

## Our Sustainability JOURNEY

Prestariang remains steadfast in its commitment to act ethically and contribute to economic development and growth. We believe in enhancing the quality of life for our employees and their families, as well as that of the society at large. We respect the environment and continuously seek the necessary knowledge and resources to deepen our awareness.

As a model corporate citizen, sustainability has always been a cornerstone of our philosophy and towards this end, we have endeavoured tirelessly to meet all the respective goals and key performance indicators (KPI).

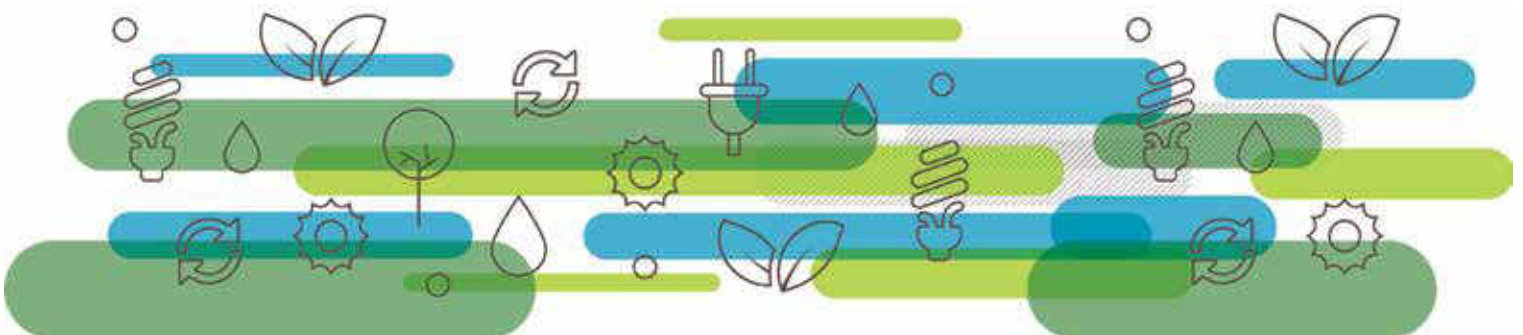
It is pertinent to point out that Prestariang was one of the pioneer Malaysian companies on the FTSE4Good Bursa Malaysia (Environmental, Social and Governance or ESG) Index which was inaugurated in December 2014. Bursa Malaysia introduced the ESG Index in order to bolster ESG disclosure and practices for public-listed companies. The Index measures the performance of companies based on ESG-related indicators similar to other ESG frameworks such as the Global Reporting Initiative (GRI) and Carbon Disclosure Project.

From the original 24, the number of constituents has since grown to 42 as at 6 December 2016. We are pleased to report improved scores in the ESG ratings as at December 2016 underpinning our pledge for continuous improvement in our ESG initiatives. We achieved a 4.4 score against a 3.0 score recorded in 2015 (5-Highest) in our ESG Rating Absolute Score and 98% (2015: 64%) for the ICB Supersector Relative Percentile Score.

We firmly believe such benchmarking would only serve to raise the level of focus and attention towards sustainability in our business operations as well as in the development of solutions and services to our customer base.

Naturally, each of the Principles is aligned to a key indicator on the FTSE4Good Index as well as to other international sustainability reporting protocols for all our corporate and business activities.

The Company also established a tracking mechanism to indicate progress for each target either for the fiscal or calendar year.



## Our Sustainability Journey (continued)

In the wake of the Group's participation in the ESG Index, we developed a Sustainability Policy in 2015 underpinned by five Principles which are related to ESG. These five Principles were subsequently approved by the Board of Directors and are as follows:

**PRINCIPLE 1****SUSTAINABLE LIFELONG LEARNING ENVIRONMENT**

Focus is on developing talent through technology via training and certification programs with emphasis on continuous upskilling and reskilling of personnel in various industry sectors.

We effectively manage and distribute original software to drive IT compliance while making software licenses affordable. Prestariang as a technology provider and enabler, endeavours to introduce and apply innovative solutions for sustainable development.

**PRINCIPLE 2****STAKEHOLDER ENGAGEMENT & DISCLOSURES**

Prestariang employs a wide range of channels for communicating with various stakeholders. These channels are aligned with the needs and expectations of each and every stakeholder which include our employees, Government authorities and agencies, the media, fund managers & analysts and the public at large. We collaborate with and recognise the vital role vendors and suppliers play to ensure a robust supply chain within our operations.

**PRINCIPLE 3****COMMITMENT TO CORPORATE RESPONSIBILITIES**

Our Corporate Social Responsibility (CSR) initiatives are undertaken to contribute positively to social, economic and environmental development of the communities that we serve. Our programs align professional conduct with protocols on human and social rights. We support the ten principles of United Nations Global Compact on human rights, labour conditions, the environment and anti-corruption. We strive to safeguard human rights within our sphere.

All business activities conducted by the Company through its business units are aimed at developing and propagating environmentally-friendly technologies and enhancing energy efficiency, where applicable.

**PRINCIPLE 4****ENGAGING WORKPLACE**

We strive to improve our employees' satisfaction in the workplace enabling them to strike a balance between work and personal life. Employee remuneration match or exceed the market average to attract and retain high-calibre recruits. We support gender diversity across the workplace and the Boardroom in order to achieve greater competitiveness and better positioning in the marketplace.

We ensure that our employees are equipped with the necessary tools to upgrade technical proficiency and strengthen their capabilities, both individually and collectively. Employees undergo both technical and soft skill training programs as both are equally as important to align personal values with our corporate culture. We emphasise on an ongoing and systematic approach to Occupational Safety, Health & Environment (OSHE) to safeguard our employees, the community and to protect the environment.

**PRINCIPLE 5****GOVERNANCE TO DRIVE COMPLIANCE & BEST PRACTICES**

We regularly review and update the three facets of Governance, Risk Management and Compliance (GRC) to assure that our organisation meets its objectives. Implementation and continuous improvement of transparent, effective, ethical and sustainable processes across the business supply chain are integral alongside identifying, analysing and responding appropriately to mitigate risks. The adoption of best practices and international guidelines in our systems, processes and procedures provides a foundation for continual improvement while enhancing our image and facilitating business expansion.

