

NACRA 2008

National Annual Corporate Report Awards

TOWARDS ACCOUNTABILITY & EXCELLENCE

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CONTENTS

<i>Foreword</i>	<i>1</i>
<i>The Organisers</i>	<i>2</i>
<i>NACRA Objectives</i>	<i>3</i>
<i>NACRA History</i>	<i>4</i>
<i>Awards</i>	<i>5</i>
<i>Entry Requirements & Enquiries</i>	<i>7</i>
<i>Adjudication Process</i>	<i>8</i>
<i>NACRA Criteria</i>	<i>10</i>
<i>NACRA 2008 Organising Committee</i>	<i>15</i>
<i>NACRA 2008 Adjudication Committee</i>	<i>15</i>
<i>Entry Form</i>	<i>16</i>



Foreword

The National Annual Corporate Report Awards (NACRA) is Malaysia's most esteemed award in recognition of excellence in annual corporate reporting. Organised annually with the joint commitment of the four organising bodies - Bursa Malaysia Berhad, Malaysian Institute of Accountants (MIA), Malaysian Institute of Management (MIM) and The Malaysian Institute of Certified Public Accountants (MICPA), NACRA has become the benchmark for excellence in corporate reporting.

NACRA is aimed at promoting greater and more effective communication of financial and business information through the publication of timely, informative, factual and reader-friendly annual reports.

In a competitive capital market, annual reports that provide reliable, adequate and relevant information emphasize the organisation's commitment to promote transparency and corporate accountability. Additionally, they provide a valuable source of information to shareholders and investors on a company's operations and its future prospects.

Over the years, the level of competition displayed by organisations vying for the awards has been most encouraging. The stringent criteria set by the Adjudication Committee for selecting winners has further underlined the prestige and recognition of good corporate governance associated with being a recipient of NACRA.

Though the criteria for NACRA have been enhanced this year, the objectives remain the same, that is, to recognise and highlight the importance of good financial reporting and therefore the Committee of NACRA 2008 has identified a new theme for NACRA - *"Towards Accountability and Excellence"*.

All companies listed on Bursa Malaysia automatically qualify for the NACRA competition but are subject to a preliminary screening process, whilst non-listed companies and other organisations are required to submit an entry to participate in NACRA 2008, which incidentally is free of charge.

We hope that NACRA will continue to see the involvement of more Malaysian company annual reports of international standards. This will be a critical step towards promoting Malaysia as the hub for foreign financial investment.

We look forward to a successful NACRA 2008!

DR WILSON TAY
Chairman
NACRA 2008 Organising Committee

The Organisers



Bursa Malaysia Berhad



Malaysian Institute of Accountants



Malaysian Institute of Management



The Malaysian Institute of Certified Public Accountants

NACRA Objectives

*

To promote greater and more effective communication by organisations through the publication of timely, informative, factual and reader-friendly annual reports.

*

To recognise and encourage excellence in the presentation of financial and business information.

*

To create public awareness of the objectives of enterprises, their operations and their financial performance.

*

To promote higher standards of corporate governance.

*

NACRA History

NACRA's role in promoting excellence in annual corporate reporting has a long history in Malaysia. It started in 1985 with the launch of the Malaysian Corporate Report Awards (MACRA) which was jointly organised by The Malaysian Association of Certified Public Accountants (MACPA), and the Malaysian Institute of Management (MIM). In 1988, Malaysian Institute of Accountants (MIA) and the Kuala Lumpur Stock Exchange (KLSE) collaborated to organise the National Annual Report Awards (NARA). In recognition that the two awards shared common objectives, 1990 saw the unification of the awards to become the **National Annual Corporate Report Awards (NACRA)** which was jointly sponsored by KLSE, MIA, MIM and MACPA.

Today, NACRA is the collaborative effort of Bursa Malaysia Berhad, Malaysian Institute of Accountants, Malaysian Institute of Management and The Malaysian Institute of Certified Public Accountants (MICPA).

