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NEW ENERGY FROM A NEW GENERATION

annual report 2011

HOME BEAUTY NUTRITION
YOUR BUSINESS

Amway

NEW ENERGY

STAYING RELEVANT WITH NEW ENERGY

Through the years, Amway has been recognized for its wide range of products and its business opportunity, staying true to its core belief to enrich people s life from the inside out. This year, fueled by a new energy, Amway forges ahead to stay relevant for the new generation.

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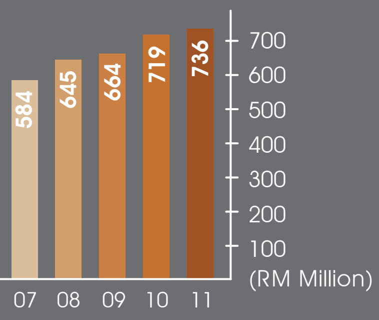

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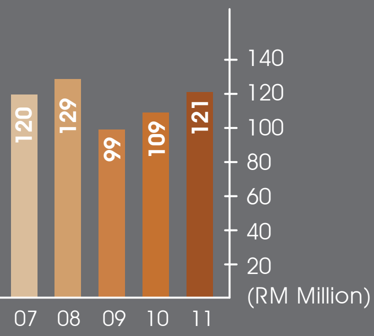

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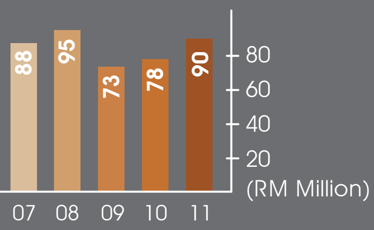

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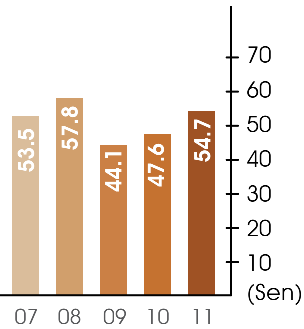

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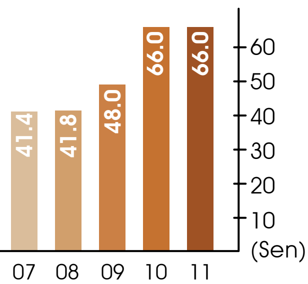

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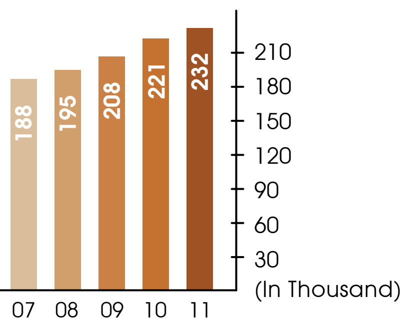


QUARTERLY PERFORMANCE

2011	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	**Full Year**
Sales Revenue (RM Million)	172.8	169.1	211.5	182.4	**735.8**
Profit Before Taxation (RM Million)	27.4	25.6	34.4	33.6	**121.0**
Net Profit (RM Million)	20.3	19.0	25.8	24.9	**90.0**
Net Earnings Per Share (Sen)	12.3	11.6	15.7	15.1	**54.7**
Net Dividend Per Share (Sen)	9.0	9.0	39.0	9.0	**66.0**

2010	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	**Full Year**
Sales Revenue (RM Million)	175.5	168.3	191.5	184.1	**719.4**
Profit Before Taxation (RM Million)	22.3	30.0	28.8	28.0	**109.1**
Net Profit (RM Million)	16.8	21.7	21.5	18.3	**78.3**
Net Earnings Per Share (Sen)	10.2	13.2	13.1	11.1	**47.6**
Net Dividend Per Share (Sen)	9.0	9.0	39.0	9.0	**66.0**

CHAIRMAN S STATEMENT

Dear shareholders,

OVERVIEW

2011 was a challenging year for the economy and for Amway (Malaysia) Holdings Berhad (Amway). Amidst cautious consumer sentiment in Malaysia that was influenced by the global economic downturn, sales revenue for the year under review grew a modest 2.3% to RM735.8 million from RM719.4 million in 2010. This achievement secured Amway s record of having attained sales revenue growth in 32 years out of 35 years. Amway threw further weight behind aggressive sales and marketing programmes to stimulate demand in support of Amway Distributors retailing and sponsoring activities.

Despite these challenges, Amway s business model continued to resonate with Malaysians even after having been in this market for 35 years. Amway's relevance is reflected in the increased number of Malaysians renewing as Amway Distributors in 2011, bringing the Core Distributor Force (CDF) to 232,000. This is a 4.8% growth over 2010 s CDF which incidentally has been recording a consistent increase for the last ten years. A significant trend which will drive Amway s sustainability is the increasing number of new Amway Distributors under the age of 35 in the last few years. This group formed 56% of new Distributors in 2011 and this is a strong catalyst to catapult Amway s growth through their energy and enthusiasm, which in turn would yield higher recruitment and productivity.

The Amway Brand Experience Centre is a testimony of Amway's commitment to enhancing brand image

FINANCIAL PERFORMANCE

For the year in review, the Group's sales revenue grew 2.3% to RM735.8 million compared to RM719.4 million in 2010. The Group had invested more in sales and marketing activities to defend our market share amidst stiffer competition not only from other multi-level marketing players but also from conventional FMCG (fast-moving consumer goods) companies. These investments, together with prudent cost management in other areas, a higher sales revenue and an improved gross margin arising from the lower cost of products, had resulted in a better profit before tax by 10.8% to RM121.0 million against the previous year's RM109.1 million. Profit after tax also increased 14.9% to RM90.0 million from RM78.3 million in 2010.

DIVIDEND

The Group's financial results demonstrated the strength of Amway's underlying business and our dedication to delivering shareholder value. As in previous years, the Company has always returned surplus cash to shareholders in a systematic and orderly manner. Therefore, the Board of Directors is recommending a 4th interim single tier dividend of 9 sen net per share, subsequent to the reporting date. Taken together with the interim and special dividends declared earlier in the year, the total dividend for the financial year ended 31 December 2011 amounts to 66 sen net per share. The total net dividend payout of RM108.5 million is equivalent to 121% of 2011 net earnings.

OPERATIONAL OVERVIEW

Potential Target Groups

With a business that is primarily people-driven, it is vitally important that Amway attracts, retains and motivates highly effective Distributors. Insights have shown that Amway's future growth will come potentially from two pools of Distributors – those under the 35-year-old age category as well as from the Malay market segment. Relevancy took on a new meaning for Amway when the Group developed and executed purposeful programmes targeted at these two groups. These programmes are detailed at length in the Operations Review pages.

Digital Initiatives

In keeping with the relevancy theme, Amway also took to social media to engage its IT-savvy Distributors. Platforms such as YouTube and Facebook were used to connect with Distributors and consumers alike, bringing the Amway brand and its products closer to them. Work also began in late 2011 to revamp one of Amway's most important retail and sponsoring channels – its web-site amway2u.com, which is 10 years old. In 2011 alone, 47% of total sales revenue or about RM340 million came from amway2u.com, illustrating the importance of the web-site in the Amway business. When the first phase of the revamp of the existing web-site is completed by 2012, the look and feel of the web-site will provide navigational ease to Distributors and consumers as well as make it relatable in the present day context.

Amway Shops

Several significant initiatives begun in the previous three years carried on into 2011. These included the conversion of three Regional Distribution Centers (RDCs), namely in Brunei, Alor Setar and Kuantan into shops. Amway's physical presence through its wholly-own and employee-run shops was premised upon the Group's objective to make Amway products more accessible in a high-traffic environment. When the first few shops opened in 2008, they appropriately captured the needs of Amway Distributors and their prospects. The next phase was to convert Amway's existing RDCs into shops. Having completed the three conversions in 2011, Amway's physical presence is strengthened throughout Malaysia with its 16 shops and 9 RDCs. At the end of 2011, the shop concept came full cycle when the first shop to be opened in Seremban relocated to bigger premises and adopted the latest generation look with enhanced services such as product repairs and returns. In fact, the latest shops offered additional services that emphasized Amway's commitment to supporting the retailing and sponsoring efforts of the Amway Distributors.

Branding

Brand-building efforts were two-pronged - strengthen consumer awareness for the corporate brand of Amway as well as for one of our core product lines, namely the ARTISTRY brand of skincare and cosmetics. The corporate branding campaign involved an integrated approach which articulated Amway s key messages of innovation, value for money and product efficacy. The various media channels of broadcast, print, digital, outdoor and radio which ran concurrently for three months in the middle of 2011 provided an opportunity for Amway and its Distributors to create further awareness about the Amway business opportunity and products in the market.

For the first time ever, ARTISTRY complemented its above-the-line advertising in top beauty magazines with the organizing of two expositions themed around beauty. Held at high-traffic shopping malls in Kuala Lumpur and Penang, both Artistry Beauty Expos showcased ARTISTRY s wide offering of skincare and cosmetic products to more than 30,000 visitors.

New Products And Promotions

The launch of a new category under ARTISTRY called Intensive Skincare provided excitement in the area of new products. Two products, the Renewing Peel and the Anti-Wrinkle Firming Serum, drew encouraging responses from Amway Distributors, eager to expand their retailing portfolio with innovative products that have become Amway s hallmark. These two products contributed 13% to ARTISTRY s overall sales for 2011. From NUTRILITE, Amway s best-selling Nutrition and Wellness coreline, the launch of the All-Plant Protein drew an overwhelming response from Amway Distributors, with RM10 million in sales from just three months since its launch. The year in review also saw an aggressive number of promotions to support the field's retailing efforts amidst a very competitive environment. Some of the promotions performed exceedingly well to deliver incremental sales to the Group.

An LRT train with Amway's corporate branding

Amway's branding in the interiors of an LRT train

HQ Facilities

Amway Headquarters (Amway HQ), completed in 2009 at an investment of RM100 million, has been drawing an endless stream of Amway Distributors, customers and potential Distributors through its environmentally-friendly designed facilities which include a large order processing area, warehouse with a state-of-the-art picking system, a 400-seat training hall and well-equipped training rooms. Capitalising on Amway HQ s role as an important sponsoring tool, seven Super Weekends were held on the premises during the year under review. Adapted from the Open House concept, these Super Weekends were a series of marketing and business opportunity activities to showcase the spectrum of Amway s entire offerings. A one-day event held on either a Saturday or Sunday, all Super Weekends attracted nearly 20,000 visitors, boosted new applications and renewed interest.

The opening in 2010 of the 10,000 sq feet Brand Experience Centre (BEC) within the main administration building of Amway Headquarters, has proven to be another compelling proposition for Amway Distributors, with its halls of corporate and product history, product exhibits and demonstration areas as well as its health and beauty assessment rooms. With guided or free-and-easy tours available to Amway Distributors and members of the public, the BEC drew an average of 2,000 visitors monthly with this number set to grow when more assessment programmes are put in place in 2012. Amway HQ and its many facilities have effectively demonstrated Amway s solid commitment to the business and Amway Distributors that is anchored on business continuity.

The Happy Healthy Minds Camps help build confidence in children

CORPORATE GOVERNANCE

Governance is an on-going commitment shared by the Board of Directors, management and staff of Amway. Making it to the top 100 public-listed companies in the Malaysian Corporate Governance Index 2011 for the third year running underscored Amway's emphasis on compliance and ethical conduct.

The Board of Directors has also demonstrated a clear commitment to the Group through their professional conduct, attendance at Board meetings and participation in professional programmes. As members of the various Sub-Committees, they have provided invaluable input to ensure that the Group practices the highest level of accountability and responsibility to shareholders.

CORPORATE RESPONSIBILITY

At Amway, we believe that corporate responsibility is a shared business obligation in ensuring the sustainability of our business in the interest of wider stakeholders. Amway products carry the legacy of being environmentally-friendly and our guaranteed satisfaction promise reflects our commitment to consumer protection. Concern for the environment and staff well-being also prompted an initiative to remove the ultra-violet coating on all nearly 300,000 copies of our monthly magazine, AMAGRAM, distributed to Amway Distributors. The other areas like talent development programmes, equitable compensation reviews and appraisals reinforced the Group's inclination in providing a stimulating work environment. Last but not least, Amway's community relations efforts are largely concentrated on improving children's mental health through its One By One Campaign for Children which began in 2003. Under its twin pillars of Happy Healthy Minds and Happy Healthy Wards projects, Amway continued to conduct camps to promote self-esteem and refurbished two more Paediatric Wards at government hospitals respectively in 2011.

OUTLOOK

Many economic and analytical reports all agree that the one constant outlook for 2012 is that there will continue to be great uncertainties in the global economy, which will inevitably have a local impact. Amway has always kept a close watch on any signs of change that will impact our business. Staying relevant has been key to our continued success and we stand ready to respond appropriately and quickly to any challenges that may derail our efforts to sustain growth. Having clearly defined the opportunities for Amway's future growth through our focus on the younger generation of adults under the age of 35 as well as the Malay segment, we will align our resources appropriately to support the strategic priorities. Differentiation is also critical in establishing Amway ahead of the competition and to that extend, the Group is giving serious attention and commitment to raising our service standards.

