

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the Board) is committed towards ensuring that good Corporate Governance is observed throughout the Group.

The Board also considers and adopts where appropriate, the principles and best practices of Corporate Governance as prescribed in the Malaysian Code of Corporate Governance 2012 (MCCG 2012).

The Board is pleased to report to shareholders the manner in which it has applied the Principles of the Code and the extent to which it has complied with the Best Practices of the Code, pursuant to Paragraph 15.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia) and Corporate Governance Guide: Towards Boardroom Excellence, throughout the financial year under review.

THE BOARD

Board Structure

The Board is made up of six members of which four are independent non-executive directors and two non-independent executive directors. The profile of each director is presented on page 4 and page 5 in the Annual Report.

The composition of the Board represents a good mix of knowledge, skills and experience to ensure that the Group is competitive within its industry. The Board, through the Nomination Committee, will consider appropriate targets for appointment as Board members in terms of gender, ethnicity and age and will take required measures to meet those targets from time to time if deemed necessary to enhance the effectiveness of the Board.

The Board complies with paragraph 15.02 of the Listing Requirements which requires that at least two directors or one third of the Board of the Company, whichever is higher are independent directors. The Company also complies with MCCG 2012 where the Chairman of the Company is an independent director.

Duties 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.
- Formulation of key policies, overseeing investments and businesses for the Group.
- Ensure that the company has appropriate corporate disclosure policies and procedure.
- Succession planning.
- Identifying principal risk and to ensure implementation of appropriate internal control system.
- Investor relations programmes, internal controls and management information systems.

The management is accountable for the execution of the 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 the 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 Audit Committee, Nomination Committee and Remuneration Committee. The Terms of Reference of these committees are available in the Company's website.

The duties and responsibilities of the Chairman and Chief Executive Officer ("CEO") 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 CEO is responsible for the efficient and effective management of the business operations and strategic direction of the Group.

Board Charter

The Board Charter is available in 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.

Board Meetings

The Board normally has five (5) scheduled meetings annually with additional meetings convened as and when necessary. At such scheduled meetings the Board deliberates and gives approval to quarterly financial reports, audited accounts, recurrent related party transactions and other material agreements prior to announcement to Bursa Malaysia. During meetings the Board is also briefed on business performance and financial aspects of the Group.

During the financial year ended 31 March 2016, nine (9) Board meetings were held. Details of the attendance of the Directors at Board meetings held during the financial year ended 31 March 2016 are detailed below.

Director	Attendance
Tan Sri Dato' Sri Dr. Samsudin Bin Hitam	9/9
Datin Irene Tan	9/9
See Ah Sing	9/9
Tan Sin Chong	9/9
Abdul Aziz Bin Abdul Wahab (Resigned on 3/12/2015)	7/8
Amirul Azhar Bin Baharom (Appointed on 16/12/2015)	1/1
Onn Kien Hoe (Appointed on 1/6/2016)	0/0

Supply of information

The Board is provided in advance with a yearly scheduled timetable which includes all board meetings, audit committee meetings and other relevant meetings. This is to ensure timely and adequate information are circulated prior to the meetings.

Each Board member is supplied in advance with an agenda, written reports which include minutes of previous meetings, financial reports and other reports relevant to the meeting, to allow the directors sufficient time to review and to deliberate at the board meetings and to facilitate informed decision making by the directors. Management representatives are also present to provide additional insight on matters to be discussed during the Board meetings.

The Board members are also provided with the relevant facts, analysis and recommendations on any new corporate proposals. Advisers and professionals such as merchant bankers and solicitors may be invited to attend the Board meetings at which such proposals are deliberated to provide the Board with their explanations and advice and to clarify any issues raised.

All directors have access to the Group's information through the management team and the services of the qualified Company Secretary, who provide the Board with any updates to the statutory and regulatory requirements and any other matters related to the affairs of the Group.

The Board may take independent professional advice in furtherance of their duties, whenever necessary and under appropriate circumstances.

Board's Appointment

The appointment of any additional directors is made as and when it is deemed necessary by the Board of Directors with due consideration given to a good mix of knowledge, skills, experience and time commitment required for the Board to discharge its duties effectively.

Any proposal to appoint new directors will be evaluated by the Nomination Committee members for recommendation to the Board.

A director appointed during the financial year shall retire and be eligible for re-election at the Annual General Meeting (AGM) of the Company. Apart thereto, at least one-third of the Board or if the number of directors is not three (3) or a multiple of three (3) then the number nearest to one-third shall retire by rotation under Article 91 of the Company's Articles of Association and shall be eligible for re-election at each AGM. All Directors shall be subject to retirement once in every three years.

For the forthcoming AGM, Mr Tan Sin Chong retires under Article 91 while Encik Amirul Azhar Bin Baharom and Mr Onn Kien Hoe retires under Article 98 of the Company's Articles of Association.

