the Company and by the Group for the financial year ended 31 March 2017 amounted to RM15,000 and RM287,000 respectively.

- **Material Contracts with Related Parties**

There were no material contracts entered into by the Company and its subsidiaries involving directors', chief executive who is not a director and major shareholders' interests, either subsisting at the end of the financial year or entered into since the previous financial year.