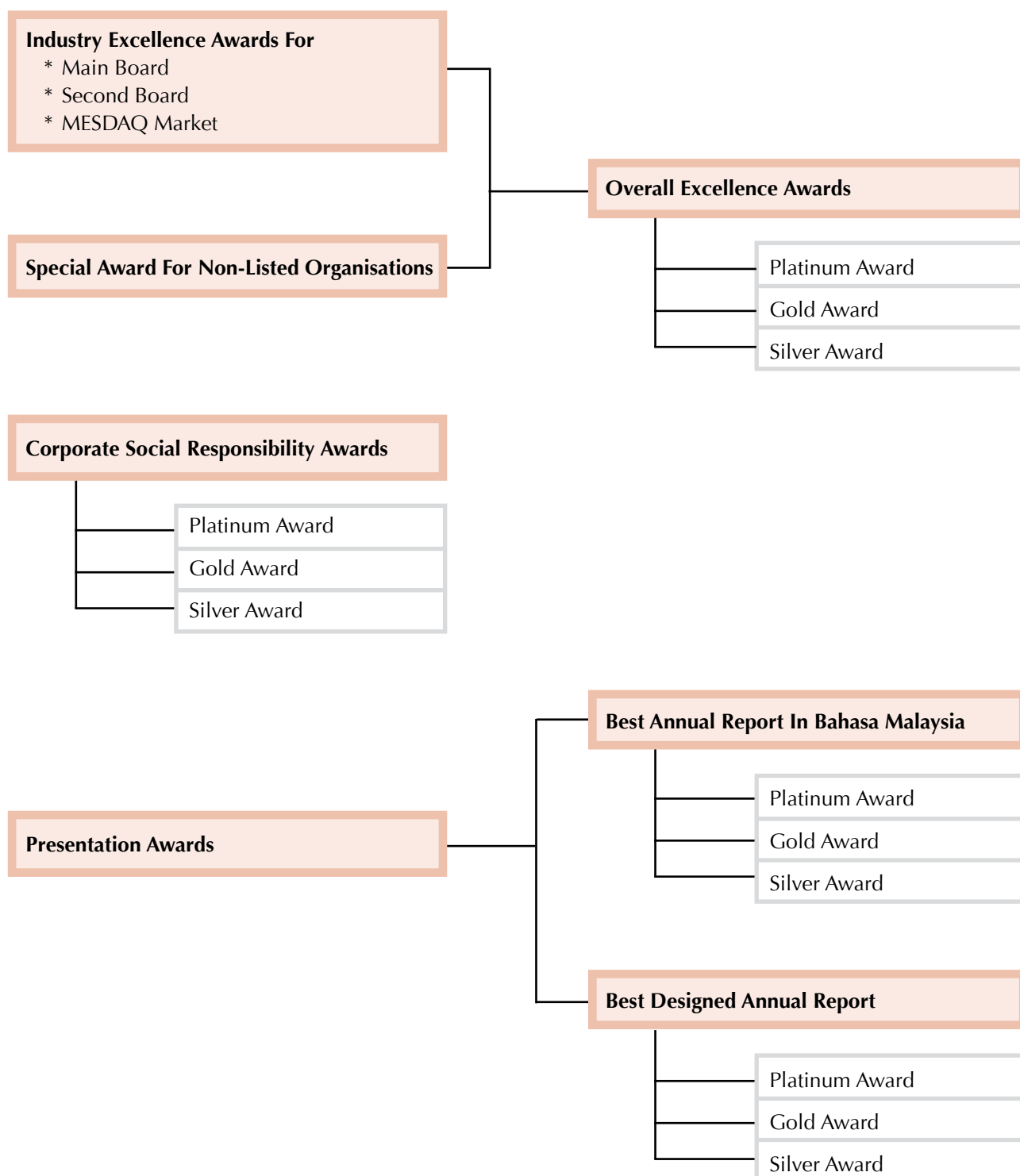
NACRA not only gives public recognition of excellence in corporate reporting to companies listed on Bursa Malaysia but also non-listed corporations and other organisations. Apart from that, the use of attractive graphic designs and the use of Bahasa Malaysia in corporate reports are encouraged through the Presentation Awards. As the business world increasingly strives to achieve a social balance, the importance of corporate social and environmental reporting is not left out with the launch of the Environmental Reporting Award in 2000 and later renamed as the Corporate Social Responsibility Award in 2008.

Despite the changes in name and organisers, the objective of NACRA has remained the same to this very day, i.e. to promote excellence in annual corporate reporting.



Awards

The National Annual Corporate Report Awards (NACRA) comprises five categories of awards, namely the Overall Excellence Awards, Industry Excellence Awards for Listed Companies, Presentation Awards, Corporate Social Responsibility Awards and the Special Award for Non-Listed Organisations.