Our Sustainability Journey (continued)



**PRINCIPLE 1**  
SUSTAINABLE LIFELONG  
LEARNING ENVIRONMENT

**Creating an Agile Talent Pool**

Competition for the best talents is becoming increasingly intense in the face of a dynamic global market that is consistently disrupted by innovation and new-age technologies. To survive and thrive, companies are constantly searching for and recruiting suitable candidates of high quality to build and strengthen their talent pool.

Prestariang leverages on its expertise in managing and mobilising talent through enhancements of its education programs to boost human capital development and address the talent gap in the country.

Over a quarter million professionals have benefited from our programs which make us the largest ICT Training and Certification provider in Malaysia. We offer over 60 globally recognised certification courses nationwide via partnership with leading IT-related entities such as Microsoft, Autodesk, IBM, Oracle, CompTIA, EC-Council, Certiport, Prometric, PearsonVue, Global Knowledge, Quilt Wellington redwood, Imperial College of London and TWIG.

Skills-building programs offered to upskill and reskill talent are benchmarked against international standards to equip the workforce with the right knowledge, skills and attitudes to increase talent employability and thrive in a globalised economy. The ICT programs offered which are focused on three main areas of BDA, Security and Coding are continuously reviewed and updated to ensure the programs are relevant and current.

Beyond academic, we also provide soft-skills training to the participants as value-added services to the programs offered. Effective verbal and written communication, preparations for job interviews, time management and grooming are some of the elements cascaded to the participants for a balanced, well-rounded education.



**Equipping the Workforce with Digital Skills**

IT compliance is a complementary activity to our provision of ICT Training and Certification to ensure our customers are abiding by both industry regulations and government legislation. We also provide affordable software licenses to those we train as added value.

In addition, we also encourage compliance by providing Microsoft software under the Microsoft Licensing Agreement (MLA 2.0) to all Government Agencies in Malaysia and also to our customers in the private sector. To date, Prestariang has distributed and managed over 5.5 million software licenses.

Beyond IT compliance of global software brands, Prestariang has further invested in R&D to develop home-grown certifications such as the IC CITIZEN for the global market. The world's first certification to promote the appropriate use of technology, IC CITIZEN is designed to produce digitally literate and responsible citizens.

**2003 - 2016 TALENT & SOFTWARE ROLLOUT**



**5.5 MILLION**  
Software Licenses

**20**  
Universities

**37**  
Polytechnics

**40**  
Community Colleges



**24**  
Ministries



**1,123**  
Government Agencies

**10,000**  
Schools

## Our Sustainability Journey (continued)

**Big Data Competency Centres**

BDA is one of the fastest-growing digital technologies with wide applications across business and industry, society and government. Malaysia recognises the scale and scope of BDA opportunities and aspires to become a regional hub for the development and adoption of such solutions.

As a leading provider of ICT Training and Certification, Prestariang is at the forefront of efforts to develop human capital in BDA. We are collaborating with the Ministry of Higher Education (MoHE) to provide training in various aspects of BDA from data mining, processing analytics and development of user interfaces.

We have successfully established BDA Competency Centres with five institutions of higher learning which are Universiti Utara Malaysia (UUM), Universiti Sains Malaysia (USM), Universiti Malaysia Terengganu (UMT), Universiti Malaysia Sarawak, (UNIMAS) and Politeknik Ibrahim Sultan (PIS). Universiti Teknologi Mara (UiTM) which is another university that was selected for the program is scheduled for implementation in 2017.

University Malaysia of Computer Science & Engineering (UniMy) is also recognised as the official academic partner, responsible for BDA Training & Certification.

**Autodesk Malaysia Design Competition (AMDC)**

Prestariang launched the AMDC in collaboration with the MoHE and global software brand Autodesk with the aim of generating interest among prospective students in architecture, engineering and digital arts.

The idea for AMDC which was mooted in 2009 was to encourage students' ability in design and 3D drawings using Autodesk software and tools. Today, this initiative has grown to present more students with opportunities to showcase their creativity and innovation skills at a global arena.

Over the years, the competition categories have also expanded to include students from all disciplines for undergraduates as well as postgraduates.

With each passing year, the number of participants have grown with opportunities for winning entries to represent Malaysia at international level competitions and events as well.

The theme for AMDC 2016 was "3D For Society: Dream. Design. Deliver." It called on participants to design solutions in either one of three categories: Architecture, Industrial Design or Creative Media Design on issues faced by society.

The competition was opened to all tertiary level students undertaking Degree or Master programs as well as diplomas and certificates. Prestariang sponsored prizes worth up to RM100,000.00 in the form of cash, tools and hardware as well as vouchers.

The winner of the Grand Prize Autodesk Panorama 2017 would earn a place at the boot camp for Asia Pacific Student Experts at Feng Chia University in Taichung, Taiwan.

The judging criteria of the competition is focused on three areas which include but are not limited to:

- Solutions to be presented in an IT-based format;
- Involves multi-disciplinary aspects which can be accepted globally; and
- To present business plans where the idea/product can be commercially viable.

## Our Sustainability Journey (continued)

### Promoting Green ICT

Prestariang subscribes to the concept of 'Green ICT' and its twin objectives of leveraging on ICT to conserve natural resources (Green by IT) and reducing the impact of ICT on the environment (Green of IT).

As we reinvent ourselves to leverage on our niche offerings in Technology & Talent for the ICT industry, we are aware of the need to create tangible solutions to decrease our footprint by utilising technology to adopt environmentally sound practices.

On a broad concept of sustainability innovation we encourage the following practices within the organisation and among our stakeholders:

- Promote the use of energy efficient chips and disk drives mainly to our personnel and customer base.
- Replacing personal computers with cloud computing in combination with mobile devices such as tablets and smart phones.
- Reducing the energy consumption of data centers by relocating data onto various cloud-services.
- Using renewable energy sources to power data centers.
- Incorporation of eco-friendly furniture and building materials made of recycled products.
- Energy efficient mechanical and electrical systems to achieve optimal efficiency.
- Making use of natural light, automated energy-efficient cooling system and other office equipment.