In accordance with Section 129(6) of the Companies' Act 1965, a Director who has attained the age of seventy (70) years shall retire and is eligible to submit himself or herself for re-appointment at each AGM to hold office until the conclusion of the next AGM of the Company. There are no directors retiring under Section 129(6) of the Companies' Act 1965 during the financial year under review.

Directors' Training

All the Board members have attended and successfully completed the Directors' Mandatory Accreditation Programme ("MAP") prescribed by Bursa Malaysia for Directors of public listed companies. The Board acknowledges the fact that continuous education is vital for the Board members to keep abreast with the developments of the economy and further enhance their knowledge to discharge their duties and responsibilities more effectively.

During the financial year the directors attended the following training programmes:

- (i) Board Chairman Series: "Tone from the Chair and Establishing Boundaries".
- (ii) CG Breakfast Series with Directors - "Board Reward & Recognition".
- (iii) Bridging the Great Divide: How Social Mobility Can Be A Reality.
- (iv) The Construction and Rectification of Contracts.
- (v) In the Spotlight by Bursa Malaysia.
- (vi) ASEAN Business & Investment Summit 2015.

Our Directors will continue to attend further training from time to time, particularly on relevant new laws and regulations.

Remuneration

The remuneration packages of executive and non-executive directors are recommended by the Remuneration Committee and approved by the Board. The directors' annual fees are reviewed by the Remuneration Committee and recommended to the Board for shareholders' approval at the Annual General Meeting. The aggregate remuneration of directors who served during the financial year ended 31st March 2016 are categorized into the following components.

Category	Fees (RM)	Salaries & other Emoluments (RM)	Benefits In Kind (RM)
Executive Directors	-	1,830,356	31,900
Non-Executive Directors	229,134	-	-

The number of Directors whose total remuneration during the financial year falls within the respective bands are as follows:-

		Number
Executive Directors	RM450,000 to RM500,000	1
	RM1,350,000 to RM1,400,000	1
Non-Executive Directors	RM0 to RM50,000	3
	RM50,000 to RM100,000	1
	RM100,000 to RM150,000	1

COMMITTEES ESTABLISHED BY THE BOARD

Audit Committee

The Audit Committee currently comprises of three Independent Non-Executive Directors. The terms of reference of the Audit Committee are set out in the Audit Committee Report.

Nomination Committee

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: Tan Sin Chong
(Independent Non-Executive Director)

Amirul Azhar Bin Baharom
(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.

The activities of the Nomination Committee during the financial year are:-

- (i) Review on the terms of reference.
- (ii) Assessment and recommendation of candidates for appointment as directors.
- (iii) Annual assessment of independent directors.
- (iv) Nomination of directors for appointment in the board of RPB subsidiaries.
- (v) Hotel division cost rationalization and succession planning.

Remuneration Committee

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

Chairman: Amirul Azhar Bin Baharom
(Independent Non-Executive Director)

Members: Tan Sri Dato' Sri Dr. Samsudin Bin Hitam
(Independent Non-Executive Director)

Tan Sin Chong
(Independent Non-Executive Director)

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

- (i) Assist the Board of Directors ("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 Chief Executive Officer ("CEO") 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's Share Option Scheme, Share Grant Plan and any other incentive plans to be established by the Company from time to time.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Board values regular communication with shareholders and investors. This includes various medium of communication such as annual general meetings, announcements on quarterly financial results and material agreements made throughout the year, audited financial results and annual reports. The information provide shareholders and investing public with an overview of the Group's performance and business operations.

All resolutions will go by poll voting in AGM/EGM.

The Group has established a comprehensive and current website at <http://www.rpb.com.my> to further enhance investor relations and communication with shareholders, investors and general public to access information such as group's profile, services, financial performance and corporate information.

ACCOUNTABILITY AND AUDIT

Financial Reporting

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, 1965 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.

Directors' Responsibility Statement

The Directors are required under the provisions of the Companies' Act, 1965 to prepare financial statement for each financial year, which gives a true and fair view of the Company. Following discussions with the auditors, the Directors consider that the Company uses appropriate accounting policies.

The Directors also ensure that the Company keeps the accounting records and are disclosed with reasonable accuracy which enable them to ensure that the financial statements comply with the Companies' Act, 1965 and the relevant accounting standards. The Directors also took the necessary steps to safeguard the assets of the Company.

The Board has given their approval for the Corporate Governance Statement and are satisfied that as far as possible the Group has complied with the best practices of the Code.

Statement on Risk Management and Internal Control

The Group's system of Internal Control Statement is outlined in the Statement on Risk Management and Internal Control in this Annual Report.

Relationship with External Auditors

The role of the Audit Committee in relation to the external auditors is set out on page 15 of the Annual Report. The Company has always maintained a cordial and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards. The External Auditors are independent.

Related Party Transactions

All related party transactions for the financial year ended 31 March 2016 are set out in Note 31 of the Annual Report. This note also sets out the recurrent related party transactions conducted during the period in accordance with the general mandate obtained from shareholders at the Annual General Meeting held on 23 September 2015.