Overall Excellence Awards

The top award for the most outstanding Annual Report of the year is the Platinum Overall Excellence Award. This Award will be presented to the organisation which displays the highest standard of reporting in its annual report.

Industry Excellence Awards

These awards will be presented to organisations, in their respective industry sectors, which have achieved excellence in annual reporting. There will be a total of fourteen Industry Excellence Awards presented in the following categories:

Main Board	Second Board	MESDAQ Market
Consumer Products	Consumer Products	
Industrial Products & Technology	Industrial Products & Technology	
Trading & Services	Trading & Services	
Finance	Construction	
Construction & Infrastructure Project Companies	Plantations	
Properties, Hotels & Trusts	Properties	
Plantations & Mining		

Presentation Awards

There are two Awards in this category, namely:-

- Best Annual Report in Bahasa Malaysia
- Best Designed Annual Report

Corporate Social Responsibility Awards

The Awards will be presented to organisations in recognition of their commitment and efforts to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of diverse stakeholders through transparent practices based on ethical values and respect for employees, communities and the environment.

Special Award for Non-Listed Organisations

To encourage the continual improvement of annual reports of non-listed organisations as well as public sector and other Malaysian organisations, a special award, "Best Annual Report of Non-Listed Organisations", will be presented to an organisation in this category which has achieved overall excellence in annual reporting.

Entry Requirements

NACRA is open to all companies incorporated or registered in Malaysia as well as public sector and other organisations established in Malaysia. The annual reports eligible for entry to NACRA 2008 are those with financial years ended in 2007.

Listed Companies

All companies listed on Bursa Malaysia automatically qualify for preliminary screening before being qualified for detailed adjudication.

Non-Listed Companies and Other Organisations

Non-listed companies, public sector and other Malaysian organisations that wish to participate in NACRA are required to complete an entry form, to be submitted together with 35 copies of the published annual report to the NACRA Adjudication Committee by **Thursday, July 31, 2008**.

Enquiries

For more information about NACRA 2008, please contact the NACRA Secretariat at the following address:-

The Secretary
Address : **NACRA 2008 Organising Committee**
c/o Malaysian Institute of Management (MIM)
Management House, 227 Jalan Ampang
50450 Kuala Lumpur
Malaysia

Tel : 03-2164 5255

Fax : 03-2164 3171

Website : www.mim.org.my

Email : nacra2008@mim.org.my

Adjudication Process

The adjudication process comes under the supervision and direction of an Adjudication Committee, which comprises six members. The decision of the Adjudication Committee, with regard to the NACRA results, shall be final and binding.

Assessment of annual reports will be carried out by a panel of more than seventy adjudicators drawn from commerce and industry, public accounting, securities, advertising and communication firms and academic institutions.

Preliminary Screening

Public Listed Companies

Annual reports of public-listed companies with financial years ended in 2007 will automatically qualify for the competition and will undergo a preliminary screening process. Only those reports which meet the preliminary screening criteria will be selected for detailed adjudication.

The Criteria for preliminary screening are as follows:

1. Promptness of publication i.e. published annual report received by Bursa Malaysia Securities Berhad (Bursa Malaysia) within 6 months after year-end.
2. Auditors' report is not modified, other than due to the true and fair over-ride as permitted under section 166A(4) of the Companies Act, 1965.
3. Compliance with all applicable approved Accounting Standards other than due to the true and fair over-ride as permitted under section 166A(4) of the Companies Act, 1965.
4. No public sanction by Bursa Malaysia or Securities Commission on the company's affairs.
5. Companies should not be under a scheme pursuant to section 176 of the Companies Act, 1965 or under Bursa Malaysia Practice Note 4 (PN 4) / Practice Note 10 (PN 10) / Practice Note 17 (PN17).
6. Availability of fully-translated Bahasa Malaysia annual report.
7. Information on shareholders' statistics [Listing Requirements of Bursa Malaysia App 9C, Part A, (23)]
 - substantial shareholders
 - direct and deemed interests of each director (in number and in percentage) in the company or related corporation
 - number of holders, by class and voting rights attached
 - distribution of shareholding in number and in percentage
 - names of 30 largest holders of each class of securities and the number and percentage of securities held of each class
8. Particulars of properties [Listing Requirements of Bursa Malaysia App 9C, Part A, (25)].
9. Particulars of directors, CEO (if not a director), name of company secretary, registered address and registrar's address [Listing Requirements of Bursa Malaysia App 9C, Part A, (1 to 5)].

