

# [Apollo food holdings bhd. is an investment company](https://assignbuster.com/apollo-food-holdings-bhd-is-an-investment-company/)

Apollo Food Holdings Bhd. is an investment company that offers management services to its subsidiaries. It was operated in two parts respectively investment holding, manufacturing, marketing and distribution. Investment holding segment refers to the company.

Manufacturing, Marketing and Distribution produces, sells and distributes complex chocolate, chocolate candy products and cakes. The company headquartered in Johor Bahru, Malaysia and they were founded on March 5, 1994. AJINOMOTO (MALAYSIA) BERHADAjinomoto (Malaysia) Bhd.

is occupied with the make and offer of sodium glutamate (MSG). It works through umami, nourishment and flavoring, and so on. The umami helping holds items from the aging procedure, for example, sodium glutamate and related items. The food and condiment sections include products from extraction and mixing processes such as industrial condiments and tumix. Other business units sell and trade products such as industrial sweeteners and frozen foods, and provide services related to the food industry. The company was established by Suzuki Jiro in 1961 and is headquartered in Kuala Lumpur, Malaysia. Mission and VisionAPOLLO FOOD HOLDINGS BERHADAppendix 1.

1AJINOMOTO (MALAYSIA) BERHADAppendix 1. 2 Board of directorAPOLLO FOOD HOLDINGS BERHADThe Chairman and the Executive Managing Director is a similar individual call Mr. Liang Chiang Heng this make the organization in danger high since he makes have the irreconcilable situation. For instance, Chairman is one to enable the investor to get more premium if two positions held by a similar individual, the individual has the ability to get individual enthusiasm at essential. Another reason is Mr.

Liang will become the person who makes the decision and executive the task that will do not have the check and balance due to he was the personal check and do so that any mistake inside the company will not find out. The company also become dominant by Mr. Liang because he has supreme power to control the company due to he is chairman at the same time also the Executive Managing Director so will make the company control by Mr. Liang only.  AJINOMOTO (MALAYSIA) BERHADAjinomoto has run well in decide of Board of Director (BOD) due to the Chairman (Tan Sri (Dr.) Dato’ Paduka Mohamed Hashim bin Mohd. Ali) and the Chief Executive Officer (CEO) are separate.

The CEO calls Naoko Yamamoto also not the founder of Ajinomoto and she did not clutch any directorships in other public companies. There is no conflict of interest amongst her and any relationship with the Company or any other directors or shareholders of the Company. She has not been convicted of the traffic offense in the past consecutive five years and has not received any public permissions or penalties from the regulator within the financial year.

The company has less risky due to the CEO is just new appointed and don’t have any conflict of interest with any broad members and also the company.     Auditor analysisAPOLLO FOOD HOLDINGS BERHADThe Audit firm call Messrs BDO, they don’t the Big 4 audit firm in Malaysia so may have high risk due to the reputation of the Big 4 frim and the Auditors in the Audit firm are more professional so that the financial report will have low chance to have error or wrong. So that they come out a report of Apollo’s Board of Auditors describes the relationship between the audit committee and the external auditors to reduce the risk. Apollo maintains a formal and transparent relationship with its auditors to ensure compliance with Malaysian applicable accounting standards. During the current financial year, the Audit Committee met with the external auditors twice without the presence of executive and management representatives. AJINOMOTO (MALAYSIA) BERHADThe Auditor of Ajinomoto is Hanafiah Raslan & Mohamad the company not the Big 4 Audit firm in Malaysia so that the Ajinomoto risk will be the increase. So that Ajinomoto’s Board is dedicated to defining the level of the risk appetite of the Company and actively identifies, evaluates and monitors main business risks to defend shareholders’ investments and company assets. With the help of Audit Committee, the outside reviewers and interior evaluators will sporadically report inner control techniques and procedures.

The utilization of the framework to defend the framework’s likelihood and dependability. The Company’s risk management framework and internal control system are set out a policy to reduce the risk.       b)      Provide analysis on relevant non-financial risk such as disclosure by the company. APOLLO FOOD HOLDINGS BERHADThe risk management of the Apollo has been combined into the main processes of the organizational structure at all levels. The heads of all departments are accountable for the continuous identification, assessment and management of the identified risk exposures through the development and implementation of adequate internal controls as an outcome of internal and external environmental changes, group within their accountability.