Internally among our employees and in the management of our workplace, we advocate several changes to the ways we use computers and manage our workplace environment to significantly decrease energy consumption. These include:

- Enabling power management features: Programming computers to automatically power down to energy saving state when not in use (sleep mode).
- Smart technology and mobile apps for controlling lighting and cooling systems in the office premise are on trial for eventual implementation. Turning off computers, lighting and cooling systems when not in use.
- Promoting and encouraging employee buy-in for green computing efforts.
- Promoting telecommuting and remote computer administration to reduce transportation emissions.
- Recycling bins are placed in the compound of our office premise as an alternative to conventional waste disposal. Employees and cleaners are encouraged to sort materials before disposing to help lower greenhouse gas emissions.

To raise awareness on the need to conserve energy and lower the environmental impact of business and ICT operations, we offer the SMARTGREEN Fundamentals training and certification program that introduces emerging Green IT principles. Candidates will be equipped with the necessary knowledge to assess, redesign and remodel their systems and practices. The key objective is to preserve the environment and natural resources, and minimise negative effects of human activities.

The global call on new legislation to encourage ICT vendors and users to be more energy efficient in the future will necessitate us to form a strong policy framework that will create long term value for carbon emission reductions and support the development of new technologies. By embracing Green IT practices, the transparency and accuracy of information collated will significantly improve in order to reduce our environmental impact.



*Promoting 3R to instill responsible consumer behavior among our employees to minimise waste for the benefit of the present and future generations.*

## OUR SUSTAINABLE COMMITMENT

Objective: To address the issue of energy and water use, and to effectively reduce our carbon footprint to achieve our aim of creating a lifelong learning environment

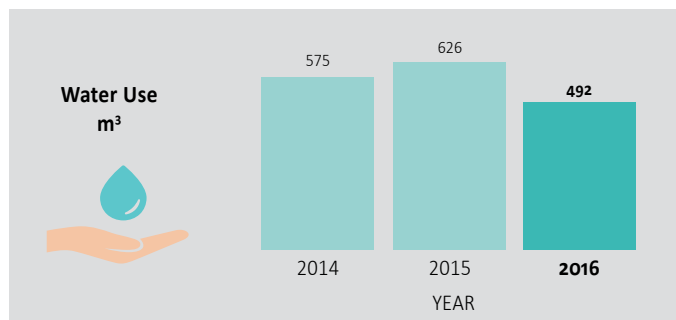
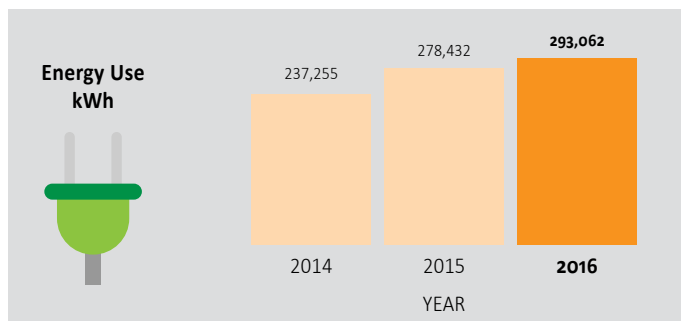


Our Sustainability Journey (continued)

**Energy Use**

Our consumption of power has been growing over the past three years as a result of business growth and the nature of our business. ICT operations consume more power than other activities, particularly in data management and server operations. With this in mind, we have introduced several in-house guidelines to promote energy efficiency in our use of computers and other equipment as outlined on page 44.

In 2016, our energy consumption amounted to 293,062 kWh (2015: 278,432 kWh), representing an increase of almost 5% over the previous year. The estimated energy consumption per employee decreased by 0.358% from 1,961 kWh registered in 2015 to 1,954 kWh for the reporting year. Correspondingly, a 1% decrease in energy consumption per sq. metre or 97.22 kWh was computed for 2016 as opposed to 98.82 kWh registered in 2015.



**Water Use**

We have made significant headway in our efforts to reduce water consumption. In 2016, our total water usage amounted to 492 m<sup>3</sup>, which was 21.4% less than 2015. The amount of water consumed was even lower than 2014 (575 m<sup>3</sup>) despite the increase in the number of employees and extension of work spaces.

We will continue to encourage the efficient use of water among our personnel while also discourage wasteful practices. Rainwater harvesting is another cost savings initiative which was introduced at our office premise. Collected water is used for non-potable purposes such as washing the corridors, grounds maintenance, irrigation drains and watering plants.

**Carbon Footprint**

To complement our efforts to reduce energy and water consumption, we have instilled several measures to further reduce our carbon footprint. A prime motivator to reduce carbon emissions is to save costs through energy-saving steps, reduce use of consumable products, rationalising office automation and champion the “Reduce, Reuse & Recycle” in our organisation.

Each department is allocated a specific budget for paper supply. Demerit points are dished out to any department that exceeds this budget and the department head is required to step up efforts to mitigate the wastage. Since 2014, our Annual Reports are mainly distributed in CD-ROM format with only nominal copies being printed.

Employees are encouraged to use digital touchscreen devices and tools during meetings. Sharing of information, emails, reports and other correspondences are shared electronically which can be reviewed on a laptop, tablet or smartphone. We also advocate the use of smartphone apps that capture the content of paper files and turn them into digital files, and secured e-signing tools to obliterate the requirement that printed documents must be physically signed. Video or voice conferencing are encouraged for meetings as this contributes towards reducing travel costs and time savings.

We aim to adopt standards such as Leadership in Energy and Environmental Design (LEED) to address key areas of sustainable development, water savings, energy efficiency, materials selection and indoor environmental quality.

We endeavour to continuously improve on our processes and adopt more effective ways to minimise our carbon footprint and help improve our quality of life.



## Our Sustainability Journey (continued)



### PRINCIPLE 2 STAKEHOLDER ENGAGEMENT & DISCLOSURES

We believe that success at a corporate or organisational level is only possible when there is a holistic ecosystem built around the aspirations of the Company and our people, clients and vendors, as well as all other stakeholders such as investors, the Government and the larger community that we serve.

Our ability to consistently deliver value even in trying times lies in the capacity to align the Group's focus to the wishes and concerns of its stakeholders. This requires the meticulous development and maintenance of communication channels between Prestariang and the various groups of interested stakeholders.

These platforms for engagement serve to disseminate vital and timely information while also promoting transparency. Any feedback is channeled to the appropriate departments within the Company for further action, where necessary.

We will continue to engage our stakeholders in order to ensure our operations and business offerings are aligned with our client's needs and expectations.