10. Information on Audit Committee [Listing Requirements of Bursa Malaysia paragraph 15.16 and App 9C, Part A, (6)].
 - The composition of the audit committee, including the name, designation (indicating the Chairman) & directorship of the members
 - Terms of reference
 - Summary of the activities of the audit committee in the discharge of its functions and duties for the financial year
11. Directors' Statement on Internal Control. [Listing Requirements of Bursa Malaysia paragraph 15.27(b) and App 9C, Part A, (10)].
12. Directors' Statement on Corporate Governance. [Listing Requirements of Bursa Malaysia paragraph 15.26 and App 9C, Part A, (8)].
13. Annual report contains no addendum. Annual Reports containing any addendum would be set aside for determination by the Chairman of the Adjudication Committee as to whether they qualify for detailed adjudication.

Detailed Adjudication

The detailed adjudication will be carried out in two stages:

First Stage: The annual reports will be scrutinised and marked within industry groups. Each industry category will have a panel of at least five adjudicators appointed by the Adjudication Committee. The annual report which achieves the highest level of overall excellence in the industry group will be considered for the Industry Excellence Award.

Second Stage: The annual reports which are nominated by the industry group adjudicators for the Overall Excellence and Presentation Awards will be subject to a second round of adjudication. The reports will be marked by a panel of adjudicators appointed by the Adjudication Committee.

NACRA Criteria

The NACRA criteria consist of two parts - **specific criteria** for the Most Outstanding Annual Report of the Year, the Best Annual Report in Bahasa Malaysia, the Best Designed Annual Report and Corporate Social Responsibility Awards, and **general criteria** for the Industry Excellence Awards and the Special Award for Non-Listed Organisations.

Specific Criteria

Most Outstanding Annual Report of the Year

The top award, together with the NACRA Challenge Trophy, will be presented to the organisation that has achieved the highest level of overall excellence in annual reporting. This report would serve as a model for other annual reports.

Best Annual Report in Bahasa Malaysia

It is the aim of NACRA to promote the use of Bahasa Malaysia in annual reports. As such, all annual reports must contain a full Bahasa Malaysia text in order to qualify for entry to NACRA. The annual reports will be judged according to the following criteria:-

- Grammar and usage of language.
- Usage of generally accepted accounting and other financial terminologies.
- Accuracy and fluency of translation.
- Spelling and punctuation.
- Readability and user friendly presentation.

Best Designed Annual Report

Design can play an important role in improving the level of presentation and readability of an annual report to its various audiences. The Best Designed Annual Report Award is intended to recognise creativity and ingenuity in the use of graphs, illustrations, photographs and layout concepts that enhance the communicative effect of the annual report.

In addition to the general adjudication criteria set for Presentation, the following aspects will be considered for best design:-

- Overall layout and photography.
- Overall neatness and readability of the report.
- Clear reflection of the organisation's theme, objective or vision in the cover design.
- Relevance and effectiveness of the graphs and photographs used.
- Innovative concept and illustration, e.g. hand drawn graphics and/or computer graphics.
- Print quality of the report, e.g. colour, saturation, binding, cutting and collation.
- Overall impact and impression.

Corporate Social Responsibility (CSR) - Applicable for NACRA 2008

With effect from financial years ending on or after December 31, 2007, Malaysian Public Listed Companies are required to include a description of the Corporate Social Responsibility (CSR) activities or practices undertaken by the listed issuer and its subsidiaries or if there are none, a statement to that effect [Listing Requirements of Bursa Malaysia App 9C, Part A, (29)].

Whilst CSR reporting is mandatory for annual reports of listed companies with financial years ending on or after December 31, 2007, listed companies were encouraged to voluntarily report on their CSR activities even before the mandatory period. In this respect, appropriate guidance could be sought from Bursa Malaysia's CSR framework in writing their CSR statements for their annual reports.

CSR is a company's commitment to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of diverse stakeholders. CSR means integrating open and transparent practices into a company's business operations, which are based on ethical values and respect for employees, communities and the environment.

CSR is globally applicable industry to industry and company to company because of differing local situations and demands of stakeholders. It is a business approach used to create long term value by seizing the opportunities and managing risks that emerge from the economic, social and environmental developments.

CSR is therefore key to a company's sustainability.