The Group is also confident that Amway Distributors who are loyal business builders have regained their footing and enthusiasm following an internal exercise to increase their earning opportunity two years ago which required an adjustment period. Coupled with Amway's wide-ranging and innovative product offerings at all price levels, events that excite and attract targeted segments of the market and a solid infrastructure, the Group is taking deliberate measures to ensure business continuity.

APPRECIATION

I would like to acknowledge the hard work and dedication of our staff and Amway Distributors, both of whom were very crucial to the success of the Group. I would like to take this opportunity to congratulate them for again returning a commendable performance amidst a difficult operating environment. My gratitude goes to our business partners for their co-operation and support as well as to the shareholders for your trust in the Board of Directors, staff and management of Amway.

I also want to recognize the Board of Directors for their invaluable guidance, counsel and strong sense of responsibility in undertaking their duties to the Group. I am inspired by their unwavering commitment and thank them for their continuous support.

DATO' AB. HALIM BIN MOHYIDDIN
Chairman

ENYATA PENGERUSI

Para pemegang saham yang dihormati sekalian,

TINJAUAN

Tahun 2011 adalah tahun yang mencabar bagi ekonomi negara dan bagi Amway (Malaysia) Holdings Berhad (Amway). Walaupun diselubungi sentimen berhati-hati di kalangan pengguna di Malaysia akibat kelembapan ekonomi global, hasil jualan bagi tahun yang ditinjau masih mencatat pertumbuhan yang memuaskan iaitu sebanyak 2.3% kepada RM735.8 juta berbanding RM719.4 juta pada tahun 2010. Pencapaian ini mengukuhkan lagi rekod Amway yang telah berjaya mencatat pertumbuhan jualan bagi 32 daripada 35 tahun ia beroperasi. Amway telah memperhebatkan lagi usaha dalam pelaksanaan program penjualan dan pemasaran secara agresif bagi merangsang permintaan untuk menyokong aktiviti jualan runcit dan penajaan yang dijalankan oleh para Pengedar Amway.

Sungguhpun berdepan dengan cabaran-cabaran tersebut, model perniagaan Amway terus mendapat sambutan daripada rakyat Malaysia walaupun telah berada di pasaran selama 35 tahun. Amway kekal relevan dan ini

TINJAUAN (sambungan)

jelas tergambar menerusi peningkatan bilangan rakyat Malaysia yang memperbaharui status mereka sebagai Pengedar Amway pada tahun 2011, menjadikan Pasukan Pengedar Teras (CDF) berjumlah 232,000 orang. Ini mewakili pertumbuhan sebanyak 4.8% berbanding jumlah CDF pada tahun 2010 yang juga telah merekodkan peningkatan konsisten sepanjang tempoh sepuluh tahun yang lalu. Satu trend penting yang akan memacu kemampanan Amway adalah pertambahan bilangan Pengedar Amway baru di bawah usia 35 tahun sejak beberapa tahun kebelakangan ini. Kumpulan tersebut merangkumi 56% daripada jumlah Pengedar baru pada tahun 2011 dan ini merupakan pemangkin yang berkesan untuk melonjakkan pertumbuhan Amway melalui kesungguhan dan semangat mereka, yang seterusnya akan menghasilkan pengambilan Pengedar baru dan produktiviti yang lebih tinggi.

PRESTASI KEWANGAN

Bagi tahun yang ditinjau, hasil jualan Kumpulan meningkat sebanyak 2.3% kepada RM735.8 juta berbanding RM719.4 juta pada tahun 2010. Kumpulan telah membuat pelaburan yang lebih besar dalam aktiviti penjualan dan pemasaran bagi mempertahankan bahagian pasaran berikutan saingan lebih sengit bukan sahaja daripada syarikat pemasaran pelbagai peringkat yang lain, malah daripada syarikat-syarikat FMCG (barangan pengguna laris) konvensional. Pelaburan ini berserta dengan pengurusan kos secara berhemah dalam bidang-bidang lain, hasil jualan yang lebih tinggi dan margin kasar lebih baik yang terhasil daripada kos produk lebih rendah, telah membawa keuntungan sebelum cukai yang lebih baik sebanyak 10.8% kepada RM121.0 juta berbanding RM109.1 juta pada tahun lepas. Keuntungan selepas cukai turut meningkat sebanyak 14.9% kepada RM90.0 juta daripada RM78.3 juta pada tahun 2010.

Ibu pejabat Amway dilengkapi dengan kemudahan untuk menyokong perniagaan Pengedar

DIVIDEN

Keputusan kewangan Kumpulan menunjukkan keteguhan perniagaan asas Amway dan dedikasi kita dalam menyampaikan nilai pemegang saham. Seperti tahun-tahun lepas, Syarikat sentiasa memulangkan lebihan tunai kepada para pemegang saham secara sistematik dan tersusun. Oleh itu, Lembaga Pengarah mengesyorkan dividen interim satu peringkat ke-4 sebanyak 9 sen sesaham bersih, selepas tarikh laporan ini. Jika dikira bersama-sama dengan dividen interim dan dividen khas yang diisytiharkan lebih awal pada tahun ini, jumlah dividen bagi tahun kewangan berakhir 31 Disember 2011 adalah sebanyak 66 sen sesaham bersih. Jumlah pembayaran dividen bersih sebanyak RM108.5 juta ini adalah bersamaan dengan 121% daripada pendapatan bersih tahun 2011.

TINJAUAN OPERASI

Kumpulan Sasaran yang Berpotensi

Dengan bentuk perniagaan yang didorong terutamanya oleh manusia, adalah penting bagi Amway untuk menarik, mengekalkan dan memotivasikan para Pengedar yang memiliki keberkesanan tinggi. Kajian menunjukkan bahawa pertumbuhan Amway pada masa hadapan akan berkemungkinan datang daripada dua kumpulan Pengedar iaitu mereka dalam kategori usia di bawah 35 tahun serta daripada segmen pasaran Melayu. Keberkaitan kini memberi erti yang baru bagi Amway apabila Kumpulan merangka dan melaksanakan program-program bertujuan khusus yang disasarkan kepada kedua-dua kumpulan tersebut. Program-program ini diperincikan dengan panjang lebar di halaman Tinjauan Operasi.

Inisiatif Digital

Sejajar dengan tema keberkaitan tersebut, Amway turut memanfaatkan media sosial untuk mendekati para Pengedar yang celik IT. Platform-platform seperti YouTube dan Facebook telah digunakan untuk berhubung dengan para Pengedar dan pengguna, membawa jenama Amway dan produk-produknya lebih dekat dengan mereka. Kerja-kerja juga telah

◄ ▼ Kehadiran Kedai Amway meningkatkan pendekatan pengguna ke atas produk Amway

dimulakan pada penghujung tahun 2011 untuk merombak semula salah satu saluran peruncitan dan penajaan paling penting Amway iaitu laman web amway2u.com yang telah berusia 10 tahun. Pada tahun 2011 sahaja, 47% daripada keseluruhan hasil jualan atau kira-kira RM340 juta adalah datangnya daripada amway2u.com, menunjukkan pentingnya laman web dalam perniagaan Amway. Apabila fasa pertama rombakan semula laman web sedia ada ini selesai menjelang tahun 2012, penampilan dan suasana laman web berkenaan akan memberi kemudahan navigasi kepada para Pengedar dan pengguna serta menjadikannya seiring dengan konteks masa kini.

Kedai Amway

Beberapa inisiatif penting yang dimulakan sepanjang tiga tahun lepas telah diteruskan pada tahun 2011. Ini termasuk pengubahsuaian Pusat Pengedaran Daerah (RDC) di Brunei, Alor Setar dan Kuantan menjadi kedai. Kehadiran Amway secara fizikal melalui kedai-kedai milik penuhnya dan dikendalikan oleh kakitangannya sendiri adalah berasaskan objektif Kumpulan untuk menjadikan produk-produk Amway lebih mudah diperolehi di persekitaran bertrafik tinggi. Sewaktu kali pertama beberapa buah kedai dibuka pada tahun 2008, kedai-kedai tersebut telah berjaya memenuhi keperluan para Pengedar Amway dan prospek mereka. Fasa seterusnya adalah untuk mengubahsuai RDC Amway yang sedia ada menjadi kedai. Setelah menyiapkan tiga pengubahsuaian tersebut pada tahun 2011, kehadiran fizikal Amway telah dapat diperkukuhkan di seluruh Malaysia menerusi 16 buah kedai dan 9 buah RDC. Pada akhir tahun 2011, konsep kedai tersebut telah berjaya disempurnakan apabila kedai pertama yang dibuka di Seremban ditempatkan semula ke premis lebih besar dan menggunakan penampilan generasi masa kini dengan perkhidmatan yang dipertingkatkan seperti membaiki dan menerima pemulangan produk. Bahkan, kedai-kedai terbaru ini turut menawarkan pelbagai perkhidmatan tambahan yang menegaskan komitmen Amway untuk menyokong aktiviti peruncitan dan usaha penajaan para Pengedarnya.

Pengiktirafan sebagai jenama yang dipercayai di kalangan pengguna

Penjenamaan

Pembinaan jenama merupakan usaha serampang dua mata iaitu meninggikan kesedaran pengguna terhadap jenama korporat Amway dan juga salah satu daripada rangkaian produk teras kita, iaitu jenama penjagaan kulit dan kosmetik, ARTISTRY. Kempen penjenamaan korporat melibatkan suatu pendekatan bersepadu yang menyampaikan mesej penting Amway berhubung inovasi, nilai bagi wang dan keberkesanan produk. Saluran-saluran media penyiaran, percetakan, digital, media di luar dan radio yang digembleng serentak selama tiga bulan pada pertengahan tahun 2011 telah menyediakan peluang bagi Amway dan para Pengedarnya untuk mewujudkan kesedaran selanjutnya mengenai peluang perniagaan Amway dan produk-produknya di pasaran.

Pusat Pengalaman Jenama Amway

TINJAUAN OPERASI (sambungan)

Penjenamaan (sambungan)

Buat julung kalinya, ARTISTRY melengkapkan pengiklanan atas garis yang dilaksanakan dalam majalah-majalah kecantikan terkemuka dengan menganjurkan dua ekspo bertemakan kecantikan. Kedua-dua Ekspo Kecantikan Artistry tersebut yang diadakan di pusat-pusat membeli-belah tumpuan ramai di Kuala Lumpur dan Pulau Pinang mempamerkan rangkaian produk penjagaan kulit dan kosmetik ARTISTRY yang berpelbagai kepada lebih 30,000 orang pengunjung.

Produk Baru dan Promosi

Pelancaran kategori baru di bawah ARTISTRY yang digelar Penjagaan Kulit Intensif telah mencetuskan keterujaan dalam bahagian produk baru. Dua produk, Pengelupas Memperbaharui dan Serum Pemejal Antikedutan, telah mendapat sambutan menggalakkan daripada para Pengedar Amway yang begitu teruja untuk meluaskan portfolio peruncitan mereka dengan produk-produk inovatif yang sinonim dengan jenama Amway. Kedua-dua produk ini menyumbang sebanyak 13% kepada jualan keseluruhan ARTISTRY bagi tahun 2011. Daripada NUTRILITE, iaitu rangkaian produk teras Pemakanan dan Kesejahteraan Amway paling laris, pelancaran All-Plant Protein telah mendapat sambutan yang sungguh memberangsangkan daripada para Pengedar Amway dengan jualan mencecah RM10 juta dalam tempoh hanya tiga bulan sejak ia dilancarkan. Tahun yang ditinjau turut menyaksikan jumlah aktiviti promosi yang agresif bagi menyokong usaha peruncitan di pasaran dalam suasana yang begitu kompetitif. Sebahagian daripada promosi tersebut memberikan hasil yang sungguh baik bagi menjana peningkatan jualan bagi Kumpulan.

Kemudahan Ibu Pejabat

Kemudahan Ibu Pejabat Amway yang siap dibina pada tahun 2009 dengan kos pelaburan berjumlah RM100 juta telah menarik kunjungan yang tidak putus-putus oleh para Pengedar Amway, pelanggan dan Pengedar berpotensi menerusi reka bentuk kemudahannya yang mesra alam, merangkumi ruang memproses pesanan yang luas, gudang yang mempunyai sistem pengambilan barang yang canggih, dewan latihan dengan 400 tempat duduk dan bilik-bilik latihan yang lengkap. Dengan memanfaatkan peranan Ibu Pejabat Amway sebagai suatu kaedah penajaan penting, tujuh Super Weekend telah diadakan di premis tersebut pada tahun yang ditinjau. Acara Super Weekend yang berkonsepkan Rumah Terbuka ini merupakan satu siri aktiviti pemasaran dan peluang perniagaan untuk memaparkan spektrum keseluruhan penawaran Amway. Semua acara Super Weekend tersebut yang merupakan program sehari pada hari Sabtu atau Ahad telah berjaya menarik hampir 20,000 pengunjung, meningkatkan bilangan permohonan baru dan memperbaharui minat sedia ada.

Pembukaan Pusat Pengalaman Jenama (BEC) seluas 10,000 kaki persegi pada tahun 2010 di bangunan pentadbiran utama Ibu Pejabat Amway adalah suatu langkah yang terbukti amat bermanfaat bagi para Pengedar Amway, dengan dewan pameran sejarah korporat dan produk, pameran produk dan ruang demonstrasi serta bilik-bilik penilaian kesihatan dan kecantikan. Melalui lawatan berpandu atau lawatan bebas yang disediakan kepada para Pengedar Amway dan orang ramai, BEC berjaya menarik jumlah pengunjung dengan purata seramai 2,000 orang setiap bulan di mana angka tersebut dijangka akan terus bertambah apabila lebih banyak program penilaian disediakan pada tahun 2012. Ibu Pejabat Amway dan pelbagai kemudahannya merupakan suatu gambaran yang cukup berkesan tentang komitmen padu Amway kepada perniagaan dan para Pengedar Amway yang bertunjangkan kesinambungan perniagaan.