The feedback and input received from the engagement process are always evaluated and taken into consideration in the formulation of the Company's strategies.

#### Engaging the Marketplace

The Board is committed to ensure that information and communication to investors regarding corporate matters, and financial and operational performance of the Group are accurate, timely, factual, consistent, broadly-disseminated and where necessary, filed with regulators in accordance with applicable legal and regulatory requirements.

The Board has developed and adopted as part of its Investor Relations Policy guidelines on Stakeholder Engagement which stipulate the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders.

The Policy regulates the review and release of information to regulatory authorities, facilitating timely and accurate disclosure of the Company's affairs and includes internal and external corporate communications and investor relations activities.

Every quarter, the Investor Relations team (IR team) provides reports to the Board on shareholding details, investor relations activities, recommendation by analysts, comments from the investment community as well as commentaries on share price information and company valuation.



The Board also receives a report at each quarterly meeting on the shareholding structure, including any change to the holdings of substantial shareholders of the Company.

The timely release of financial results on a quarterly basis provides the investment community with an up-to-date view of the Group's performance and operations. An analysts' briefing is always held after the release of the quarterly financial results to Bursa Malaysia Securities Berhad (Bursa Malaysia).

Comprehensive presentation slides are prepared for each briefing session where updates on Prestariang's business activities and its overall growth plans are presented. These slides are shared with investors upon request via email while announcements and press releases are also made available to the public via the Group's website at [www.prestariang.com.my](http://www.prestariang.com.my) following the relevant disclosures made to Bursa Malaysia.

Throughout the financial year, the IR team engaged with existing and potential institutional investors, analysts, fund managers and the investment community through various platforms which included one-on-one meetings, group meetings and tele-conferences.

#### Announcement of Quarterly Results

EVENT	DATE
Fourth Quarter FY2015	25 February 2016
First Quarter FY2016	25 May 2016
Second Quarter FY2016	24 August 2016
Third Quarter FY2016	23 November 2016
Fourth Quarter FY2016	22 February 2017

## Our Sustainability Journey (continued)



## Investor Relations

The Board recognises the importance of an effective communication channel between the Company, its shareholders and the general public. Pertinent matters that may affect stakeholders include strategic developments, financial results and material business matters affecting the Company and Group.

The Company's IR team facilitates communication between the Company and the investment community. Senior Management of the Company actively engage with the investment community and the Board is periodically briefed on these interactions and the feedback from the investment community.

The IR team has an extensive program that involves the holding of regular meetings, conference calls and site visits, all intended to keep the investment community abreast of the Company's strategic developments and financial performance. In addition, investment road shows and conferences are held to engage with shareholders and potential investors across the globe.

The IR team also constantly engages the investment community on ESG matters.

Our commitment to good investor relations helps build and gain trust from investors. Consistent and thorough investor communications have proven beneficial to our Company's image perception. It has led to a number of important advantages which includes:

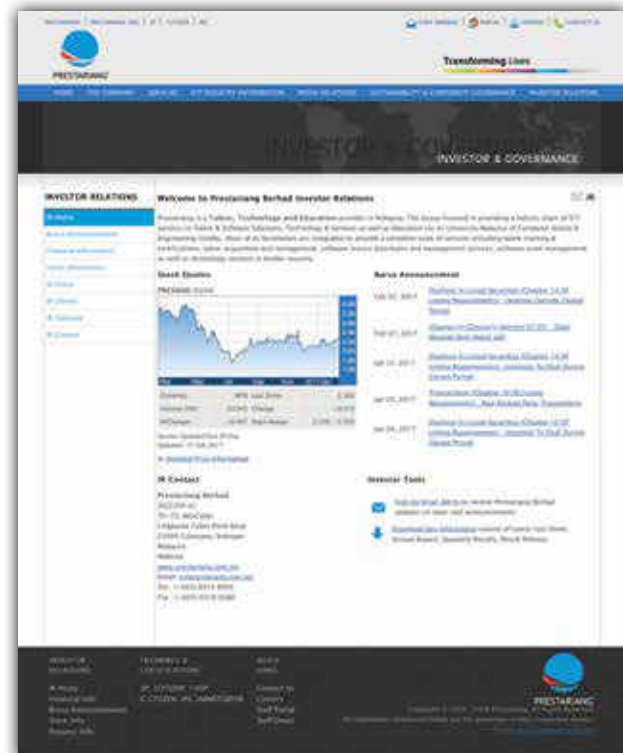
- Board of Directors' and executives' accountability;
- leveraging on shareholders' relationships for brand advocacy;
- securing new investors; and
- building our business infrastructure.

## IR Webpage

Technology is also utilised to increase the effectiveness and timeliness of information dissemination. The Company's website is a key communication channel for the Company to reach its shareholders, the investment community and the general public.

Up-to-date information on Group activities, financial results and major strategic developments are provided on the website. The website further outlines the Company's business principles, Code of Conduct/ Whistleblowing, Board Charter and various corporate governance initiatives.

The financial results, annual reports, announcements to Bursa Malaysia, corporate presentations, sustainability initiatives, press clippings and other information on the Company are available online at [www.prestariang.com.my](http://www.prestariang.com.my). Stakeholders may also submit enquiries via email at [ir@prestariang.com.my](mailto:ir@prestariang.com.my) which is available as a link within the Webpage.





## Our Sustainability Journey (continued)



### Annual General Meeting (AGM)

The AGM is an opportunity for further shareholder engagement and for the Chairman to explain the Company's performance and progress, and along with other members of the Board, to answer any questions. All Directors attend the AGM, unless unforeseen circumstances or pressing commitments prevent them from doing so.

The Company's AGM, scheduled in May this year, is the primary platform for communication with the widest range of shareholders.

Some of the measures to encourage greater shareholder attendance and participation include the following:

- Shareholders who are unable to attend are allowed to appoint a proxy/ies to attend and vote on their behalf. The proxy need not be a shareholder;

- The venue of the AGM is at an easily-accessible location;
- The Prestariang website ([www.prestariang.com.my](http://www.prestariang.com.my)) contains a number of references to and notices about the AGM;
- Members of the Board, Senior Management as well as the external auditors of the Company are present at the AGM to address any questions or concerns that shareholders may have; and
- The Board presents the highlights of the Group's performance at AGMs and shareholders queries are answered and their views obtained.