CSR information reported in the annual report should include (but not limited to) the following areas:

Marketplace

1. Corporate governance
 - Policy/statement clearly stated
 - Board composition - executive directors, non-executive directors, independent directors, women representation
 - Transparent board and senior management remuneration
 - Risk analysis/management framework
 - Disclosure of non-compliance to laws/legislation/codes/listing requirements
2. CSR Management/Reporting
 - Policy statements or stated commitments
 - Adoption of a specific reporting guideline
 - Third party report audit/review
3. Stakeholder engagement
 - Structured engagement with all stakeholders
4. Procurement policies
5. Product responsibility

Workplace

1. Health & safety (H & S) issues
 - H & S management system in place
 - Staff education & training on H & S

2. Human capital development
 - Staff training - number of hours, type of training (job related, skills management, lifelong learning, etc).
3. Work-life balance
 - Ensuring employees' quality of life - pension plans, flexible working arrangements, counseling/assistance programmes, sports activities, etc.
4. Diversity at workplace
 - Staff composition - women, ethnic groups, people with disabilities
 - Providing equal opportunities
5. Employee welfare

Environment

Details on how the company addresses and manages its particular environment impact

1. Environmental policy clearly stated
2. Measurement systems in place to measure:
 - Emissions of carbon dioxide and/or other greenhouse gases
 - Energy consumption
 - Water consumption
 - Waste production and management
3. Set targets for improvements and/or significant initiatives to reduce the above
4. Company's impact on biodiversity, environmental impact assessments, if any.

Community

Details on the company's relationship with the local communities in which it operates and/or other communities it may choose to support.

1. Employment of local workforce in its operations.
2. Internship or graduate placement programmes.
3. Details on the company's community investment initiatives - nature of investment (monetary, in kind, staff time), areas (infrastructure support, youth development, education, the underprivileged, poverty alleviation, disability, local heritage, etc), and overall effectiveness of programmes.
4. Encouraging employee volunteerism - types of activities completed, total number of hours recorded.

General Criteria

Overview/Highlights

The early pages of the report should contain highlights of the year at a glance and summaries should include:

- A clear and meaningful statement of the organisation's mission and vision, ethical values, its corporate plan, objectives and strategies for achieving those objectives.

- A statement of the organisation's history, its profile and the products/services it provides.
- Performance indicators and summary of results covering at least three years' performance to provide an indication of changes in results.
- Progress towards achievement of the organisation's objectives.
- Significant developments/events and their impact on the organisation.
- A summary of key shareholder information, including shareholders' statistics, share price, earnings per share and dividends per share.
- A summary of code of ethical practices relevant to the organisation's activities.

Review of Operations

A key category of information in the annual report is the detailed explanation of the organisation's operation. The information coverage should include:

- Discussion of the organisation's principal activities and results for the year.
- Discussion of the organisation's performance and its objectives, including key performance measures/indicators, market share and export achievement.
- Indication of earnings trends and prospects.
- Discussion of the major products/services provided by the organisation.
- Discussion of research and development initiatives, its activities and their impact on the operations of the organisation.
- A statement of policy guidelines, human resources, quality excellence and community relations.

The Board of Directors and Management

One of the most important assets of any organisation is its people and the annual report serves as the most appropriate medium for their introduction to external audience. This category of information should include:

- The board of directors, including details of their experience, terms of appointment and financial and other benefits.
- Key staff members, including details of their experience, qualifications and responsibilities.
- The organisation or corporate structure showing lines of responsibility and the links between the various units and/or divisions of the organisation.
- Key personnel issues including human resource and productivity, improvement in workforce details and employee share option schemes.
- Highlights of shareholders communication and investor relations programmes.

Financial Statements

It is expected that the financial statements are prepared in compliance with approved accounting standards and disclosure requirements set out in the Companies Act, 1965, the Listing Requirements of Bursa Malaysia and other relevant legislation.

NACRA rewards organisations which provide relevant and reliable financial information which exceeds the mandatory requirements.

The financial statements should comprise:

- A balance sheet.
- An income statement.
- A statement of changes in equity or a statement of recognised gains and losses.
- A cash flow statement.
- Significant accounting policies and clear, concise explanatory notes covering major or extraordinary events/ transactions during the year.
- Disclosure of comparative figures covering at least the last financial year.
- Disclosure of financial information by segment.
- Cross-references between the statements and notes.
- A signed statement by the directors stating their views on the financial statements.
- A signed report from the auditors.

