Question 1

* 1. The entity understudy is the exposure on audit related information including getting familiar with the company’s annual report and its content annual report can be obtained from [www.investor.com](http://www.investor.com). Entity website only gives partial annual report which only consist of financial perfomances, and does not give full annual report.
  2. Based on the type of industries, it falls into consumer category due to their business operation which focused to be the leader on manufacturing consumer based compound chocolate confectionery producs and layer cakes based in Malaysia.

Question 2

* 1. From Apollo Food Holdings Berhad website it is likely that they are trying to project as the leader of chocolate compound manufacturer that is operating in eastern part of asia by providing all the products with latest equipments and technology. The company also emphasize on how they maintain and improve their product quality and standards, by constantly strives to determine all the resources needed to meet their set high quality and standards.
  2. Based on overall content of the report, Apollo Food Holdings Berhad segments it annual report by company principal activites which are in investment holding and management services to subsidiaries. Statutory disclosure is the need for the company to disclose all relevant information in annual report according to applicable laws and regulations such as financial statements, audit committee’s report, chairman’s statement etc. While voluntary disclosure is information that is disclosed in annual report voluntary and it is not required by the laws and regulations such as list of properties and form of proxy in Apollo Food Holdings Berhad annual report.
  3. As stated in page 19 of Apollo Food Holdings Berhad’s annual report and in accordance with Companies Act, 1965, The directors are the one responsible to prepare financial statements for each financial year which have been made following to applicable Financial Reporting standards in Malaysia and give true and fair view view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year. In Section 169 (4) of Companies Act 1965 (4) The profit and loss account and the balance sheet of a company shall be duly audited before they are laid before the company at its annual general meeting as required by this section.

Question 3

* 1. Apollo Food Holdings Berhad segments its financial statements with additional table of contents that different with general table of content in the first page of the annual report which consist of directors report, statement by directors, statutory declaration, independednt auditor’s report, statement of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows, and notes to the financial statements. Overall Apollo Food Holdings Berhad financial statements are similar with what I would find in the text book, except adding additional table of contents for financial statements which is helpful to address reader each statements position.
  2. According to Apollo Food Holdings Berhad’s auditors report, the financial statements of Apollo Berhad have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), International Financial Reporting Standards (IFRS), and the provision of Companies Act, 1965 in Malaysia.
  3. In Apollo Food Holdings Berhad’s annual report notes to the financial statements, the company clearly state basis of preparation followed with details of every accounting policy used in each accounts. Also in stating the financial information, it shows comparison of the result from previous financial year amount which is helpful to annual report reader. In my opinion, financial information is adequate because it shows all neccesarry financial account and properly disclosed in accordance with applied laws and regulations.
  4. Yes, company have sound financial standing, because the company is able to generate
* 0.78 Total asset turnover
* 12.55 Current Ratio
* 10.87 Quick Ratio
* 11.90 Net Margin

From the information gathered from [www.marketwatch.com](http://www.marketwatch.com) it cain be said that Apollo Food Holidngs Berhad is going concern and still able to generate profit, pay liabilities due for shareholders and creditors for financial year ended 2016. For the non-financial performance it is stated in section Statememnt of Corporate Governance subsection Corporate Social Responsibility that Apollo Food Holdings Berhad is commited to be a succesfull and responsible corporate citizen by conducting business in an ethical, professional, and socially responsible manner. The company also recognize employees as important asset by endeavoring safeguard to employees welfare. Occupational Safety and Health Programme and Training have been established to provide safe and healthy workplace for the employees improvement. On community welfare, the company has from time to time donated cash and sponsored company products to various organisations, associations, and schools.

Question 4

* 1. Yes, Apollo Food Holdings Berhad encloses the Independent Auditor Report, it is placed in Comprehensive Financial Statements segment at page 42-43 and internal audit report which is stated as Audit Committee’s report at page 20.
  2. Apollo Food Holdings Berhad was audited by Se Kuo Shen (Chartered Accountant) representing BDO, international audit firm in malaysia. The audit report is addressed solely to the members of the Company.
  3. Audit report issued by independent auditor for Apollo Foold Holdings Berhad was unqualified report, because in section opinion, the auditor state that sufficient evidences are accumulated, all financial statements are included for the year ended 30 April 2015 and give a true and fair view of the financial position in accordance with MFRS, IFRS and requirements of the Companies Act, 1965 in Malaysia, and last there are no circumstances requiring the addition of an explanatory modification of the wording of the report.
  4. Apollo Food Holdings Berhad has two subsidiaries, the first one is Apollo Food Industries (M) Sdn Bhd, and Hap Huat Food Industries Sdn Bhd. Quoted from section Opinion of Independent Auditors page 42, “…, the financial statemenets give a true and fair view of the financial position of the Group and of the Company..” of the group words there indicate that both Apollo subsidiaries accounts are qualified.