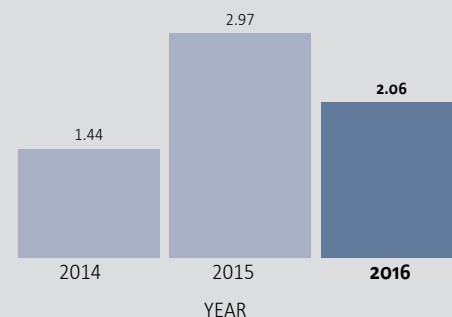
### Shareholder Base

Prestariang has a shareholder base of 2,229 institutional and retail/private shareholders as at 30 December 2016. Kumpulan Wang Persaraan (Diperbadankan) and AIA Berhad remained as our substantial shareholders with equity holdings of 11.8% and 9.6% respectively of our total share capital. Foreign shareholding stood at 6.08%.

### Share Performance

Our share price dipped in 2016. However, this was an anticipated decline due to the challenging market environment. The price opened at RM2.97 on 4 January 2016 and closed at RM2.06 on 30 December 2016, representing a decline of 30.64%.

 **Prestariang Share Closing Price**  
RM



**Note:**

During the Financial Year 2014, the issued and paid up share capital of the company was increased by way of:-

(a) a bonus issue of 220,000,000 new ordinary shares of RM0.10 each on the basis of one (1) bonus share for every one (1) existing share in issue; and

(b) a private placement of 44,000,000 new ordinary shares of RM0.10 each at an issue price of RM1.74 per ordinary share.

## Our Sustainability Journey (continued)

**Return to Shareholders**

The overriding goal and guiding principle for Prestariang is to ensure healthy returns to our shareholders year after year. We have consistently achieved this by adjusting and transforming our business strategies to suit prevailing market needs, trends and conditions. We have always remained steadfast in the belief that innovation holds the key to our future. To date, our business philosophy of embracing change as the way forward has paid dividends in increasing shareholders' value over time.

For the financial year ended 31 December 2016, the Board of Directors declared and issued four interim single-tier dividends of 0.75 sen per share, amounting to a total dividend of 3.00 sen per share.

Total dividend payout in 2016 was RM14.5 million constituting 161% of PAT. This augurs well for shareholders' confidence as we push forward to ensure sustainable growth and returns in our businesses portfolios.

**Dividend Policy**

The Board acknowledges the importance of rewarding shareholders with stable dividend growth over time.

In line with the Board's intention to create value for shareholders through a committed dividend policy, the Board of Directors has resolved and approved in February 2016 that distribution of dividends of minimum 50% of PAT.

However, such recommendation and payments of dividends will depend upon a number of factors, as follows:-

- a) Availability of adequate distributable reserves and cash flows;
- b) Operating cash flow requirement and financial commitments;
- c) Anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans; and
- d) Any material impact of tax laws and other regulatory requirements.

Actual dividends proposed and declared may vary depending on financial performance and cash flow, and may be waived if the payment of dividends would adversely affect the cash flows and operations of the Group.

We reiterate our dividend commitment through the dividend payment table below.

**Dividend Payout**

	2013	2014	2015	2016
Total gross dividend per share (sen)	12.0	4.19	3.75	<b>3.00</b>
Share price (RM)	2.88	1.44	2.97	<b>2.06</b>
Dividend (RM Million)	26.3	19.7	18.1	<b>14.5</b>
No. of shares	220,000,000	484,000,000	484,000,000	<b>484,000,000</b>

**Notes:**

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## Our Sustainability Journey (continued)



### PRINCIPLE 3

#### COMMITMENT TO CORPORATE RESPONSIBILITIES

#### Encouraging & Empowering Our Communities

Prestariang understands that a corporate citizen is more than just a business, as it is also a pillar of the communities in which we operate in. With this in mind, we always align our business and other activities to serve the interests of our stakeholders.

We have and will continue to introduce programs aimed at building better lives, especially in the area of enhancing education opportunities. We are particularly committed to helping underprivileged children. At Prestariang, we view CR as an integral part of our overall strategies to fundamentally strengthen our business while contributing to society at the same time. In view of the rising trend and being a socially conscious organisation, we are embedding CR into our operations and using it to attract and retain talents. Over the years, we have continued to refine our approach to CR.

As a Shariah-Compliant counter, Prestariang ensures that 2.5% of annual profits go towards charitable causes such as orphanages and other homes for the aged, infirmed, underserved and underprivileged.



“Enabling  
the Power of  
Wisdom”



#### CEO@Faculty Program, Universiti Sultan Zainal Abidin (UniSZA), Terengganu

In 2015, Dr. Abu Hasan Bin Ismail (Dr. Abu Hasan) was inducted into the CEO Faculty Program by the MoHE. Dr. Abu has been assigned to his host, Universiti Sultan Zainal Abidin, Terengganu since 2015, where he will continue to dedicate his time on campus for various activities including public lectures, forums, seminars, knowledge sharing and more.

This initiative enables the CEO to share his knowledge and experience with the students and faculty members with the aim of improving the curriculum by embracing ICT in the teaching and learning processes.



## Our Sustainability Journey (continued)



### School Adoption Program

With the support from our Board of Directors, Prestariang took another step forward in its CR initiatives with the School Adoption Program. Sekolah Kebangsaan Sungai Manggis in Banting, Selangor was identified as the beneficiary of this program in tandem with our corporate vision and mission. The objective of this program is to build a sustainable foundation and develop future talents for the global market.

Through planned activities, we will establish the concept of a lifelong learning environment with the aim of developing talent through technology for students of this school. This will provide greater opportunities for the youth within the community. The school adoption program enables us to identify and address any inequalities and inadequacies at this rural school in order to ensure positive learning experiences.

On 5 May 2016, Prestariang inaugurated its first School Adoption program by donating 21 units of computers to the school. Located in Banting, Selangor, the school was established in 1903 with a student population of 438 and a teaching complement of 36.

The donated computers were installed with the latest Microsoft Office Professional Plus 2016 software. Along with the handover of computers, Prestariang also helped to enhance the network infrastructure of the existing computer lab for SK Sungai Manggis.

We also conducted the IC Citizen Training and Certification program for 39 teachers at this school. The program was held from 30 May to 2 June 2016, during which 34 teachers passed and received the certification.