TADBIR URUS KORPORAT

Tadbir urus korporat merupakan suatu komitmen berterusan yang dikongsi oleh Lembaga Pengarah, pengurusan dan kakitangan Amway. Kejayaan mencapai kedudukan antara 100 syarikat senarai awam terbaik dalam Indeks Tadbir Urus Korporat Malaysia 2011 bagi tahun ketiga berturut-turut adalah bukti penekanan Amway terhadap pematuhan dan tatacara beretika.

Lembaga Pengarah juga telah memperlihatkan komitmen yang jelas terhadap Kumpulan menerusi tatacara profesional mereka, kehadiran di mesyuarat-mesyuarat Lembaga dan penyertaan dalam program-program profesional. Sebagai ahli dalam pelbagai Jawatankuasa Kecil, mereka menyumbangkan input yang tidak ternilai bagi memastikan supaya amalan Kumpulan sentiasa berada di tahap tertinggi dari aspek akauntabiliti dan tanggungjawab kepada para pemegang saham.

TANGGUNGJAWAB KORPORAT

Di Amway, kita percaya bahawa tanggungjawab korporat adalah kewajipan perniagaan yang dikongsi dalam memastikan kemampanan perniagaan kita demi kepentingan golongan pemegang kepentingan yang lebih luas. Produk-produk Amway membawa

Serum Pemejal Antikedutan
Penjagaan Kulit Intensif ARTISTRY

Kempen Penjenamaan Korporat juga meliputi saluran konvensional dan digital




warisan ciri-ciri produk mesra alam dan jaminan kepuasan yang dijanjikan mencerminkan komitmen kita terhadap perlindungan pengguna. Keprihatinan kepada alam sekitar dan kebajikan kakitangan juga telah mencetuskan suatu inisiatif untuk tidak lagi menggunakan lapisan ultraungu pada hampir 300,000 naskhah majalah bulanan kita, AMAGRAM yang diedarkan kepada para Pengedar Amway. Bidang-bidang lain seperti program pembangunan bakat, kajian dan taksiran imbuhan saksama telah mengukuhkan lagi tumpuan Kumpulan dalam menyediakan persekitaran kerja yang membina. Begitu juga dengan usaha hubungan komuniti Amway yang sebahagian besarnya ditumpukan kepada peningkatan kesihatan minda kanak-kanak melalui Kempen One By One untuk Kanak-Kanak yang dimulakan pada tahun 2003. Di bawah tonggak berkembar projek Minda Riang Sihat dan Wad Riang Sihat, Amway terus mengadakan kem-kem untuk menggalakkan keyakinan diri dan menghias semula dua buah lagi Wad Kanak-kanak di hospital-hospital kerajaan pada tahun 2011.

TINJAUAN MASA DEPAN

Sebagaimana yang dipersetujui oleh pelbagai laporan ekonomi dan analisis, tinjauan masa depan bagi tahun 2012 menjangkakan bahawa ketidakpastian yang ketara akan terus menyelubungi ekonomi global yang pastinya akan mempengaruhi suasana ekonomi dalam negara. Amway sentiasa mengawasi sebarang tanda perubahan yang akan memberi kesan kepada perniagaan. Kekal relevan telah menjadi kunci kepada kesinambungan kejayaan Amway dan kita bersedia untuk bertindak balas dengan sewajarnya dan segera terhadap sebarang cabaran yang boleh menggagalkan usaha kita mengekalkan pertumbuhan. Setelah mentakrif dengan jelas peluang bagi pertumbuhan masa depan Amway meneruskan fokus kami terhadap generasi yang lebih muda daripada kalangan golongan dewasa pada peringkat usia di bawah 35 tahun dan juga segmen Melayu, kita akan mengembleng sumber-sumber yang ada dengan sewajarnya untuk menyokong keutamaan-keutamaan strategik. Di samping itu, pembezaan juga adalah penting untuk memastikan Amway jauh ke hadapan berbanding pesaing dan untuk itu, Kumpulan memberikan tumpuan dan komitmen yang serius terhadap peningkatan piawaian perkhidmatan kita.

Kumpulan juga yakin bahawa para Pengedar Amway yang merupakan pembina perniagaan yang setia telah dapat mengukuhkan semula kedudukan dan semangat mereka selepas mengikuti satu latihan yang diadakan secara dalaman untuk meninggikan peluang pendapatan mereka dua tahun lalu yang memerlukan satu tempoh penyesuaian. Dengan penawaran rangkaian produk yang luas dan inovatif pada semua peringkat harga, acara-acara yang menguja dan menarik minat segmen-segmen sasaran dalam pasaran dan kemudahan infrastruktur yang mantap, Kumpulan sesungguhnya telah mengambil pelbagai langkah yang perlu untuk memastikan kelangsungan perniagaan.


Look Hu's done it!


Antipenuaan


Tanggungjawab sosial Amway

Liputan akhbar Amway membantu meningkatkan kesedaran tentang jenama

PENGHARGAAN

Di sini saya ingin mengiktiraf kesungguhan dan dedikasi yang ditampilkan oleh kakitangan kita dan para Pengedar Amway yang merupakan dua faktor amat penting dalam memastikan kejayaan Kumpulan. Saya juga ingin mengucapkan tahniah kepada mereka kerana sekali lagi telah mencatat prestasi yang membanggakan walaupun berhadapan dengan persekitaran operasi yang sukar. Setinggi-tinggi penghargaan juga saya tujukan kepada rakan-rakan kongsi perniagaan kita atas kerjasama dan sokongan mereka serta kepada para pemegang saham atas kepercayaan anda terhadap Lembaga Pengarah, kakitangan dan pengurusan Amway.

Saya juga ingin menyatakan penghargaan kepada Lembaga Pengarah atas bimbingan dan nasihat yang tidak ternilai serta rasa tanggungjawab yang luhur dalam melaksanakan tugas mereka kepada Kumpulan. Komitmen mereka yang tidak berbelah bahagi menjadi sumber inspirasi kepada saya dan di sini saya juga ingin mengucapkan ribuan terima kasih atas sokongan mereka yang berterusan.

DATO' AB. HALIM BIN MOHYIDDIN
Pengerusi

BOARD OF

Dato' Ab.Halim
Bin Mohyiddin DPMS
(Chairman,
Senior Independent
Non-Executive Director)

Low Han Kee
(Managing Director)

Scott Russell Balfour
(Non-Independent
Non-Executive Director)

Yee Kee Bing
(Executive Director)

CORPORATE INFORMATION

COMPANY SECRETARIES
Tai Yit Chan (MAICSA 7009143)
Liew Irene (MAICSA 7022609)

REGISTERED OFFICE
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

SHARE REGISTRARS
Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

AUDITORS
Ernst & Young
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

DIRECTORS

Eva Cheng Li Kam Fun
(Non-Independent Non-Executive Director)

Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham
(Independent Non-Executive Director)

James Bradley Payne
(Non-Independent Non-Executive Director)

Professor Datuk Dr.Nik Mohd Zain Bin Nik Yusof
(Independent Non-Executive Director)

Mohammad Bin Hussin
(Non-Independent Non-Executive Director)

PRINCIPAL BANKERS
Public Bank Berhad
Standard Chartered Bank Malaysia Berhad
AmBank (M) Berhad
CIMB Bank Berhad

PLACE OF INCORPORATION
Malaysia

PRINCIPAL BUSINESS ADDRESS
28 Jalan 223
46100 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7946 2288
Fax : 03-7946 2399
E-mail : ir@amway.com

COMPANY WEBSITE
www.amway2u.com

STOCK EXCHANGE LISTING
Main Market
Bursa Malaysia Securities Berhad
Stock Code: 6351
Stock Name: AMWAY

PROFILE OF DIRECTORS

DATO' AB. HALIM BIN MOHYIDDIN DPMS

CHAIRMAN
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato Ab. Halim Bin Mohyiddin, a Malaysian, aged 66, was appointed Director of Amway (Malaysia) Holdings Berhad (AMHB) on 25 November 2002. He was appointed the Chairman of AMHB on 12 January 2006 and is also the Senior Independent Director of AMHB. He also serves as the Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee.

He graduated with a Bachelor of Economics (Accounting) from Universiti Malaya in 1971 and thereafter joined Universiti Kebangsaan Malaysia as a Faculty member of the Faculty of Economics. He obtained his Masters of Business Administration Degree from University of Alberta, Canada in 1973. He retired from KPMG/KPMG Desa Megat & Co. on 1 October 2001, a firm he joined in 1977 and had his early accounting training in both Malaysia and United States of America. He was made partner of the Firm in 1985. At the time of his retirement, he was Partner-in-Charge of the Assurance and Financial Advisory Services Divisions and was also looking after the Secured e-Commerce Practice of the Firm.

He is a member of the Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He is currently the Chairman of the Education and Training Committee of MICPA. He served as a member of the Education Committee of the International Federation of Accountants (IFAC) from 2001 to 2005. He was the President of the MICPA from June 2004 to June 2007 and a council member of MIA from 2001 to 2007.

Presently, he is a Board member of Kumpulan Perangsang Selangor Berhad, HeiTech Padu Berhad, Utusan Melayu (Malaysia) Berhad, DiGi.Com Berhad, KNM Group Berhad, Idaman Unggul Berhad, ECM Libra Financial Group Berhad, RCE Capital Berhad, Petronas Gas Berhad and Amcorp Properties Berhad (formerly known as AMDB Berhad).

Dato Ab. Halim is a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Dato Ab. Halim attended all the four Board meetings held during the financial year ended 31 December 2011.

LOW
HAN KEE

MANAGING DIRECTOR

Low Han Kee, a Malaysian, aged 52, was appointed Director of AMHB and Amway (Malaysia) Sdn Bhd (AMSB) on 6 June 1996 and 16 October 1995 respectively. On 1 September 1998, he took over the helm as the Managing Director of AMHB. He is also a Director of Amway (B) Sdn Bhd (ABSB), a subsidiary of AMSB since 1998.

He joined AMSB in 1990 as Divisional Manager, Finance & Administration and was promoted to General Manager responsible for Amway operations in Malaysia and Brunei, in January 1993. He qualified as a Certified Public Accountant in 1984 whilst serving in Ernst & Whinney (now known as Ernst & Young), an international accounting firm. He has since accumulated more than 20 years of financial expertise, having held senior positions in finance in companies listed on Bursa Malaysia Securities Berhad (Bursa Securities), including Mulpha International Trading Corporation Berhad, a group involved in trading, construction and engineering, where he last held the position of Group Chief Accountant, from 1985 to 1990 before leaving to join AMSB.

Low Han Kee is a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Low Han Kee attended all the four Board meetings held during the financial year ended 31 December 2011.

SCOTT
RUSSELL BALFOUR

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Scott Russell Balfour, an American, aged 50, was appointed Director of AMHB on 15 January 2004. He also serves as a member of the Audit Committee. He is a member of the American, Michigan and Grand Rapids Bar Associations. He has authored several articles regarding Korean and Asian jurisprudence and co-authored the book entitled Korean Labor and Employment Laws .

Currently, he is also the Deputy General Counsel and Vice President of International Legal of Alticor Inc. Through the International Legal Group, he coordinates and oversees Alticor s diverse legal issues for over 50 markets, including 14 Asian affiliates in Australia, China, Korea, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam.

Prior to joining Alticor in 1999, he spent 8 years as a Senior Foreign Legal Consultant for the law firm of Kim & Chang in Seoul, South Korea. His clients included Amway, Citibank, Pepsico, Morgan Stanley, Nike, McDonald, Gerber, Unilever, P&G and Duracell to name a few.

He graduated with a Bachelor of Science Degree from Michigan State University in 1983. After serving in the US military, he attended the University of Detroit where he received a Juris Doctorate Degree cum laude in 1990.

Scott Russell Balfour is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Scott Russell Balfour attended all the four Board meetings held during the financial year ended 31 December 2011.

YEE KEE BING

EXECUTIVE DIRECTOR

Yee Kee Bing, a Malaysian, aged 52, was appointed Director of AMSB on 28 November 2000. He was appointed Executive Director of AMHB on 16 July 2004. On 1 September 2004, he assumed his responsibility as the General Manager of AMSB.

He started his career as the Accounts Servicing Executive at Art Beat Communications Sdn Bhd in July 1983. He joined AMSB as Communications Executive, in November 1984 before being promoted to Communications Co-ordinator in 1988, and assuming the position of Communications Manager in 1990.

In 1992, he moved over to take the position of Group Product Manager and later became the Manager of Business Development Department in January 1993. He was subsequently promoted to Divisional Manager - Marketing Division in August 1994, and promoted again to Assistant General Manager for Marketing & Business Development in 1999 before taking over as General Manager (Operations) in January 2000.

He graduated with a Bachelor s Degree in Social Science (Major : Communications) from Universiti Kebangsaan Malaysia in 1983.