Corporate Governance

- Composition of the audit committee and its terms of reference.
- Audit committee report including a summary of the activities of the audit committee and the internal audit function.
- Statements by the board of directors on:
 - * Compliance with the Malaysian Code on Corporate Governance.
 - * Directors' responsibility for preparing the annual financial statements.
 - * The state of internal control of the organisation.

Additional disclosures beyond the statutory requirements are encouraged, such as:

- Analysis of major expenses, e.g. raw materials, labour cost, research and development expenditure.
- Details of short-term and long-term debt financing arrangements and facilities.
- Disclosure of the estimated fair value or replacement market value of major assets.
- Disclosure of foreign currency denominated loans, terms of interest and repayment.

Supplementary Information

Organisations are encouraged to include other relevant information in the annual report, including:

- A value-added statement.
- Explanation of the organisation's environmental policy, health and safety measures, initiatives and objectives.
- A calendar of significant events of interest to shareholders.
- Highlights of corporate citizenship - community service, sports, social and welfare activities.

Presentation

Presentation of information in a concise, logical and easy to understand format is a crucial aspect of annual reporting. To this end, the annual reports will be judged according to the following criteria:

- Clear, concise, easy-to-read text.
- Logically organised and visibly legible.
- Effective use of graphics, charts and tables to disclose important information at a glance.
- Inclusion of informative photographs.

ORGANISING COMMITTEE



Dr Wilson Tay (*Chairman*)

Ms Margaret Soo (*Alternate Chairman*)

Ms Devika Rajamanickam (*Official Secretary*)



Mr Ken Pushpanathan

Mr Ng Kim Tuck

Mr Foo Yoke Pin



Encik Mohammad Faiz Mohd Azmi

Encik Mohamed Raslan Abdul Rahman

Ms Ho Foong Moi



Ms Jothimani K Muniandy

YM Tengku Karina Bahrin

ADJUDICATION COMMITTEE



Mr Ken Pushpanathan (MICPA) - *Chairman*

Mr Ng Kim Tuck (MICPA) - *Alternate Chairman*

Encik Mohammad Faiz Mohd Azmi (MIA)

Encik Mohamed Raslan Abdul Rahman (MIA)

Mr Ch'ng Boon Huat (Bursa Malaysia)

Ms Margaret Soo (MIM)

Joint Secretaries

Ms Melissa Yeoh (MICPA)

Pn Maizatul Azura Alias (MIA)

Entry Form

(To be completed by non-listed companies, public sector and other Malaysian organisations only - Participation is FREE!)

Please complete the details and return the form together with 35 copies of your organisation's annual report (which should cover the accounting period ended in the calendar year 2007) to:

The Secretary
Address : **NACRA 2008 Adjudication Committee**
c/o The Malaysian Institute of Certified Public Accountants (MICPA)
No.15, Jalan Medan Tuanku
50300 Kuala Lumpur

Tel : 03-2698 9622

Fax : 03-2698 9403

Email : nacra@micpa.com.my

1. Name of organisation : _____

2. We have read the conditions of NACRA 2008 and agree to abide by these conditions.

Name of Officer : _____

Position : _____

Business Address : _____

Telephone : _____ Fax : _____

Email : _____

Signature : _____ Date : _____

3. Name of Contact Person : _____

(if different from above)

4. 35 copies of the Annual Report are enclosed.

Closing date for submission of entries : Thursday, July 31, 2008

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NACRA Past Winners

WINNERS OF OVERALL EXCELLENCE AWARD

1990	–	PUBLIC BANK BERHAD
1991-1996	–	AMMB HOLDINGS BERHAD
1997	–	PUBLIC BANK BERHAD
1998-2001	–	KUMPULAN GUTHRIE BERHAD
2002-2005	–	PUBLIC BANK BERHAD
2006	–	TELEKOM MALAYSIA BERHAD
2007	–	PUBLIC BANK BERHAD

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NATIONAL ANNUAL CORPORATE
REPORT AWARDS 2008

Challenge Trophy For the Most Outstanding
Annual Report of the Year

*We look forward to meeting you at the NACRA
2008 Presentation Awards to be held on Wednesday
evening, November 19, 2008 at the Shangri-La
Hotel, Kuala Lumpur.*

Please note this date in your calendar!