## Our Sustainability Journey (continued)

### Universiti Teknologi MARA (UiTM) - Art & Design CEO Talk Series

On 20 July 2016, the Art & Design CEO Talk Series which is jointly organised by the National Design Centre, CESTUR, UiTM Print and UiTM Photo Centre featured Dr. Abu Hasan as the event's first invited guest speaker.

The CEO was invited to share knowledge on Prestariang's strategic partnership with global IT players including Microsoft, IBM, Oracle and Adobe as well as global education institutions such as the University of Melbourne Australia-School of Engineering and the Imperial College of London.

His presentation entitled "Keeping Up with the Digital Natives, Educators must Act Now!" clearly showcased Dr. Abu Hasan's pioneering work to bridge the gap between academia and industry.



### Teach for Malaysia, SMK Bandar Seri Alam, Johor

Teach for Malaysia is an independent, not-for-profit organisation that enlists Malaysia's most promising future leaders in its mission to end education inequality. As part of the program to work with leaders in various fields in expanding the mindsets of children in Malaysia, Dr. Abu Hasan was invited to co-teach a class of secondary school students in September 2016.

## Our Sustainability Journey (continued)

**Yayasan Universiti Malaysia**

Prestariang supports the Yayasan Universiti Malaysia with the aim of providing students from the lower income group with opportunities to further their studies in Information Technology (IT) and related fields.

The Foundation identifies and supports deserving students to continue their studies in a broad range of IT subjects. Selected students will have the opportunity to undergo either pre-university, undergraduate or post-graduate studies, which will essentially pave the way for them to build careers in the industry. During the year under review, Prestariang contributed RM700,000.00 to the Foundation.



## “Building Better Lives”

**Transforming Lives****Building Homes for Orang Asli in Teratak Semai Kg Batu Tapah**

The Group CEO, Dr. Abu Hasan decided that part of his contribution to “Transforming Lives” in 2016 should also include those of a basic living need. He participated in a project initiated by University Putra Malaysia’s final year students in 2015, known as ‘Projek Skim Perumahan Teratak Semai’ to build houses for an Orang Asli settlement in Perak. Four houses have been built since its launch in January 2015, with each house costing RM6,000.00. During the year under review, Prestariang sponsored the construction of five houses.



## Our Sustainability Journey (continued)



As a knowledge-based organisation, we continuously invest in people and ideas. Our people are equipped with various qualifications and skills to ensure the smooth operations and continuous growth of Prestariang. We have a team of professionals in the following areas of specialty:

- Autodesk AutoCAD 2010 Associates and Professionals
- Autodesk Revit Architecture 2010 Associates and Professionals
- Certified Training Professionals (CTP)
- MCAD, CISCO and CompTIA certified engineers and specialists
- Microsoft Certified Professionals – Licensing Solutions
- Microsoft Certified Technology Specialists
- Project Management Professionals (PMP)
- University Professors and Lecturers  
(PhD and Masters Degree holders)
- Graphic, Web & Multimedia Designers
- Professional Certified Accountants (MICPA, CA)



## Our Sustainability Journey (continued)



#### PRINCIPLE 4 ENGAGING WORKPLACE

Prestariang is committed to providing our employees with a stable and innovative work environment where there is equal opportunity for learning and personal growth. In efforts to continuously strengthen and build our business it is imperative that we maximise the value of human capital to align it with company initiatives, values, strategies and the needs of all stakeholders via the following principles:

- Properly balancing the needs of the employees and the needs of the company;
- Ensuring a diverse workforce in a safe and discrimination/harassment free environment by: maintaining compliance with employment laws and Government regulations, providing management and employee training, and developing policies and procedures;
- Providing training and development in areas of: effective leadership and career development of employees, technical and soft skills learning;
- Hiring the most qualified employees; getting the right talents with the right job fit and skills; and
- Retaining our valued employees by: assuring effective leadership qualities in our managers; providing competitive wages and benefits; furnishing technical, interpersonal and career development training and coaching; conducting exit interviews and supplying relevant feedback to management; and enhancing two-way communication between employees and management.

As a Company that believes in learning and development as part of human capital development, we continuously educate and upgrade our employees' knowledge so that we are able to:

- Keep up with the latest technology and changes;
- Maintain knowledge and skills;
- Improve work; and
- Increase productivity.

The Human Capital Development Department will act as a catalyst to enable all employees to contribute at optimum levels toward the success of the business and leading by example.

#### Employee Training & Development

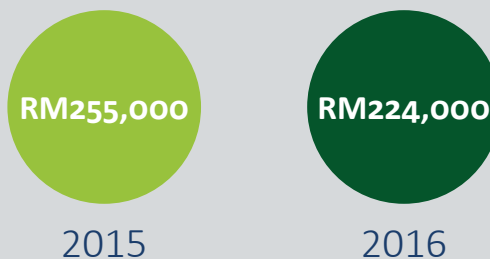
Through the years, Prestariang's emphasis on developing its human capital through identified training programs have positively impacted the business performance as seen in its bottom line and increased employee morale.

For 2016, we focused on upgrading our human capital technical skills to meet the Company's operations and business requirements. An estimated 60% of the training allocation was spent on technical training to enhance and upgrade employees' skills as well as increasing their knowledge to face new challenges in their areas of work. Another 40% was spent on leadership, systems and Soft Skills Training to ensure our human capital are equipped with the right behavioural skills and perform ethically at all times.

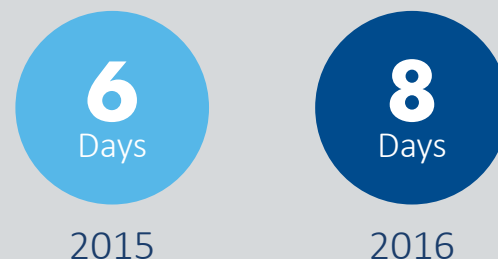
The total cost spent on training for the whole group in 2016 was RM224,000.00 with an average of 8 man days training per year. It is pertinent to note that while the average man days training increased for the year in review as opposed to the corresponding year, the overall training cost was reduced. The savings of over RM30,000.00 was attributed to conducting more in-house trainings and discounted rates offered by the respective training companies for early registrations and increased number of participants.