Yee Kee Bing is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Yee Kee Bing attended all the four Board meetings held during the financial year ended 31 December 2011.

EVA CHENG LI KAM FUN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Eva Cheng Li Kam Fun, a British National (Overseas), aged 59, was appointed Director of AMHB on 19 October 2005. She also serves as the Chairperson of the Remuneration Committee, and the Nominating Committee and an alternate member of the Audit Committee.

Eva joined Amway Hong Kong in 1977 and was Executive Vice President of Alticor Global Holdings Inc. responsible for Mainland China, Taiwan, Hong Kong SAR and the Southeast Asia region before her retirement on 31 December 2010. Eva continues to serve as Chairperson of Amway China Co. Ltd. and the Amway Charity Foundation in the People s Republic of China.

Eva is best known for leading Amway s entry into China in 1992, and for driving the growth and development of the company s business there. Over the past decade, Amway China has regularly been recognized by business magazines, surveys, and government agencies as one of China s most admired companies and best employers. Amway China is now one of the top 100 foreign invested enterprises in sales and was named "The Most Influential Multi National Company in China by China Business Network for 5 consecutive years since 2005. She was also named among the World s 100 Most Powerful Women in 2008 and 2009 by Forbes Magazine. In 2010, she was named 25 Most Influential Business Women in 2010 in China by Fortune magazine (Chinese Edition).

Eva Cheng graduated with a Bachelor of Arts Degree (Hons) in 1975 and obtained a Master s Degree in Business Administration in 1989 from the University of Hong Kong. Eva is not a shareholder of the Company. She does not have any family relationship with any Director and/ or major shareholder of the Company and has no conflict of interest with the Company. She has no convictions for offences within the past ten years.

Eva Cheng attended all the four Board meetings held during the financial year ended 31 December 2011.

PROFESSOR DATUK DR. NIK MOHD ZAIN BIN NIK YUSOF

INDEPENDENT NON-EXECUTIVE DIRECTOR

Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof, a Malaysian, aged 65, was appointed Director of AMHB on 9 February 2006. He also serves as a member of the Audit Committee and Remuneration Committee. He graduated with a Bachelor of Arts (Honours) from Universiti Malaya in 1969. He obtained a Master of Arts from the University of Wisconsin, Madison, United States of America in 1979 and later gained a PhD in Law from the University of Kent, Canterbury, United Kingdom in 1989.

Presently, Professor Datuk Dr. Nik Mohd Zain is a Board member of Fututech Berhad. He is the Chairman of Yayasan Peneroka Negara, Malaysia since 2000 and an Adjunct Professor for Universiti Putra Malaysia since 2006.

Professor Datuk Dr. Nik Mohd Zain has vast local and international working experience through his years of involvement in various councils, committees and land settlement schemes. He was a past-Chairman of the Prime Ministers Quality Award committee for both the public sector and the social-economy. He has also been the examiner for the Prime Ministers Quality Award and was the alternate chairman to the evaluation committee for public sector from 1996 to 1997. He previously held key positions in both private and government bodies including being the Secretary General of the Ministry of Land and Co-operative Development, Director of Land Settlement Scheme of Perlis, Director of Land Settlement Scheme of Kelantan and a Board member of FELDA Group of Companies.

Professor Datuk Dr. Nik Mohd Zain is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Professor Datuk Dr. Nik Mohd Zain attended three of the four Board meetings held during the financial year ended 31 December 2011.

TAN SRI DATO CECIL WILBERT MOHANARAJ ABRAHAM

INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Dato Cecil Wilbert Mohanaraj Abraham, a Malaysian, aged 66, was appointed Director of AMHB on 9 February 2006. He also serves as a member of the Audit Committee and Nominating Committee.

Tan Sri Dato Cecil had his tertiary education in Malaysia and the schools which he attended include, inter-alia, the Royal Military College. He read law at Queen Mary College, University of London and graduated with an LL.B Hons. in 1968. He was called by the Honourable Society of Middle Temple as a Barrister at Law in May 1969. He was admitted as an Advocate & Solicitor of the High Court of Malaya in February 1970. He was a Partner of Shearn Delamore & Co. from 1976 to 31 July 2007. He is a Fellow of Queen Mary College and a Bencher of the Honourable Society of Middle Temple.

He is currently Head of Dispute Resolution of Messrs Zul Rafique & Partners. He has an extensive litigation and arbitration practice.

Tan Sri Dato Cecil is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Tan Sri Dato Cecil attended three of the four Board meetings held during the financial year ended 31 December 2011.

MOHAMMAD BIN HUSSIN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Mohammad Bin Hussin, a Malaysian, aged 51, was appointed Director of AMHB on 10 June 2009.

He obtained a Bachelor of Business Administration from University of Portland, Oregon, United States of America in 1986 and later gained a Master of Business Administration from Cranfield University, United Kingdom in 1990.

He is currently the Senior Vice President of the Marketing & Branch Operations Department of Permodalan Nasional Berhad (PNB). He had previously held various senior management positions in PNB.

From 1990 to 2002, he held various management positions in corporations amongst others, Edaran Otomobil Nasional Berhad and UMW Toyota Sdn Bhd.

Mohammad is not a shareholder of the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

Mohammad attended all the four Board meetings held during the financial year ended 31 December 2011.

JAMES BRADLEY PAYNE

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

James Bradley Payne, an American, aged 58, was appointed Director of AMHB on 17 November 2011. Currently, he is also the Executive Vice President of Alticor Inc. He is responsible for leading growth in Amway s direct selling markets of North America, Latin America, Europe, South Africa and the Asia Pacific regions.

Prior to his current position, in 2005, he was the Senior Vice President of Amway, responsible for numerous international affiliates. From 1999 through 2000, he served as President and Representative Director of Amway Japan G.K., where he remains on the board of directors. Since 1980, his Amway career has taken him around the world, including positions as Director and then Vice President of New Market Development, responsible for expanding Amway markets worldwide. He also served as General Manager of Amway Germany, Regional Manager for the Poland and Switzerland affiliates, and Managing Director of Amway Thailand.

A native of Grand Rapids, Michigan, he earned a Bachelor of Science Degree in Business Administration from Aquinas College in Grand Rapids. He is a member of the West Michigan World Affairs Council and the Economics Club of Grand Rapids. He is also a member of the Board of Directors of the Van Andel Global Trade Center and the Board of Operation Smile Michigan.

James Bradley Payne is not a shareholder of the Company. He does not have any family relationship with any other Director and/or other major shareholder of the Company and has no conflict of interest with the Company. He has no convictions for offences within the past ten years.

James Bradley Payne did not attend any Board meetings of the Company held during the financial year ended 31 December 2011 as he was appointed to the Board on 17 November 2011.

2011 marked the 35th Anniversary of the Amway brand and business opportunity in Malaysia. By the time of its listing in 1996 and the listed entity became known as Amway (Malaysia) Holdings Berhad (Amway), the Amway brand was already entrenched as a household name. Today, its business opportunity still resonates with Malaysians and Amway's steady revenue growth over the years reflects our resilience even after 35 years.

For the year in review, Amway delivered another good performance despite the challenging economic conditions. Sales revenue grew 2.3% to RM735.8 million from RM719.4 million in 2010 while profit before tax grew 10.8% to RM121.0 million from RM109.1 million mainly due to an improved gross margin arising from the lower cost of products offset by higher advertising and promotional expenses, and higher operating cost as a result of our investment in consumer access driven strategies. The lower cost of products was mainly attributable to the lower exchange rate of USD in 2011 in comparison to 2010.

Coming from a difficult environment that defined 2010, the management recognised that more aggressive efforts were needed in 2011 to sustain its growth trend. Top line sales revenue was boosted with a relentless combination of new products, attractive promotions and events targeted at attracting the two potential growth segments: adults under 35 years old and the Malay market segment. Concerted efforts were placed on these two groups as insights showed that the younger generation and the Malay segment are increasingly attracted to the Amway business opportunity and products. As it stands, 56% of new Amway Distributors are below 35 years old while the thrust behind penetrating the Malay segment is premised on the fact that this segment which is currently under-represented in Amway has growth potential given its size.

It was essential to remain relevant to attract more people to Amway's products and business opportunity.

REMAINING RELEVANT WITH PRODUCTS

Product innovation is a key component of our product strategy. A new category under our skincare and cosmetics brand ARTISTRY™ called Intensive Skincare was introduced. It excited the field with the launch of not one, but two products under the category. The ARTISTRY Intensive Skincare Renewing Peel and the ARTISTRY Anti-Wrinkle Firming Serum fuelled a strong retailing story for Amway Distributors. The Intensive Skincare is ideally suited for our channel – it offers immediate and visible benefits that can be easily

OPERATIONS REVIEW

demonstrated and is complementary with ARTISTRY s other product categories that encourage cross-sell, repeated purchases and upgrade opportunities. Awareness for ARTISTRY was also elevated through two major expositions held at leading malls in Kuala Lumpur and Penang. This was the first time that a dedicated exposition for a single brand within the Amway ambit of core brands was held. There were product demonstrations, product sales, make-overs, fashion shows and an expert speaker was also specially flown over from Europe to enhance the credibility of the brand. There were also youth elements incorporated into the expositions to illuminate the appeal of ARTISTRY to the younger set. That proved to be successful and aligned to the Group s overall strategy to attract the under 35s as more than 60% of the total visitors of 30,000 was from that age group.

During the year, Amway was also successful at launching effective promotions which drove volumes while maintaining the desired pricing levels. Promotions are effective mechanisms for supporting Distributors retailing efforts and several notable promotions in 2011 helped to drive the sales revenue for Amway s three power brands, namely skincare and cosmetics brand ARTISTRY, nutrition and wellness brand NUTRILITE™ and eSpring™ Water Purifier.

Our continued emphasis on equipping Amway Distributors with retailing skills and product knowledge was supported by three expert speakers from the United States in addition to the on-going workshops by local trainers. 2011 saw a 40% increase in the number of training workshops from 319 to 457 where more than 40,000 Distributors received product and retail training. In a business that is word-of-mouth driven, a successful Distributor force has to be supported by product knowledge to evoke confidence and attract sales.

Products under the Personal Shoppers Catalogue (PSC) recorded a 3% growth in sales year-on-year. Traditionally a door-opener, PSC carries locally-sourced products from local companies who meet our criteria and wish to gain market access. Sales from PSC contributed about 12% to the Group s total sales revenue. In November 2011, PSC introduced its inaugural offerings of pre-packed Festive Hamper Gift Sets in conjunction with the up-coming Chinese New Year. With advancements in packaging and logistics which were previous concerns in making such products available, these Festive Hampers retailed between RM198 to RM498 and were either delivered or sold from our RDCs and shops. Response to these Hampers has been very encouraging with the first two months sales contributing to approximately 50% of the total forecast.

As a testimony of consumers' confidence in Amway products, NUTRILITE was awarded the Reader s Digest Trusted Brand Award for the seventh consecutive year, garnering a Platinum Award in Malaysia and a Gold Award for the Asia region. eSpring was awarded the Reader s Digest Trusted Brand Award for the sixth consecutive year, with both Gold Awards in Malaysia and Asia. Frost & Sullivan also awarded our eSpring Water Treatment System with the Asia Pacific Best Practices Awards for Water Filtration Company of the Year for the second consecutive year.

The ARTISTRY Intensive Skincare Renewing Peel was the first product to be launched from the Intensive Skincare range

Engaging activities were organised at Amway s Product Expo

Entrepreneurship Conventions drew a crowd of more than 5,000 people, reflecting the efforts put in to attract the Malay segment to Amway

The National Convention drew excitement to more than 18,000 Distributors

REMAINING RELEVANT WITH DISTRIBUTORS

At the end of 2011, our Core Distributor Force (CDF) grew from 221,000 to 232,000, a 5% growth. The increase is a reflection of the continued confidence of the market in Amway's Business Opportunity. We also noticed the positive trend of younger people joining Amway with 56% of new Distributors under the age of 35 and this augurs well for the longevity of the business. During the year in review, the Group invested heavily in the Sales Incentive Programmes and field activities to recognise and reward Distributors for their efforts. Seven Super Weekends were organised in 2011, up from the 5 held the previous year. A Super Weekend is similar to an Open House with added features such as product demonstrations and Business Opportunity talks by Distributor leaders. Conducted over either a Saturday or Sunday at Amway Headquarters, the seven Super Weekends attracted nearly 20,000 Distributors and their prospects. For the first time ever, a rally and product exposition with very youthful elements called Y Me Rally and Expo were organised to make the Amway Business Opportunity and products appeal to a younger segment. Similarly, three Entrepreneurship Conventions with Malay speakers drew a crowd of more than 5,000 people, reflecting the efforts put in to attract this segment to Amway.

In 2011, we trained over 40,000 Distributors through more than 450 training workshops, conducted across all core lines, equipping them with retailing and demonstration skills. A new workshop entitled the Amway Entrepreneurship Series was launched in mid 2011 to complement and strengthen the efforts of top Amway Distributors in growing their network of Distributors. Demand for this workshop was overwhelming that additional sessions had to be arranged to accommodate the response. More than 9,000 Distributors attended the 38 sessions.