Question 5

* 1. Yes, Apollo Food Holdings Berhad has established an Audit Committee. Annual report of the company does not provide information on when Audit Committee is formed. There are multiple differences between External Auditor and Audit Committee two of those are, Audit Committee is company’s employee while External Auditor work for an outside audit firm, and also Audit Committee is used to provide advice and other consulting assistance to employees, while External Auditor is used to express and opinion regarding the financial statements true and fair presentation in annual report.
  2. Yes, Apollo Food Holdings Berhad listed out names of Audit Committee members. The Chairman, is Mr Ng Chet Chiang @ Ng Chat Choon, general member Encik Abdul Rahim Bin Bunyamin and are Datin Paduka Hjh. Aminah Binti Hashim are independent non-executive director to the firm. While Datuk P. Venugopal A/L V.K. Menon that stand as general member is the only non-independent non-executive director for Apollo Food Holdings Berhad.
  3. Yes, Apollo Food Holdings Berhad state the Audit Committee’s terms of reference in Annual Report. The terms of rerence consist of Objectives, Composition, Meetings, Authority, Functions and Duties. Objectives are overall audit committee objectives in the company. Composition is about audit the term of how company appoint audit committee. Meetings describe how each meeting is held and how many meeting should be held during the financial year. Authority describe authoritys owned by each Audit Committee. And lastly, Function and Duties lists all the functions and responsible for each Audit Committee member during the financial year. The composition of Audit Committtee member is in accordance with Listing Requirements of Bursa Malaysia Securities Berhad in section 15 subsection C 15.10. Because Audit Committee consist of more than 3 members, majority of the member are independent directors.
  4. The formation of an Audit Committee is a must under Sarbanes-Oxley Act (SOX). Under SOX the presence of Audit Committee within company may help to obtain any weakness in internal quality procedures, including recently raised issues and steps taken to address those issues, and also to ensure that financial statements that is prepared to be audited by external auditor give true and fair view of company financial performances.

Question 6

* 1. There are three economic factors that might have some influence on the performance of Apollo Food Holdings Berhad:

1. As their aim to be leader of chocolate compound manufacturer in South East Asia, Apollo Food Holdings Berhad should take a careful step towards inflation. After finally back from its foreign exchange crisis, Malaysia still in danger of declining value of their currency. If its happen, it will possibly hurt Apollo’s operation and growth.
2. Increase in cost of production may affect Apollo’s performance because company have to deal with decrease in sales revenue because in order to cope with increase in cost production company need to increase their product price or cut their expenses such as labor salaries.
3. Fluctuation in interest rate. As information disclosed from markets.ft.com, Apollo Food Berhads have high financial leverage, the higher the interest rate the higher it is company have to pay to the creditor which is bad to Apollo Food Holdings Berhad performance.
   1. . Two rules that Apollo Food Holdings berhad should pay attention to:
4. Asian pacific free trade area is approaching. It will increase the competitiveness almost to all company, especially manufacturer. Since all company will be able to sell their goods and services to outside of their country within the area more easely.
5. Implementation of GST in Malaysia. Tax of 6% for goods and services is not small, Apollo should take careful step toward this since it will decrease consumer purchasing power towards their product.
   1. Two social factors that Apollo Food Holdings Berhad should pay attention to:
6. Skepticsm of society towards chocolate that may contain pork oil in it. This issues have been one of the factor that may hurt chocolate manufacturer sells revenue, especially in country with moslem majority like Indonesia and Malaysia. As Apollo sells their chocolate to both country, Apollo should make sure that this skepticsm wont applied to their products.
7. Green production. Lately, issue of green environment have been arising in every area. Every manufacturer is expected to take a good care to environment among them, especially in manufacturing area. Apollo Food Holdings Berhad should make sure that their manufacturing waste does not harm the envioronment or else they will get sued.

Question 7

* 1. Overall, Apollo Berhad only disclose their financial performance. It will be more helpful to user of annual report if they add non-financial performance & accomplishment and then show it relation with financial performances, since it will improve investor judgment towards entity. Disclosing non-financial performances will show that entity not only aim for profit but also to create a better environment along them, which will improve company image as healthy company to reader of annual report.
  2. There are lots of thing that can improve Apollo Berhad annual report. First is to put more color in annual report, the only page that is colored is only the first page. Colorless report make the annual report looks less interesting and rigid. And then the next one is highlight of company’s financial report, it will save lots of time to user who only looking for brief summary of company’s financial performance.

Two suggestion to improve Apollo Food Holdings Berhad annual report:

* Put more color to annual report. Almost all pages of annual report is black and white, the only colorful page is cover and back page, and also it is with low quality graphics. Colorful annual report will make information disclosed more interesting to reader of annual report.
* Provide highlight of company’s financial report. Highlight of company’s financial report on annual report will be really helpful to user who don’t want to read all financial statement but want to know how was company performance during the period.

Question 8

* 1. From bursa malaysia market stock analysis it is show that Apollo Food Holdings currently in acceptable fluctuating manner in term of share market price. As 27 May 2016 05:00 the market price for each share is RM 5.850 or 37% higher than last august. With RM 0.4321 earning per share in last year financial date, and annual dividend of RM 0.25 per stock Apollo Food Holdings is in its healthy conditions. Generated from markets.ft.com, in 2015, Apollo Food Holdings Berhad increased its cash reserves by 9.0% or 7.34m. The company earned 35.70 from its operations for a cash flow margin of 16.8%. in addition the company used 6.36 on investing activities to replace old equipment with high-end technology equipment that likely would help to generate better profit in the near future. If I were to own substantial shares of Apollo Food Holdings Berhad, I would buy more shares because eventhough the share price is declining, company is still in healthy conditions in term of market price and also Apollo currently investing so much for their equipment that most likely generate better profit and increase market price in the future. Also in term of competitiveness, within company in the same industry, relatively Apollo currently standing as the best of chocolate manufacturer in Malaysia and have no real short-term threat, so I think it is safe to buy more seller for better dividends in the future.