Comparatively, against 2015 cost are as follows:

#### Overall Training Cost



#### Average Man Days Training





## Our Sustainability Journey (continued)

The following are the major key trainings/courses summary for the Company:

TECHNICAL	NON-TECHNICAL
<ul style="list-style-type: none"> <li>• CISCO Security Firewall</li> <li>• Microsoft Azure</li> <li>• Digital Transformation on Clouds</li> <li>• Microsoft Office 365</li> <li>• Hybrid Mobile Applications</li> <li>• Change Management Foundation</li> <li>• APAC Sales &amp; Licensing</li> <li>• Big Data Analytic Workshop</li> <li>• Apple IOS Deployment &amp; Security</li> <li>• Microsoft Specialist with Microsoft Project</li> <li>• ATP Flex Network Solutions</li> <li>• Cloud Security &amp; Management</li> <li>• Everyone Can Code</li> </ul>	<ul style="list-style-type: none"> <li>• Report Writing on Telling story behind the numbers</li> <li>• Creating Business Development &amp; Sales Environment</li> <li>• Essential Strategic Management Skills</li> <li>• ISO - Quality Awareness</li> <li>• Automated Filing, Records and Documentation</li> <li>• Customer Service Centricity</li> <li>• Successful Negotiation</li> <li>• Leadership in New Digital Era</li> <li>• The Sales Culture</li> <li>• Thinking Outside the Box</li> <li>• Leadership &amp; People Management Skills</li> <li>• Work Innovation Approach</li> </ul>

The Company contributes 1% of total salary into the Human Resource Development Fund (HRDF) for claimable training and also allocates between RM2,000.00 and RM3,000.00 per employee for external learning and development annually.

In 2016, our employees recorded an average of 8 man days for in-house training programs, a 33% increase from 6 days in 2015.

### Internship Program

Prestariang offers industrial training for undergraduates which ranges from a period of three to six months. Although priority is given to students with ICT background, final year students of any discipline who apply are assessed and streamed into the respective departments within the Group based on their education and co-curricular backgrounds.

Equal opportunity employment opportunities are also offered to underprivileged individuals from deprived backgrounds while placement programs are also offered to unemployed youths as stated in our Internship Policy.

The Internship Policy and opportunities are available on Prestariang's website at [www.prestariang.com.my](http://www.prestariang.com.my).

Interns are paid a monthly allowance throughout the duration of the program. Degree students receive RM1,000.00 per month while Diploma students receive RM800.00 per month. Assigned supervisors carefully monitor and interact directly with the interns for on-the-job training based on each individual's discipline of study. This allows interns to integrate practical experiences with theoretical classroom knowledge.

Internships allow our experienced professionals the ability to share their skills and cultivate the next generation of leaders in their field. It further encourages them to be better prepared for a career in a certain field, determine their career path, build strong resumes, develop a network of professional contacts for future opportunities and references, and close the gaps in the workplace.

During 2016, 17 Degree students and four Diploma students of various disciplines enrolled in our Internship Program.

Interns are basically trained with the objective of offering them permanent employment with the Company. Interns are given a certificate of completion upon completing their internship.

### Workforce Diversity

We recognise that our employees are our greatest asset. We aim to retain people with diverse backgrounds, religions, race, gender and age.

We believe in equality of race and gender diversity in the organisation. The Company is committed to foster gender diversity across the workplace and in the Boardroom.

We also subscribe to employing skilled disabled people. As at current, Prestariang has two disabled employees in its employment and will continue to support qualified disabled people.

In terms of gender diversity our workforce ratio to gender diversity of male to female is 49:51.

Detailed employment policies are uploaded on the internal employee portal and is accessible by all employees.



Our Sustainability Journey (continued)

**150**

142  
in FY2015

total workforce  
of PRESTARIANG



**34%**

35%  
in FY2015

of total workforce  
are permanent staff

**11.3%**

turnover rate

9.5%  
in FY2015



**51%**

of total workforce  
are women

53%  
in FY2015



our workforce by classification

**39%**

Management

44%  
in FY2015

**56%**

Executive

52%  
in FY2015

**5%**

Non-Executive

4%  
in FY2015

**27%**

of total workforce  
are with technical skills

33%  
in FY2015



our workforce by qualification



**19%**

PhD & Masters

18%  
in FY2015

**59%**

Degree

63%  
in FY2015

**74%**

of total  
workforce  
are below  
40 years old



## Our Sustainability Journey (continued)



**24 January 2016**

In promoting a healthy lifestyle, Prestariang employees participated in the Cyberjaya Twincity Marathon 2016.



**23 March 2016**

Prestariang Wellness Week: LETS ZUMBA!



**24 March 2016**

The Prestariang Wellness Week featured a host of activities which included Apple Day, Zumba@Prestariang and Blood Donation.



**11 March 2016**

AKPK conducted a talk and counselling session on financial management.



**22 April 2016**

Prestariang organised a Badminton Tournament where employees competed in singles and doubles competitions.



**12 May 2016 & 21 June 2016**

Mr. Rubent from Pertubuhan Pencegahan Kebakaran Kuala Lumpur demonstrated various safety measures in the workplace which included methods of using the fire extinguisher.

# Our People Our Strength | 2016



**17 June 2016**

A talk was organised to highlight the Importance about Ibadah Zakat which form part of the five pillars of Islam.



**June 2016**

A Ramadhan Charity Drive was arranged among employees to contribute food items and necessities to the less fortunate during the entire fasting month.



**8 September 2016**

Prestariang employees participated in the Bursa Bull Charge Run 2016 running event.



**10 September 2016**

An Usrah on religious values and spirituality was conducted to share knowledge with Prestariang employees.



**4 October 2016**

A conference on The Sales & Service Culture Code was held at UniMy, Cyberjaya.



**27 September 2016**

Employees indulged in the fun-filled Let's Roll Over Bowling Return tournament. The event was held at IOI City Mall in Puchong.

Our Sustainability Journey (continued)



**PRINCIPLE 5  
GOVERNANCE**

**Strengthening our Integrated Management Systems**

Sustainable governance processes are integral to sustainable operations. As such, we adopt best practices that integrate sustainable practices throughout our business supply chains. This enhances transparency within the Group and strengthens ethical processes to ensure business continuity.