The most significant support rendered during the year was the effort to bring together more than 18,000 people for the annual National Convention. The guest speakers at the National Convention was a very high pin from Japan and one of the youngest couples to achieve the Diamond pin from Thailand who inspired the crowd with the stories. Another source of inspiration was the travel seminars where the Amway Leadership Seminar 2011 was held in Paris while the Diamond Invitation 2011 was on the Mediterranean Cruise. These business trips allowed Distributors to engage with Amway and its management team and at the same time, be updated on company initiatives that would help them with their Amway business.

The benefits of enhanced field support is consequently mirrored in the 5% increase in CDF and the commendable number of high pin qualifiers achieved during this very challenging year – 2 new Diamond Direct Distributors, 1 Executive Diamond Direct Distributor, 1 Double Diamond Direct Distributor and 1 Founders Triple Diamond Direct Distributor.

REMAINING RELEVANT THROUGH INFRASTRUCTURE AND IT

As part of the consumer access strategy initiated in 2008, the first shop was opened in Seremban, quickly followed by a spate of shops over the next three years. At the end of 2010, the first out of the existing 13 Regional Distribution Centers (RDCs) was converted into a shop as Distributors were very encouraged with the benefits of having a shop. 2011 saw the further conversion of more RDCs into shops and by the end of 2011, 3 more RDCs had been converted into shops. These were in Brunei, Alor Setar and Kuantan. By the end of 2011, this brought the total number of shops to 16 and the remaining RDCs to 9. The shop concept also came full circle when the Seremban shop was relocated to bigger premises and adopted the latest generation design to better reflect the current needs of Distributors.

Amway Headquarters also thrived in its role as a beacon for the business, providing credibility that the Amway Business Opportunity is supported by an established organization. Apart from the Super Weekends which were meant to draw new Distributors and prospects, the Brand Experience Centre (BEC) was strongly promoted as a venue for greater insights into Amway and its brands. Additionally, the BEC began to conduct health and beauty assessments with its trained nutritionists and beauty consultants using sophisticated equipment. This gave added confidence to Distributors that their product usage is guided by expert analysis. As consumers become more health and beauty conscious, they are willing to pay for premium propositions that define the range of Amway products.

Our website, amway2u.com, has always been an instrumental channel for ordering as reflected in the 47% of total sales coming through the internet. To increase the bandwidth and enhance its capabilities to cater to the increasing digital possibilities, the Group had embarked on a project to upgrade amway2u using the Global Web 2.0 platform. When the first phase is completed in 2012 and the subsequent phases in 2013, the upgraded Amway web-site will be able to offer a myriad of services, features and applications to make information dissemination, retailing and ordering an ease for Distributors.

NUTRILITE All Plant Protein

REMAINING RELEVANT THROUGH BRANDING

To continue connecting with its audience and to ensure that they have their pulse on who Amway is, the Group rolled out the second phase of its Corporate Branding Campaign with an integrated media strategy. Advertisements carrying the visual concepts of Amway s three core values of innovation, value for money and efficacy appeared in print, broadcast, digital and outdoors. Radio contests were also held to engage consumers with the brand. The use of digital media reiterated our desire to penetrate the young market and the high number of on-line hits reflected that the brand could still attract a new generation.

REMAINING RELEVANT AND BEYOND

As we continue to face tough external challenges, we remain confident that we have the right strategies in place to build on our past successes, and are committed to executing those strategies with speed and agility. Although we expect competitive and economic challenges to continue, we are confident that our market-leading and strong financial position will help us achieve sustainable growth and another year of solid financial performance. We will continue to stay the course of attracting more people to the Business Opportunity and increasing the appeal of our products by making Amway relevant to new segments while retaining the loyalty of the existing ones. Backed by a strong committed staff force of 420 which is still growing, the Group is confident of achieving sustainable growth in the ensuing years.

Due to the continuous uncertainty in the global economic outlook, the Group expects to achieve a single digit growth in sales revenue for the financial year 2012. This outlook is realistic based on current market conditions and currently available information. This target will be reviewed periodically by the Board of Directors and any subsequent changes will be conveyed to the market in accordance with Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Amway continues to stay relevant with the younger segment at the Y Me Expo

CORPORATE RESPONSIBILITY

In 2011, Amway (Malaysia) Holdings Berhad continued to advance our Corporate Responsibility agenda in the four key areas.

THE WORKPLACE

With a growing workforce to support Amway s operations that span the whole of Malaysia, the Group emphasizes on creating an environment that inspires a sense of personal worth, empowers success and rewards contribution. We provide our staff the tools and opportunity to achieve a rewarding career whilst living a balanced life. Close to 5,500 hours were spent on staff training needs during the year in review and continuous on-the-job training is given especially to the ever-increasing number of staff at the shops. Top management continued to emphasize on the need for greater engagement with the staff and regular Conversations between the Managing Director and General Manager took place with staff of all levels during the year in review to elicit feedback and suggestions.

There was a constant stream of outdoor activities organised by both the Human Resources Department and the Sports Committee aimed at encouraging staff to lead healthy lifestyles. In addition to a gymnasium and well-equipped pantries at every floor, Amway Headquarters added a nursing room for employees to underscore its commitment to staff welfare.

MARKETPLACE

Ethical conduct underpins the business philosophy of Amway. We have numerous policies that guide the way we behave towards various stakeholders. Under products, we have the Satisfaction Guaranteed Policy and our products are manufactured by business partners who have to comply with all regulatory requirements set by the relevant authorities. As a founding member of the Direct Selling Association of Malaysia (DSAM), Amway is a strong proponent of self-regulation. Guided by our own set of Rules of Conduct to ensure responsible behaviour amongst Amway Distributors, Amway also subscribes to

The Paediatric Ward at Malacca Hospital sporting a more cheerful look after the refurbishment

DSAM s Code of Conduct. Taking our commitment one step further, Amway was one of the first member companies to submit our application for Gold certification under DSAM's Code of Ethics Recognition Programme in December 2011. This Programme is a voluntary Recognition Programme promoting the Code of Conduct and is acknowledged by the World Federation of Direct Selling Associations (of which DSAM is a member of). Going for a Gold certification reflects Amway's affinity for high standards of ethical conduct.

In the areas of corporate governance, the Group has an Investor Relations Policy and a Whistle Blower Policy.

COMMUNITY

Amway s community thrust is helping children lead better lives through our One By One Campaign for Children. Since 2003, Amway has been running two projects to increase the self-worth of children by giving them the tools to cope with the demands of today's pressure. The first project called the Happy Healthy Minds camps have been running since 2003 and provides a platform for Amway-sponsored psychologists to equip children with the necessary mental and behavioural skills to achieve greater self-esteem and confidence. Two camps were conducted in 2011 which also provided an opportunity for staff to contribute meaningfully to community work. The second project is called the Happy Healthy Wards and is a refurbishment exercise of Paediatric Wards and Children s DayCare Centers at government hospitals to create a more cheerful and welcoming environment for children undergoing treatment. Since the inception of this project in 2006, we have refurbished eleven Paediatric Wards, DayCare Centers and Playrooms at government hospitals. Two of the refurbishments took place at the Sarawak General Hospital in Kuching and the Malacca Hospital in 2011, bringing Amway closer to its target of 12.

Amway takes ethical direct selling seriously and this is demonstrated through its application for the WSFDA/ DSAM Code of Ethics Recognition Program in 2011

The kids section of the ward at Malacca Hospital where young patients can enjoy activities like colouring and reading

ENVIRONMENT

During the year in review, Amway continued to reduce the impact of our operations on the environment by conserving resources through the responsible use of energy and the elimination of hazards. These were illustrated by the optimising of the air-conditioning levels at Amway Headquarters which in itself had already embraced a green-building design when it was built in 2009 and the removal of the ultra-violet coating on the cover of the Amagram magazine that goes out to 300,000 Amway Distributors monthly.

One of the best demonstrations of our environmental commitment is the story behind our products. For example, Amway s Nutrition and Wellness brand NUTRILITE is sourced from 6,400 acres of organic farmland in the United States, Mexico and Brazil where plants are grown and harvested in accordance with nature, using sustainable methods. Amway's eSpring™ Water Purifier was one of the winners of the 2010 Environmental Stewardship Awards.

At Amway, we recognise the importance of playing our role to ensure that business sustainability is a shared value that is embodied not just for the moment, but consistently.

Staff participating in activities organised by the Sports Committee

STATEMENT ON CORPORATE GOVERNANCE

Amway (Malaysia) Holdings Berhad ("Company") subscribes to the promulgations of the Malaysian Code on Corporate Governance [Revised 2007] ("Code"). The Board of Directors ("Board") recognises the importance of enhancing shareholders' value through a sustainable business by implementing and maintaining high standards of corporate governance at all levels within the Group while discharging its duties and responsibilities in managing the business and affairs of the Group.

During the year under review, the Company has applied the Principles and complied with the Best Practices as enumerated under the Code, details of which are described in this statement.

THE BOARD OF DIRECTORS

Principal Responsibilities of the Board

The Board recognises the key role it plays in charting the strategic direction, development and control of the Group and has adopted the six specific responsibilities as listed in the Code.

Board balance

As at 31 December 2011, the Board consists of nine (9) members, made up of seven (7) Non-Executive Directors and two (2) Executive Directors. Of the seven (7) Non-Executive Directors, three (3) are independent. The profile of each Director is set out on pages 17 to 20 of this annual report.

The concept of independence for Independent Non-Executive Directors, and its composition, i.e. comprising at least one third of Board membership, adopted by the Board satisfies the criteria as specified by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board is guided by a charter which sets out the practices and processes in the discharge of its responsibilities, the role of the Chairman and authorities delegated to the Managing Director. There is clear division of responsibilities between the Chairman and the Managing Director to ensure balance of power and authority, such that no one individual has unfettered powers over decision making. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings to ensure no Board member dominates discussion. The Managing Director, supported by the Executive Management team, implements the policies and decision adopted by the Board and oversees the operations and business development of the Group. He also has the responsibility of reporting, clarifying and communicating matters to the Board.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts its business and also the various issues dealt with at the Board and Board Committees. Dato' Ab. Halim Bin Mohyiddin is the Chairman and also the Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders. The Non-Executive Directors play a strong and vital role in entrenching good governance practices in the affairs of the Group through their participation in the Audit, Remuneration and Nominating Committees.

To discharge their duties free from any business or other relationship which may materially interfere with the exercise of their independent judgment, the Non-Executive Directors do not engage in the day-to-day management of the Company. The Non-Executive Directors contribute significantly to the Company through their business acumen, a wide range of functional knowledge and skills from their long-standing experience. The Directors, with their wide experiences and backgrounds such as accountancy, law, business and finance, contribute greatly in the areas of policy, performance monitoring and allocation of resources and enhancement of controls and governance. The Board is satisfied that its current composition fairly reflects the interests of minority shareholders in the Company. It is also of the view that it has the right mix of skills, experience and strength in qualities which are relevant for the effective functioning of the Board.

THE BOARD OF DIRECTORS (contd.)

Board meetings

The Board meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

Board and Board Committee papers are prepared by Management which provides the relevant facts and analysis for the convenience of Directors. The agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members in advance to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discusses major operational and financial issues. The Chairman of the Audit Committee informs the Directors at each Board meetings of any salient matters noted by the Audit Committee and which require the Board's notice or direction. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries by way of minutes of meetings.

During the financial year ended 31 December 2011, four (4) Board meetings were held and details of attendance of Directors are as follows:

DIRECTORS	NUMBER OF MEETINGS ATTENDED
Dato' Ab. Halim Bin Mohyiddin (Chairman, Senior Independent Non-Executive Director)	4/4
Low Han Kee (Managing Director)	4/4
Scott Russell Balfour (Non-Independent Non-Executive Director)	4/4
Yee Kee Bing (Executive Director)	4/4
Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director)	4/4
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director)	3/4
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director)	3/4
Mohammad Bin Hussin (Non-Independent Non-Executive Director)	4/4
James Bradley Payne (Non-Independent Non-Executive Director) (Appointed on 17 November 2011)	- There was no meeting held since his appointment

THE BOARD OF DIRECTORS (contd.)

Supply of and Access to information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for informed decision making and effective discharge of Board's responsibilities.

Procedures have been established for timely dissemination of Board and Board Committee papers to all Directors at least 1 week prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the Company's agenda. Besides direct access to the Management, the Directors may obtain independent professional advice at the Company's expense, if necessary in accordance with established procedures which have been communicated to them in furtherance of their duties.

The Board has ready and unrestricted access to the advice and services of both Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are experienced and knowledgeable on new statutory and regulatory requirements, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. The Company Secretaries brief the Board on the proposed contents and timing of material announcements to be made to Bursa Securities. The Company Secretaries also serve notices to Directors and Principal Officers on the closed period for trading in Company's shares, specifying the timeframe during which the Directors and the Principal Officers are prompted not to deal in the Company's shares at the point when price sensitive information is shared with them. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper record of the proceedings and resolutions passed are taken and maintained in the statutory registers at the registered office of the Company. The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

Whistleblowing policy

A whistleblowing policy established in the company, strengthens, support good management and at the same time demonstrates accountability, good risk management and sound corporate governance practices.

The policy outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud involving employees or Management in the Group. It also allows the whistleblower the opportunity to raise concern outside the management line. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution. All concerns reported by the whistleblower shall be set forth in writing and forwarded in a sealed envelope to the Chairman of the Audit Committee.

