

## Annual Report Vocabulary Checklist by **READ.com.my**

### **Core Annual Report Sections**

- Letter to Shareholders / Chairman's Statement** – leadership overview
- Company Overview** – what the company does
- Management Discussion & Analysis (MD&A)** – explanation of performance
- Corporate Governance Statement** – how the board oversees the company
- Risk Factors** – key business risks and uncertainties
- Outlook / Forward-Looking Statements** – future expectations
- Auditor's Report** – independent audit opinion
- Financial Statements** – audited financial numbers
- Notes to the Financial Statements** – detailed explanations and policies

### **Financial Performance Terms**

- Revenue** – money earned from business activities
- Cost of Sales** – direct costs of producing goods or services
- Gross Profit** – revenue minus cost of sales
- Operating Expenses** – day-to-day business costs
- Net Profit / Net Loss** – final profit or loss for the year
- Earnings** – profit generated by the company
- Margin** – profit expressed as a percentage

### **Balance Sheet Vocabulary**

- Assets** – what the company owns
- Liabilities** – what the company owes
- Equity** – owners' interest in the company
- Current Assets** – assets expected to be used within one year
- Non-Current Assets** – long-term assets
- Current Liabilities** – obligations due within one year

### **Cash Flow Language**

- Operating Activities** – cash from core business operations
- Investing Activities** – cash from buying or selling assets
- Financing Activities** – cash from loans, shares, or dividends
- Cash Position** – amount of cash available

### **Risk & Compliance Terms**

- Risk Factors** – potential threats to the business
- Compliance** – following laws and regulations
- Regulatory Requirements** – legal and reporting obligations
- Material Impact** – a significant effect on results
- Mitigation** – actions taken to reduce risk

### **Common Formal Phrases (Meaning-Focused)**

- “For the financial year ended...”** – reporting period
- “The group recorded...”** – performance summary
- “Subject to market conditions...”** – uncertainty disclaimer
- “Management believes that...”** – management’s view
- “There can be no assurance...”** – no guarantee statement