Heads of departments and all departments will accomplish operational risk and responsibility issues. Risk owners are responsible for effective and efficient operation monitoring and management by sustaining effective internal control and routine implementation of risk and control procedures. The key body of risk response is responsible for measuring changes in current business risks and new risks and formulating and implementing effective risk control measures. The managing directors and executive directors of the Company separately report to the managing directors and executive directors on the material and important risks and problems respectively and make final decisions on the formulation and implementation of effective internal control and report to the audit committee and the board of directors. The review of the capability and effectiveness of the Apollo’s risk management and internal control systems is subcontracted to independent professional firms and the Audit Committee offers the Board through the Audit Committee with most guarantee risk management and internal control systems on the capability and effectiveness of the company. The internal control review procedure led by the external internal audit purpose objects to understand, document and assess risks and linked controls to control the suitability and effectiveness of governance, risk and control structures and processes and to recommend enhancements. The internal audit process primarily consists of process evaluation, reviewing standard operating procedures and process flows through meetings with related personnel complicated in the appraisal process and observing standard operating procedures and process flows of operation of the process based on meetings and process explanations. Afterward, the control of each audit area is tested by selecting the samples according to the sample sizes calculated rendering to the fixed formula for examination, depending on the nature of the test and confirmation of the samples.

The Board reflects that the existing risk management and internal control systems are operating well and safeguard the interests of stakeholders and the Apollo’s assets based on the current business nature and scale of operations of the business. The Board identifies that the risk management and internal control systems need to be continuously reviewed in the light of the development of the business. The Board is committed to continuous development and further strengthening the Apollo’s risk management and internal control system. AJINOMOTO (MALAYSIA) BERHADIn view of the global business environment and political, economic and social conditions, Ajinomoto identifies and develops corporate-wide risks that require cross-organizational management. In addition to formulating the Group’s response measures, the Group regularly monitors and manages the progress of its response.

Ajinomoto has the risks associated with the operating environment such as the impact of exchange rate fluctuations. In 2017 financial year, sales to customers excluding Malaysia amounted to RM168. 3 million. Though, the company imports raw materials from foreign therefore fluctuations in exchange rates may have an influence on operating results. The other is the emergence of unforeseen adverse economic or political factors. Ajinomoto operating globally and potential overseas economic, political and legal obstacles such as political instability may have adverse effects on business performance. Impact of raw material and fuel price volatility are one of the operational risks.

Some of the raw materials and energy prices used by companies may fluctuate based on the market. The rise in manufacturing costs because sharp rises in raw material and fuel prices cannot be absorbed through our efforts to reduce costs or the increased costs cannot be reflected in our unit prices and may adversely affect our business outcomes. Ajinomoto will make extensive efforts to maintain the reliability and safety on which its commercial fundamentals are built. The option remains, though some new universal matters affecting food quality may arise, or some problems may arise in areas beyond our efforts, and such events could have an adverse influence on business results. As Ajinomoto as an international company, it strives to obey with all laws, regulations and other rules within Malaysia and foreign connecting to food health, intellectual property, the environment and recycling, authorization to operate, import and export, foreign exchange and foreign trade control, and many tax-related laws. In these areas, Ajinomoto also makes every probable effort to protect its rights through legal.

The prospect occurs, but legal changes may be introduced that cannot currently be predicted and that risks may happen because of the diversity of interpretations of laws. Observing these changes may limit the company’s operations and may have an impact on the company’s performance. The company also care about the information and communication technology (ICT) so that the company risk management include to reduce the risk from ICT. The company may be insufficient cyber-attacks or internal information management lead to the risk of confidential information being leaked, thereby damaging customers and reducing competitiveness. Risk of system freezing and failure. So that the company comes out appliance exercise using targeted email, take actions to avoid internal leaks and develop actions to decrease the weakness of corporate websites and improve nursing to protect the company confidential information.

c)      Analysis the respective non-financial risk by using what you have learned throughout the course with regards to the performance of the company. APOLLO FOOD HOLDINGS BERHADApollo has disclosed the risk management plan so that the company has a plan to prevent the risk arise or have any risk happen can have the plan to solve it. Apollo collaborate with the senior management due to this can get the support of them to carry this plan, if do not have people to carry out the plan will just a plan, will not impact the company when any risk occur.