Code of Ethics

The Company's Code of Ethics for Directors and Standard of Business Conduct for employees continue to govern the standards of ethics and good conduct expected from Directors and employees respectively, with the aim to continuously enhance the standard of corporate governance and corporate behaviour at the workplace. The Code of Ethics for Directors includes principles relating to sincerity, integrity, responsibility as well as corporate social responsibility. For employees, the Standard of Business Conduct requires all employees to be committed to operate in accordance with high standards of business integrity and comply with laws and regulations.

Board Committees

The Board has in place a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Group are firmly in its hand. To promote business and corporate efficacy and efficiency, specific responsibilities or authorities are also delegated to Board Committees and Management, where appropriate. Key matters reserved for the Board include the approval of strategic plans, annual operating and capital budgets, quarterly and annual financial statements and monitoring of financial and operating performance.

Board Committees, namely the Audit Committee, Remuneration Committee and Nominating Committee, examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making lies with the Board.

THE BOARD OF DIRECTORS (contd.)

Nominating Committee

The Nominating Committee comprises wholly Non-Executive Directors, with the majority consisting of Independent Non-Executive Directors as follows:

1. Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director; appointed Chairperson of the Committee on 12 January 2006);
2. Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director; appointed on 19 October 2005); and
3. Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director; appointed on 9 February 2006).

Appointments to the Board

A selection process for new appointees to the Board as recommended by the Nominating Committee has been adopted by the Board. The Committee assesses the suitability of candidates and recommend to the Board for appointment.

The Committee is responsible for making recommendation to the Board on the optimum size of the Board, formalising a transparent procedure for proposing new nominees to the Board and Board Committees and recommend to the Board, Directors due for retirement by rotation, whether to be re-elected or otherwise ensuring that the investment of the minority shareholders are fairly reflected on the Board.

The Committee reviews annually the required mix of skills, experience and other qualities of the Board, including core-competencies which Non-Executive Directors should bring to the Board. The Committee also assesses annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director and the effectiveness and performance of the Executive Directors.

The evaluation process is led by the Nominating Committee Chairperson and supported by the Company Secretary annually. The Directors complete a questionnaire regarding the effectiveness of the Board and its Board Committees. This process includes a peer review in which the Directors assess their own and also fellow Directors' performance. The assessment and comments by all Directors are summarized and discussed at the Nominating Committee meeting and reported at a Board Meeting by the Nominating Committee Chairperson. All assessments and evaluations carried out by the Nominating Committee in the discharge of its functions are properly documented.

During the financial year ended 31 December 2011, one (1) Committee meeting was held and attended by all its members. During the year, the Nominating Committee reviewed and assessed the mix of skills, expertise, composition, size of the Board and experience of the Board, including the core-competencies of both Executive and Non-Executive Directors and, contribution of each individual director and effectiveness of the Board as a whole and the Board Committees and also reviewed the retirement of directors by rotation eligible for re-election. The Nominating Committee also recommended to the Board the re-appointment of the existing members of the respective Board Committees.

On 16 November 2011, the Nominating Committee assessed and recommended to the Board the new appointment of Mr James Bradley Payne as Non-Independent Non Executive Director who will submit himself for re-election at the forthcoming 17th Annual General Meeting. The appointment of Mr James Bradley Payne would contribute positively to the Board with his extensive background and experience in the direct selling industry as he is the Executive Vice President of Alticor Inc.

Following the performance evaluation process for year 2011, the Nominating Committee was satisfied that the size and composition of the Company's Board is optimum and all the Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively.

Re-election of Directors

In accordance with the Company's Articles of Association, one-third of the Directors shall retire from office by rotation at each Annual General Meeting and all Directors shall retire from office at least once every three years but shall be eligible for re-election.

In February 2011, the Nominating Committee recommended to the Board for the re-appointment of Dato' Ab Halim Bin Mohyiddin, Low Han Kee, and Yee Kee Bing, who were subsequently re-elected as Directors at the 16th Annual General Meeting held on 11 May 2011. At the forthcoming 17th Annual General Meeting of the Company, the following four (4) Directors shall retire and have offered themselves for re-appointment:

1. Scott Russell Balfour
2. Eva Cheng Li Kam Fun
3. Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof
4. James Bradley Payne

THE BOARD OF DIRECTORS (contd.)

Directors' training and induction

The Board continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All Directors including James Bradley Payne who was appointed during the year have completed the Mandatory Accreditation Programme. During the financial year ended 31 December 2011, all directors attended development and training programmes as well as conferences in areas of finance, tax, corporate governance, leadership, legal, business intelligence, industry and regulatory developments.

The Company Secretaries circulate the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and brief the Board quarterly on these updates at Board meetings. The External Auditors also brief the Board members on any new Financial Reporting Standards that affect the Group's financial statements during the year.

The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge.

DIRECTORS' REMUNERATION

Level and make up of remuneration

The Company has adopted the Best Practice as recommended by the Code to determine the remuneration of Directors so as to ensure that it attracts and retains its Directors needed to run the Group successfully. The components of their remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. The Remuneration Committee adopts the ultimate holding company's employee compensation plan to set the remuneration of its Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Procedures

The Remuneration Committee comprises wholly Non-Executive Directors as follows:

1. Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director; appointed as Chairperson of the Committee on 19 October 2005);
2. Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director; appointed on 19 October 2005); and
3. Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director; appointed on 9 February 2006).

The Remuneration Committee is responsible for recommending to the Board, the remuneration of Executive Directors and Non-Executive Directors of the Group in all its forms. The Executive Directors concerned play no part in the decision of their own remuneration but may attend the committee meetings at the invitation of the Chairperson of the Committee if their presence is required. The determination of remuneration of the Independent Non-Executive Directors is a matter for the Board, as a whole, with individual Director abstaining from discussion of his/her own remuneration. The Non-Independent Non-Executive Directors' do not receive remuneration from the Company. The Company's Articles of Association provide that any payment of Directors' fees should be approved at a general meeting.

During the financial year ended 31 December 2011, one (1) Committee meeting was held and attended by all its members. During the year, the Remuneration Committee reviewed and recommended to the Board, the remuneration for the Managing Director and Executive Director of the Company and further recommended all the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's Annual General Meeting.

Disclosure

Details of remuneration of Directors of the Company for the financial year ended 31 December 2011 are as follows:

	Executive RM'000	Non-Executive RM'000
Director fees	-	231
Salaries	845	-
Bonuses	765	-
EPF	264	-
Allowances	41	14
Benefits-in-kind	41	-
Total	**1,956**	**245**

DIRECTORS' REMUNERATION (contd.)

Bonuses are performance based and related to individual and Company achievement of specific goals. The Non-Executive Directors do not receive any performance related remuneration.

The number of directors of the Company in each remuneration band is as follows:

	Executive	Non-Executive
RM0 - RM 50,000	-	4
RM50,001 – RM100,000	-	3
RM700,001 - RM750,000	1	-
RM1,200,001 - RM1,250,000	1	-
Total	**2**	**7**

SHAREHOLDERS

Dialogue with Investors and Financial Community

The Company recognises the importance of being transparent and accountable to its investors and, as such, has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with investors, financial community and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, bi-annual briefings to the financial community, Annual General Meeting and through the Group's website at www.amway2u.com where shareholders have easy and convenient access to the corporate information, annual reports, press releases, financial information, company announcements, share prices and social responsibility reporting.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Annual General Meeting

The Annual General Meeting ("AGM"), which is the principal forum for dialogue with shareholders, allows the shareholders to have a view of the Group's performance.

The Notice of AGM is circulated at least twenty one (21) days before the date of the meeting as required by the Companies Act, 1965 in order to facilitate full understanding and evaluation of the issues involved. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. The outcome of the AGM is announced to Bursa Securities on the same meeting day.

During the AGM, the Executive Director also provides shareholders with a brief review of the Group's operations for the financial year while the Finance Director provides a brief financial overview of the current year performance.

The Chairman also shares with shareholders the responses to the questions submitted in advance by the Minority Shareholder Watchdog Group during the meeting.

Investor Relations Policy

The Company has also in place an Investor Relations Policy to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

The Board has also adopted written policies and procedures in corporate disclosure setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To maintain the highest level of transparency and to effectively address any issues and concerns, the Group has a dedicated electronic mail, i.e. ir@amway.com to which its stakeholders can direct their queries.

ACCOUNTABILITY AND AUDIT

Audit Committee

The Audit Committee comprises wholly Non-Executive Directors, majority Independent, with Dato' Ab. Halim Bin Mohyiddin as Chairman. The composition of the Audit Committee is set out on page 34 of the Annual Report. The Audit Committee met four (4) times during the financial year ended 31 December 2011. Details of attendance of Audit Committee are set out on page 36 of the Annual Report.

Financial Reporting

In presenting the annual audited financial statements to shareholders, the Board aims to present a clear, balanced and understandable assessment of the Group's position and prospects. The Statement by Directors pursuant to Section 169 (15) of the Companies Act, 1965 is set out on page 46 of the Annual Report.

Internal Control

The Board acknowledges its overall responsibilities for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, and reviewing the adequacy and integrity of the system of internal control. A Statement on Internal Control is set out on pages 40 to 41 of the Annual Report.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is stated on pages 35 to 36 of the Annual Report.

Compliance with the Code

The Company has complied with the Best Practices of the Code throughout the financial year ended 31 December 2011.

Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements which are in accordance with Financial Reporting Standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- adopted appropriate accounting policies and applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured that applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors have prepared the annual financial statements in compliance with the Financial Reporting Standards and the Companies Act, 1965.

AUDIT COMMITTEE REPORT

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2011.

MEMBERSHIP

The Company's Audit Committee, appointed by the Board from amongst its members, comprises the following Non-Executive Directors, the majority of whom are Independent Non-Executive Directors.

COMPOSITION

Chairman of the Audit Committee		
Dato' Ab. Halim Bin Mohyiddin - appointed on 25 November 2002		Senior Independent Non-Executive Director
Members of the Audit Committee		
i)	Scott Russell Balfour - appointed on 19 October 2005	Non-Independent Non-Executive Director
ii)	Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof - appointed on 9 February 2006	Independent Non-Executive Director
iii)	Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham - appointed on 14 February 2006	Independent Non-Executive Director
iv)	Eva Cheng Li Kam Fun - alternate to Scott Russell Balfour - appointed on 19 October 2005	Non-Independent Non-Executive Director

TERMS OF REFERENCE

1. Objectives

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors in fulfilling its fiduciary duties as well as the following oversight objectives on the activities of the Group:

- oversee financial reporting; and
- evaluate the internal and external audit processes, including issues pertaining to the system of internal control and risk management within the Group.

2. Composition

The Board shall elect the Committee members from amongst themselves, comprising no fewer than three (3) Directors (none of whom shall be Executive) and the majority shall be Independent Non-Executive Directors. In this respect, the Board adopts the definition of "independent directors" under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). All the members shall be financially literate and at least one (1) member of the Committee shall be:

- a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least three (3) years of working experience and:
  - he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  - he must be a member of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
  - fulfils such other requirements as prescribed or approved by Bursa Securities

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed as a member of the Committee.

The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once in every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference.

TERMS OF REFERENCE (contd.)

3. Quorum and Meeting Procedures

Meetings shall be conducted at least four (4) times annually, and more frequently as circumstances dictate. The Chairman may call for a meeting of the Committee if a request is made by any Committee member, the Managing Director, or the internal or external auditors.

In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman, shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee. The minutes of all Committee meetings shall be circulated to the members of the Board.

The Committee may, as and when deemed necessary, invite other Board members and Senior Management members to attend the meetings.

The Chairman shall submit an annual report to the Board, summarising the Committee's activities during the year and the related significant results and findings thereof, including details of relevant training attended by each Committee member.

The Committee shall meet at least twice annually with the external and internal auditors without the presence of any executive Board members, Management or employees. In addition, Management, the external and internal auditors may request for a private session with the Committee to discuss any matter of concern.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

4. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is also authorised to seek any information it requires from any employee and employees are directed to co-operate with any request made by the Committee. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary in the discharge of its responsibilities.

The Committee shall have full and unlimited access to any information pertaining to the Group. The Committee shall have direct communication channels with the internal and external auditors and with Senior Management of the Group and shall be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary. The Committee shall have the resources that are required to perform its duties.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Main Market Listing Requirements of Bursa Securities, the Committee shall promptly report such matter to Bursa Securities.

5. Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

- review the Committee's terms of reference as conditions dictate;
- review with the external auditors, the audit scope and plan, including any changes to the scope of the audit plan;
- ensure the internal audit function is independent of the activities it audits and the head of internal audit reports functionally to the Audit Committee directly, which reviews its performance on an annual basis. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Group;
- take cognisance of resignations of any internal audit member and provide the resigning internal audit member an opportunity to submit his reasons for resigning;
- review the adequacy of the internal audit scope and plan, including the internal audit programme, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;

TERMS OF REFERENCE (contd.)

Responsibilities and duties (contd.)

- review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that are identified;
- review major audit findings and Management's response during the year with Management, external and internal auditors, including the status of previous audit recommendations;
- review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;
- review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- review the risk profile of the Group (including risk registers) and the Risk Management team's plans to mitigate business risks as identified from time to time;
- review the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems;
- direct and, where appropriate, supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts;
- review the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on:
    - changes in, or implementation of, major accounting policy changes;
    - significant or unusual events; and
    - compliance with financial reporting standards and other legal requirements;
- review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, Main Market Listing Requirements of Bursa Securities and other legislative and reporting requirements;
- review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on Management's integrity;
- prepare reports, at least once (1) a year, to the Board summarising the activities/work performed in fulfilling the Committee's primary responsibilities, including details of relevant training attended by each Committee member; and
- any other activities, as authorised by the Board.