During the year, Prestariang established a quality control system to ensure that high quality services and timely delivery are provided to our customers. The delivery of Microsoft Business Solutions by Prestariang Systems Sdn. Bhd. was awarded ISO 9001:2015 certification by SIRIM QAS International Sdn. Bhd. on 26 August 2016.

The certification covers the distribution and management of Microsoft MLA 2.0 (Master Licensing Agreement) Enterprise Agreement (EA) software licenses to Government and Government Agencies.

**Benchmarked Best Practices**

Prestariang is committed to the highest standards of ethical business practices. We adhere and comply with the relevant legislations, regulations and codes of practice. Our culture of integrity strengthens our position as a trusted partner, employer of choice and preferred company for investors.

As a company with global partners, we regularly benchmark against our business partners’ best practices, which are then adopted across our entire business chain.

We conform to ethical standards by conducting all activities at the highest level of integrity and compliance while ensuring business continuity. This collaboration has built the foundation for successful business undertakings through responsible and lawful conduct.



**QUALITY POLICY**

“Prestariang is committed to satisfying the needs and exceeding the expectations of our customers and stakeholders and comply with the statutory and regulatory requirements in the distribution and management of software licenses.

We are also committed to continually improve the effectiveness of our Quality Management System”

**Commitment to Occupational Safety & Health**

Our emphasis on Safety, Health & Environment (SHE) are cascaded to our employees via a vigorous safety and health management program.

The implementation of the Health, Safety & Environment (HSE) Policy has created an ideal workplace where safety and health risks as well as environmental concerns are identified, assessed and controlled or minimised if not eliminated.

Throughout 2016, various SHE programs and initiatives were implemented which included documentation of safe work procedures, briefings and trainings, emergency preparedness and response, wellness activities, management of contractors and incident reporting and investigation.

SHE meetings, Workplace Inspections and SHE Audits are conducted and reports are generated to monitor and evaluate the effectiveness of our programs.

Opportunities for improvement are discussed and where applicable, implemented to minimise the safety and health risks and environmental impact. The HSE Policy is available on the Company’s website at **www.prestariang.com.my**.

## Our Sustainability Journey (continued)



### Embracing Globally Recognised Corporate Responsibility Standards

In December 2014, Financial Times Stock Exchange (FTSE) and Bursa Malaysia launched the FTSE4Good Bursa Malaysia Index, an ESG index for the Malaysian market. The FTSE4Good Bursa Malaysia Index is designed to measure the performance of companies demonstrating good ESG practices.

In October 2015, Bursa Malaysia launched a new Sustainability Framework to enhance corporate transparency on environmental, social and corporate governance-related issues among companies in Malaysia. As such, the constituents of the FTSE4Good Bursa Malaysia Index increased currently to 42 from 24 since the index was first launched in 2014.

Prestariang is among the 42 companies which demonstrated a leading approach within the Malaysian market to address relevant corporate responsibility risks in the FTSE4Good Bursa Malaysia Index which was updated on 6 December 2016.

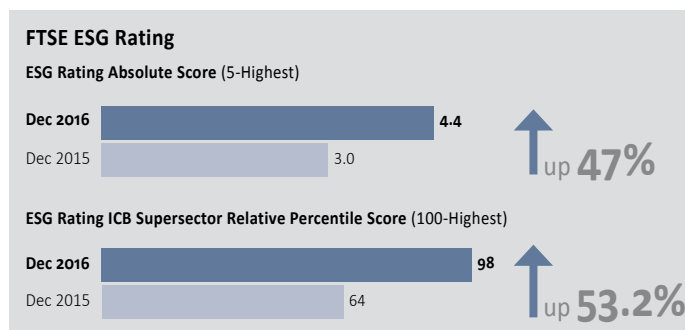
Prestariang is also a constituent of:

- FTSE Bursa Malaysia Emas Shariah Index
- FTSE Bursa Malaysia Small Cap Shariah Index

Since incorporating the expanded sustainability reporting into our annual report two years ago, we have formed various processes to address materiality and stakeholder inclusiveness for the four CSR pillars of marketplace, workplace, community and environment.

We markedly improved our ratings in 2016 where we achieved an Absolute Score of 4.4 (2015: 3.0), just short of 12% from achieving the highest score of 5. The ICB Supersector Relative Percentile Score was 98 (2015: 64). Breakdowns into underlying Pillar and Thematic Exposures and Scores are applied to each company's unique circumstances and results are tabulated to achieve the overall score.

This commendable performance is due to our effective internal engagement with our employees to successively increase their knowledge level, attitude and behaviours.



### Business Process Management

With each passing year, the business environment and laws in the country evolve in order to establish higher standards of competency for corporate accountability.

The Code of Ethics adopted by the Group is based on principles in relation to sincerity, integrity, responsibility and corporate social responsibility. We strictly adhere to the guidelines as outlined in the code to enhance the standard of corporate governance and corporate behaviour throughout our business chain. This extends to our activities and operations to meet our social responsibilities and environmental preservation obligations.

The Code of Conduct, Whistleblowing Policy and Personal Data Protection Policy are available on Prestariang's website.

The awareness on the risk management and internal control disclosure among Malaysian public-listed firms increases each year to ensure accurate and timely disclosure of material information to investors. Risk management and internal control are integrated into management processes and embedded in all day to day business activities of the Group.

The Management Team is expected to provide assurance to the Board of Directors that the Group's risk management and internal control systems are operating adequately and effectively based on the risk management framework adopted by the Group.

Prestariang has outsourced the Company's internal audit function and reporting to KPMG Management & Risk Consulting Sdn. Bhd. (KPMG MRC). KPMG MRC reports independently and directly to the Audit Committee in respect of the internal audit function.

### Developing Vendor Competence

We have established the Strategic Partnership Program to continuously assess and monitor vendors' performance in meeting the Company's quality and standards criteria. This includes the appointment of strategic vendors, assessing vendors' systems, operations and deliverables of goods and services which are supplied.

Through this program, we can better evaluate the supply chain quality and management systems, procedures and compliance and accuracy of documentation.

To maintain a robust working relationship, we encourage our vendors to develop new capabilities to improve their core competencies via regular communication with them for a two-way improvement between both parties. The benefits of developing strong capabilities within our program will result in:

- better control of time, cost, quality for any given project or program;
- better identifying opportunities for cost savings;
- implementing operational improvements; and
- more effective and efficient review of deliverables and/or service levels.