Example, Apollo’s heads of departments and all departments will accomplish operational risk and responsibility issues.  Apollo has applied the risk management into the management process such as Apollo are responsible for effective and efficient operation monitoring and management by sustaining effective internal control and routine implementation of risk and control procedures. The department’s culture also will support the company nature of risk-taking. Apollo’s key body of risk responsibility will responsible for measuring changes in current business risks to support the company risk taking.

Apollo has run the operational risk management such as Apollo’s risk owners are responsible for effective and efficient operation monitoring and management by sustaining effective internal control and routine implementation of risk and control procedures that can help improve the company profit and return the more dividend for shareholders. The company also want to enhance the company internal control due to this can dealing with the internal environment. Apollo’s risk management and internal control systems are subcontracted to independent professional firms and the Audit Committee offers the Board through the Audit Committee with most guarantee risk management and internal control systems on the capability and effectiveness of the company, this makes Apollo risk management more efficient.

Apollo has lacked on technology risk in the company’s risk management statement did not state this risk. This means the company have a high risk on it due to nowadays technology is advance so that many of the business day to day need to use technology such as email with the consumers and suppliers if the company lack on this make have a high risk to lose the company confidential information due to make the competitors may hack to get the information or maybe have the virus in system cause the company loss the important data. This is high-risk because the company lost their profit also the reputation. AJINOMOTO (MALAYSIA) BERHADAjinomoto has disclosed the risk management plan so that the company has a plan to prevent the risk arise or have any risk happen can have the plan to solve it.

Ajinomoto collaborate with the senior management due to this can get the support of them to carry this plan, if do not have people to carry out the plan will just a plan, will not impact the company when any risk occur. Ajinomoto has run the operational risk due to the company is an international business so that the company day to day may be impacted by the exchange currency rate so that Ajinomoto hedgerows linked foreign exchange risks using forward foreign exchange contracts and other foreign currency receivables and other mechanisms of payables, but fluctuations in exchange rates may have an impact on the results of Ajinomoto. This can help to reduce the company’s impact on the unstable of the exchange rate. Ajinomoto also have applied the legal risk due to Ajinomoto is the company from Japan but the company still have a possibility that the current erratic legal changes may be introduced and that risks may arise due to the diversity of legal interpretations due to this Ajinomoto makes every effort to protect its rights by legal means to reduces the chance to involved in it. Ajinomoto will have political risk management due to Ajinomoto operating globally and potential overseas economic, political and legal obstacles so that the company may include political instability this will effect on business performance. Political risk management can decline the company includes in this problem.

Ajinomoto also has risk management on Information and communications technology (ICT) so that the company may include in low risk on when using technology. This may affect the company’s business day to day due to a lot of data will use technology such as consumers and suppliers’ information due to having this protection company will have the low risk of loss the company confidential information due to make the competitors may hack to get the information or low chance getting the virus in system cause to company loss the important data. This can let the company to runs the day to day management smooth. d) Conclude the ranking of the companies on your findings and your findings should including the decision whether the company is worth investing as well as your recommendations. Ajinomoto is raking first and Apollo will be rank as second due to Ajinomoto risk management statement is efficient because risk management is important for a company. Risk management is very important in the organization since without it enterprises cannot set a goal for the future. If a company controls its goals without respect to the risks, it is likely that the risks will be lost once those risks have hit the country. Non-financial risks are a drawback, whether they are compliance failures, misconduct, technology or operational challenges.

Ajinomoto is more detail than Apollo so that the company has more plan if face the risk so that I recommend investor to invest into Ajinomoto due to more detailed risk management plan than Apollo because risk management plan is the plan to avoid the company to failed on management. If the company have good risk management plan means the company can run the day to day management more smooth compared to do not due to the company have a backup and renovate plan when happening some uncertain event. Ajinomoto can plan more detail so that means the company can handle more efficiency when the uncertain event happens such as machine stop down, misconduct happens, etc. Ajinomoto can use non-finance risk management to moderate the risk of further failure, meet stakeholder expectations and limit costs so that means the investors can more safe to invest in the company. Ajinomoto efforts to decrease risk, whether better controls or business adjustments such as exiting certain businesses or improving processes or new control metrics that may be needed due to regulatory changes.

This can make the company produces more efficiency, the company may have low risk to lost funds on misconduct and also can reduce the chance to reduce the company reputation due to loss the company’s confidential information this will make the company profit increase, normally investors care about the company’s profit so that Ajinomoto can be more profitable than Apollo due to they have a more efficient risk management plan.