MEETINGS

The Chairman of the Committee shall engage on a continuous basis with Executive Directors and Senior Management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

During the financial year ended 31 December 2011, four (4) meetings were held and details of attendance of members are as follows:

Members	Number of meetings attended
Dato' Ab. Halim Bin Mohyiddin (Chairman, Senior Independent Non-Executive Director)	4/4
Scott Russell Balfour (Non-Independent Non-Executive Director)	4/4
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director)	3/4
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director)	3/4

The Executive Directors, Senior Management, External and Internal Auditors were in attendance at the meetings, upon invitation by the Committee, to brief the members on specific issues. The Committee had also met with the external and internal auditors separately on two occasions without the presence of the Executive Directors and Senior Management to discuss the audit findings and any other concerns or observations they may have during the audit.

SUMMARY OF ACTIVITIES

Below is a summary of principal activities carried out by the Committee during the year:

- reviewed the Annual Strategic Plan, the Capital and Operating Expenditure Budget for year 2011;
- approved the Internal Audit Plan for financial year 2011;
- reviewed the effectiveness of the internal audit process, resource requirements of the internal audit function for the year and assessed the performance, effectiveness and efficiency of its function;
- reviewed the external auditors' scope of work and audit plan prior to the commencement of the audit for the financial year 2011;
- reviewed with the external auditors the results of the audit of the Financial Statements and their report as well as the Management's responses;
- reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services;
- deliberated the internal audit reports prepared by KPMG Business Advisory Sdn Bhd, an independent professional services firm, which highlighted the audit issues, recommendations and Management's response. Discussed with Management actions taken to improve the internal controls based on improvement opportunities identified in the internal audit reports;
- reviewed the effectiveness of the risk management system and the risk assessment reports from the Risk Management Committee. Significant risk issues were summarized and communicated to the Board for consideration and resolution;
- reviewed the annual audited financial statements of the Group and Company with the external auditors prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the applicable approved Financial Reporting Standards, the provisions of the Companies Act, 1965 and Main Market Listing Requirements of Bursa Securities;
- reviewed the quarterly unaudited financial results for announcements to Bursa Securities before recommending them to the Board for approval; and
- reviewed the related party transactions entered into by the Group to ensure compliance with the Main Market Listing Requirements of Bursa Securities.

AUDIT COMMITTEE TRAINING AND EDUCATION

During the year, the Audit Committee members have attended the relevant development and training programmes as well as conferences relating to areas of finance, tax, corporate governance, leadership, legal, business intelligence, industry and regulatory developments, including updates on Financial Reporting Standards and the Main Market Listing Requirements of Bursa Securities during the year to enhance their knowledge to enable them to discharge their duties more effectively.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is supported by the Internal Audit Charter and outsourced to an independent professional services firm, namely KPMG Business Advisory Sdn Bhd, to carry out internal audit services for the Group. Internal audit reports are presented, together with Management's response and proposed action plans, to the Audit Committee quarterly.

To further complement the above in maintaining a sound system of internal controls, the Internal Audit team from Alticor Inc. (the parent company of the Group) carries out rotational audits guided by the global Internal Audit Programme and enterprise risks assessment of the Group. This team is staffed by highly competent personnel with wide knowledge of the industry to assess business and operational risks of the Group and to benchmark global affiliates' efficiencies and controls to best practices.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk-based audit plan that is reviewed by the Audit Committee and approved by the Board. The risk-based audit plan covers the review of key operational and financial activities, including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations.

INTERNAL AUDIT FUNCTION (contd.)

During the year, the internal audit function carried out internal audit projects to assess the adequacy and integrity of the system of internal controls as established by the Management. The scope of work, as approved by the Audit Committee, was essentially based on the risk profiles of significant companies in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management.

The total cost incurred in outsourcing of the internal audit function to an independent professional firm, namely KPMG Business Advisory Sdn Bhd, during the financial year amounted to approximately RM106,000.

ENTERPRISE RISK MANAGEMENT

The Group has in place an on-going process of identifying, evaluating and managing the risks faced by the Group in pursuing its business objectives and strategies throughout the financial year.

The Risk Management Committee ("RMC") led by the Executive Director and represented by divisional/departmental heads and managers from all functions is entrusted with the responsibility of assisting the Board in overseeing the Company's risk management practices. In this manner, the Company's risk management activities are embedded at the management level and hence enable risks to be addressed on a timely basis.

The RMC's responsibilities include the following:

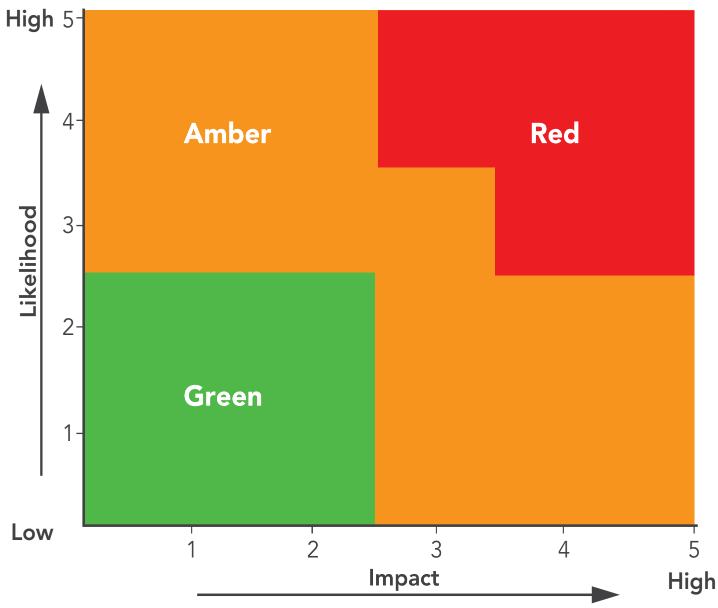
- Review and recommend overall risk management policies and processes; risk management tolerances and the parameters used in establishing these tolerances;
- Review risk profile and the mitigation plans to address significant residual risks;
- Monitor significant risks through review of risk-related performance measures, and progress on action plans;
- Ensure risk management processes are integrated into all core business processes;
- Provide a consolidated risk and assurance report to the Audit Committee and Board to support its system of internal control.

ENTERPRISE RISK MANAGEMENT (contd.)

The Group's Enterprise Risk Management process comprises five (5) phases as follows:

Review Business Objectives → **Risk Identification** → **Risk Evaluation** → **Risk Mitigation** → **Risk Monitoring & Review**

A risk map depicting the positioning of the risks in terms of the impact and likelihood of occurrence was updated accordingly after the review. The location of the risks in each quadrant depicts the following:



Red quadrant	-	high possibility of occurring; significant impact
Amber quadrant	-	low possibility of occurring; significant impact high possibility of occurring; insignificant impact
Green quadrant	-	low possibility of occurring; insignificant impact

During the year, the Risk Management Team met four (4) times to review the Group's risk profile. At the meeting, the Risk Management Team updated the Group's risk register and risk mitigation action plans.

Selected divisional business continuity plans were tested to enhance the Group's crisis readiness during the year. The divisional / departmental heads presented their respective business continuity plans on their crisis preparedness during the business continuity plans testing session.

The Audit Committee was briefed by the Senior Management on the Group's risk register in May 2011 and November 2011.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year ended 31 December 2011.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal control and risk management to safeguard shareholders' investment and the Group's assets as well as reviewing its adequacy and integrity.

The system of internal control covers not only financial controls but operational and compliance controls and risk management procedures. In view of the limitations inherent in any system of internal controls, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Board has in place an on-going process for identifying, evaluating and managing the significant risks encountered by the Group. The Board, through its Audit Committee, regularly reviews the results of this process.

The Audit Committee assists the Board to review the adequacy and integrity of the system of internal controls in the Group and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

RISK MANAGEMENT

Risk Management is firmly embedded in the Group's key processes through its Enterprise Risk Management framework. This framework includes a risk management process which is on-going and has resulted in the compilation of a Corporate Risk Register with specific risk profiles and action plans for mitigating the identified risks. The risk responses and internal controls that Management has taken and/or is taking are documented in the minutes of the Risk Management Committee ("RMC") meetings. The Risk Management Committee is led by the Executive Director and represented by divisional/departmental heads and managers from all functions. For each of the risks identified, the divisional head or manager is assigned to ensure appropriate risk response actions are carried out in a timely manner.

More generally, the Group is committed to a process of continuous development and improvement through developing systems in response to any relevant reviews and developments in best practice including good corporate governance in this area.

During the year, the RMC met to review the Risk Register in accordance with the terms of reference enshrined in the Enterprise Risk Management framework. Existing risks were reassessed and categorized based on the different levels of risks and appropriate actions were identified to mitigate the risks discussed at these quarterly meetings.

The risk register are periodically reviewed by the Board through the Audit Committee which would inform them on the progress of the mitigation plans for the key business risks identified.

INTERNAL AUDIT FUNCTION

The Group formalised the evaluation process of the internal audit function to assess its effectiveness in the discharge of its responsibilities. The independent internal audit function provides assurance to the Audit Committee through the execution of internal audit visits based on an approved risk-based internal audit plan. Findings arising from these visits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review. The internal audit function also follows up and reports to the Audit Committee the status of implementation by Management on the recommendations highlighted in the internal audit reports. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

INTERNAL AUDIT FUNCTION (contd.)

The other key elements of the Group's internal control systems are described below:

(a) Limits of Authority and Responsibility

Clearly defined and documented lines of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organizational structures and appropriate authority limits. These enhance the Group's ability to achieve its strategies and operational objectives. The divisional structure further enhances the ability of each division to focus on its assigned core or support functions within the Group. The approval process with set authority limits and Board's approval is required for capital expenditure.

(b) Written Policies and Procedures

Clearly defined internal policies and procedures as set out in the Standard Practice Bulletins are regularly updated to reflect changing risks or resolve operational deficiencies. These help to ensure that internal control principles and mechanisms are embedded in the operations within the Group.

(c) Planning, Monitoring and Reporting

- Established strategic planning and budgeting process requiring all functional divisions to prepare the annual strategic plan, capital and operating expenditure budgets for discussion and approval by the Board;
- The Audit Committee reviews the Group's quarterly financial performance together with Management, which is subsequently reported to the Board;
- Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to key Management for monitoring of performance against strategic plan;
- A reporting system generates monthly performance and variance reports for review by Management and actions to be taken, where necessary;
- Management Team meetings are held regularly to identify, discuss and resolve strategic, operational, financial and key management issues;
- Established management information systems with documented processes, including change request to computer programmes and access to data files; and
- Written declaration by all employees confirming their compliance with the Group's Standard of Business Conduct is in place to support the business objectives.

BUSINESS CONTINUITY PLANNING

Established Business Continuity and Disaster Recovery Plans are in place to ensure that the essential business functions are able to continue in the event of unforeseen circumstances.

INSURANCE

Sufficient insurance and physical safeguards over major assets are in place to ensure that the assets of the Group are adequately covered against any mishap that may result in material losses to the Group.

The Board is of the view that the system of internal control is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Group continues to take measures to strengthen the internal control environment.

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the annual report of the Group for the year ended 31 December 2011 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

COMPLIANCE WITH MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information are provided:

SHARE BUY-BACK

There was no share buy-back effected during the financial year ended 31 December 2011.

OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial year ended 31 December 2011.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 December 2011.

IMPOSITION OF SANCTIONS AND / OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management, by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Company or its subsidiaries for the financial year amounted to not more than RM76,000 by the Company's auditors or a firm or a company affiliated to the auditor's firm.

PROFIT GUARANTEE

There was no profit guarantee during the financial year ended 31 December 2011.

MATERIAL CONTRACTS

There were no material contracts by the Company or its subsidiaries involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2011 or entered into since the end of the previous financial year.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the sixteenth Annual General Meeting ("AGM") held on Wednesday, 11 May 2011, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2011 is set out on pages 80 to 81 of the annual report.

CORPORATE SOCIAL RESPONSIBILITY

The disclosure on the Corporate Social Responsibility ("CSR") activities or practices undertaken during the financial year ended 31 December 2011 is stated on pages 25 to 26 of the annual report.

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries consist of distribution of consumer products principally under the "Amway" trademark. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	89,959	107,469

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2010 were as follows:

In respect of the financial year ended 31 December 2010 as reported in the directors' report of that year.

	RM'000
(i) Fourth interim single tier dividend of 9.0 sen net per share based on the share capital of 164,385,645 ordinary shares of RM1.00 each, declared on 16 February 2011 and paid on 22 March 2011.	14,795
In respect of the financial year ended 31 December 2011 were as follows:	
(i) First interim single tier dividend of 9.0 sen net per share based on the share capital of 164,385,645 ordinary shares of RM1.00 each, declared on 11 May 2011 and paid on 10 June 2011;	14,795
(ii) Second interim single tier dividend of 9.0 sen net per share based on the share capital of 164,385,645 ordinary shares of RM1.00 each, declared on 10 August 2011 and paid on 15 September 2011;	14,795
(iii) Third interim single tier dividend of 9.0 sen net per share based on the share capital of 164,385,645 ordinary shares of RM1.00 each, declared on 16 November 2011 and paid on 21 December 2011; and	14,795
(iv) Special interim single tier dividend of 30.0 sen net per share based on the share capital of 164,385,645 ordinary shares of RM1.00 each, declared on 16 November 2011 and paid on 21 December 2011.	49,315
	93,700
Total dividends paid	108,495

Subsequent to reporting date the directors declared a fourth interim dividend on a single tier basis in respect of the financial year ended 31 December 2011, of 9.0 sen net per share on 164,385,645 ordinary shares, amounting to RM14,795,000.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Ab. Halim Bin Mohyiddin
Low Han Kee (Managing Director)
Scott Russell Balfour
Yee Kee Bing
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham
Mohammad Bin Hussin
Eva Cheng Li Kam Fun
James Bradley Payne (Appointed on 17 November 2011)

REMUNERATION COMMITTEE

The Remuneration Committee comprises wholly non-executive directors with the majority being independent directors.

The members of the Remuneration Committee comprise the following directors:

Eva Cheng Li Kam Fun
Dato' Ab. Halim Bin Mohyiddin
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2011	**Acquired**	**Sold**	**At 31.12.2011**
The Company				
Direct interest				
Dato' Ab. Halim Bin Mohyiddin	1,000	-	-	1,000
Low Han Kee	20,000	-	-	20,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (contd.)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 February 2012.

Dato' Ab. Halim Bin Mohyiddin **Low Han Kee**

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Ab. Halim Bin Mohyiddin and Low Han Kee, being two of the directors of Amway (Malaysia) Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 49 to 76 are drawn up in accordance with the provisions of Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

The information set out in Note 28 on page 77 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 February 2012.

Dato' Ab. Halim Bin Mohyiddin **Low Han Kee**

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Chang Chiek Fui, being the officer primarily responsible for the financial management of Amway (Malaysia) Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 49 to 77 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, I960.

Subscribed and solemnly declared by
the abovenamed Chang Chiek Fui at
Kuala Lumpur in Federal Territory
on 15 February 2012 Chang Chiek Fui

Before me,

R. Vasugi Ammal
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMWAY (MALAYSIA) HOLDINGS BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Amway (Malaysia) Holdings Berhad, which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 76.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary for which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 14 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 28 on page 77 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia

15 February 2012

Nik Rahmat Kamarulzaman bin Nik Ab. Rahman
No. 1759/02/14(J)
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Revenue	3	735,818	719,409	106,142	101,172
Cost of sales	4	(494,179)	(498,834)	-	-
Gross profit		241,639	220,575	106,142	101,172
Other income	5	4,815	4,334	2,728	2,278
Distribution expenses		(35,823)	(32,272)	-	-
Selling and administrative expenses		(89,645)	(83,488)	(724)	(799)
Profit before tax	6	120,986	109,149	108,146	102,651
Income tax expense	9	(31,027)	(30,877)	(677)	(567)
Profit for the year		89,959	78,272	107,469	102,084
Other comprehensive income:					
Foreign currency translation		31	46	-	-
Other comprehensive income for the year, net of tax		31	46	-	-
Total comprehensive income for the year, attributable to owners of the parent		89,990	78,318	107,469	102,084
Earnings per share attributable to owners of the parent (sen per share)					
- Basic, for profit for the year	10	54.72	47.61		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	81,135	91,000	-	-
Intangible asset	13	4,782	4,782	-	-
Investment in subsidiaries	14	-	-	86,202	86,202
Deferred tax assets	15	6,025	5,586	-	-
		91,942	101,368	86,202	86,202
Current assets					
Inventories	16	68,495	57,344	-	-
Trade and other receivables	17	22,322	25,774	183	225
Cash and cash equivalents	18	123,201	136,796	88,450	89,394
		214,018	219,914	88,633	89,619
Total assets		305,960	321,282	174,835	175,821
Equity and liabilities					
Equity attributable to owners of the parent					
Share capital	19	164,386	164,386	164,386	164,386
Share premium		685	685	685	685
Other reserves		1,597	1,566	1,365	1,365
Retained earnings	20	25,654	44,190	7,969	8,995
Total equity		192,322	210,827	174,405	175,431
Current liabilities					
Trade and other payables	21	105,355	107,366	285	270
Income tax payable		8,283	3,089	145	120
Total liabilities		113,638	110,455	430	390
Total equity and liabilities		305,960	321,282	174,835	175,821

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

		← Non - Distributable			→	◄Distributable►	
	Note	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Group							
At 1 January 2010		164,386	685	1,365	155	71,125	237,716
Total comprehensive income		-	-	-	46	78,272	78,318
Dividends	11	-	-	-	-	(105,207)	(105,207)
At 31 December 2010		164,386	685	1,365	201	44,190	210,827
Total comprehensive income		-	-	-	31	89,959	89,990
Dividends	11	-	-	-	-	(108,495)	(108,495)
At 31 December 2011		164,386	685	1,365	232	25,654	192,322

		← Non - Distributable		→	◄Distributable►	
	Note	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company						
At 1 January 2010		164,386	685	1,365	12,118	178,554
Total comprehensive income		-	-	-	102,084	102,084
Dividends	11	-	-	-	(105,207)	(105,207)
At 31 December 2010		164,386	685	1,365	8,995	175,431
Total comprehensive income		-	-	-	107,469	107,469
Dividends	11	-	-	-	(108,495)	(108,495)
At 31 December 2011		164,386	685	1,365	7,969	174,405

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from operating activities				
Profit before tax	120,986	109,149	108,146	102,651
Adjustments for:				
Depreciation of property, plant and equipment	9,769	7,210	-	-
Loss/(gain) on disposal of plant and equipment	19	(179)	-	-
Plant and equipment written off	-	4	-	-
Interest income	(4,682)	(4,077)	(2,664)	(2,278)
Dividend income	-	-	(106,142)	(101,172)
Net provision of allowance for impairment	235	34	-	-
(Writeback)/provision for stock obsolences	(545)	818	-	-
Unrealised foreign exchange (gain)/loss	(91)	(25)	(64)	39
Operating profit/(loss) before working capital changes	125,691	112,934	(724)	(760)
Decrease in receivables	3,087	6	42	175
(Increase)/decrease in inventories	(10,606)	8,076	-	-
Increase/(decrease) in payables	1,149	744	(24)	22
Cash generated from/(used in) operations	119,321	121,760	(706)	(563)
Tax paid	(26,272)	(27,590)	(652)	(489)
Net cash generated from/(used in) operating activities	93,049	94,170	(1,358)	(1,052)
Cash flows from investing activities				
Acquisition of property, plant and equipment *	(2,253)	(5,548)	-	-
Proceeds from disposal of plant and equipment	7	179	-	-
Dividend received	-	-	106,142	101,172
Interest received	4,682	4,077	2,664	2,278
Net cash generated from/(used in) investing activities	2,436	(1,292)	108,806	103,450

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash flows from financing activities				
Dividends paid	(108,495)	(105,207)	(108,495)	(105,207)
Repayment to related companies	(569)	(10,181)	-	-
Payments made on behalf by penultimate holding company	97	912	-	-
Payments made on behalf by/(repayment to) subsidiary	-	-	39	(87)
Net cash used in financing activities	(108,967)	(114,476)	(108,456)	(105,294)
Net decrease in cash and cash equivalents	(13,482)	(21,598)	(1,008)	(2,896)
Effects of foreign exchange rate changes	(113)	37	64	(39)
Cash and cash equivalents at beginning of year	136,796	158,357	89,394	92,329
Cash and cash equivalents at end of year (Note 18)	123,201	136,796	88,450	89,394
* Acquisition of property, plant and equipment by way of:				
- Cash	2,253	5,548	-	-
- Other payables	895	5,866	-	-
	3,148	11,414	-	-

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2011

1. CORPORATE INFORMATION

Amway (Malaysia) Holdings Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The principal place of business of the Company is located at 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The immediate holding company is GDA B.V., a company incorporated in Netherlands. The ultimate and penultimate holding companies are Alticor Global Holdings Inc. and Alticor Inc. respectively. Both companies are incorporated in the United States of America.

The Company is the parent company of Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd.. The principal activity of the Company is investment holding. The principal activities of the subsidiaries consist of distribution of consumer products principally under the "Amway" trademark. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 February 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2011 as described fully in Note 2.2.

The financial statement have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2011, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods as stated below:

	Effective for annual periods beginning on or after
• Amendments to FRS 132 Classification of Rights Issues	1 March 2010
• FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
• FRS 3 Business Combinations (revised)	1 July 2010
• Amendments to FRS 2 Share Based Payment	1 July 2010
• Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
• Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
• Amendments to FRS 138 Intangible Assets	1 July 2010
• Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
• IC Interpretation 12 Service Concession Arrangements	1 July 2010
• IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
• IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
• Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 July 2010

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.2 Changes in accounting policies (contd.)

	Effective for annual periods beginning on or after
• Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
• Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions	1 January 2011
• Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
• IC Interpretation 4, Determining whether an Arrangement contains a Lease	1 January 2011
• IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
• Improvements to FRSs (2010)	1 January 2011
• Technical Release 3 Guidance on Disclosures of Transition to IFRSs	1 January 2011
• Technical Release i-4 Shariah Compliant Sale Contract	1 January 2011

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company.

2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued the new Malaysia Financial Reporting Standards ("MFRS") framework, consisting of accounting standards which are in line with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB"). This MFRS framework is effective for annual periods beginning on or after 1 January 2012. As at 31 December 2011, all the FRSs issued under the existing FRS framework are the same as the MFRS issued under the MFRS framework, except for differences in relation to the transitional provisions as well as differences in effective dates contained in certain of the existing FRSs.

Upon the adoption of the MFRS framework, the financial statements of the Group will be equivalent to the financial statements that comply with International Financial Reporting Standards ("IFRS").

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd. are accounted for using the merger and the purchase methods of consolidation respectively. Under the merger method of accounting, the cost of the merger is cancelled with the nominal values of the shares received. Any resulting credit difference is classified as equity and reported as a non-distributable reserve. Any resulting debit differences is adjusted against any suitable reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(a) Subsidiaries and basis of consolidation (contd.)

(ii) Basis of consolidation (contd.)

The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

(b) Intangible asset

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work in progress comprises the construction of buildings and renovation in progress which have not been commissioned. Capital work in progress is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Building improvements	10%
Leasehold land	Over lease period
Leasehold fixtures and improvements	33%
Furniture, fittings and equipment	10% - 33%
Motor vehicles	25%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(d) Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost comprises purchase price of inventories plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(e) Leases

As Lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Lease assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(f) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted by the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised net of discounts upon the transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Interest income

Interest is recognised on an accrual basis using the effective interest method.

(i) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The principal exchange rates used for every unit of foreign currency ruling at the reporting date are as follows:

	2011 RM	2010 RM
United States Dollar	3.18	3.08
Singapore Dollar/Brunei Dollar	2.44	2.38
Euro	4.12	4.08

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(j) Impairment of non-financial assets (contd.)

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(k) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiary also make contributions to the country's statutory pension schemes.

(iii) Long-Term Incentive Plan

The Company has a Long-Term Incentive Plan ("LTIP") Scheme for key management personnel of the Company. At the beginning of each fiscal year, a new three-year class will begin where incentive plan will be established for each LTIP participant. The incentive based upon the achievement of financial performance measures are distributed at the end of the three-year class.

(l) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(l) Financial assets (contd.)

Loans and receivables (contd.)

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset.

(m) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (contd.)

2.4 Summary of significant accounting policies (contd.)

(o) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(p) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.5 Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 13 - measurement of the recoverable amounts of cash-generating units.

3. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Sales of consumer products	735,818	719,409	-	-
Dividends	-	-	106,142	101,172
	735,818	719,409	106,142	101,172

4. COST OF SALES

Cost of sales represent cost of inventories sold and attributable cost relating to the sale of consumer products.

5. OTHER INCOME

Included in other income, net of other expense are the following:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest income on deposits with licensed bank and licensed financial institutions	4,682	4,077	2,664	2,278
Unrealised gain on foreign exchange	91	25	64	-
Gain on disposal of plant and equipment	-	179	-	-

6. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Employee benefits expense (Note 7)	33,423	27,665	-	-
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	264	266	245	247
Auditors' remuneration				
- statutory	123	123	23	23
- other services	10	30	10	30
(Writeback)/provision for stock obsolesces	(545)	818	-	-
Rental of premises	1,894	1,792	-	-
Depreciation of property, plant and equipment (Note 12)	9,769	7,210	-	-
Plant and equipment written off	-	4	-	-
Realised loss on foreign exchange	199	3,473	3	-
Unrealised loss on foreign exchange	-	-	-	39
Loss on disposal of plant and equipment	19	-	-	-
Impairment loss for financial assets, trade receivables (Note 17)	235	34	-	-
Support charges received/receivable from related companies	(3,712)	(3,447)	-	-
Support charges paid/payable to related companies	10,618	7,652	-	-

7. EMPLOYEE BENEFITS EXPENSE

	Group	
	2011 RM'000	2010 RM'000
Wages, salaries and bonus	26,451	21,997
Contribution to defined contribution plan	4,134	3,325
Social security contributions	205	182
Other benefits	2,633	2,161
	33,423	27,665

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,915,000 (2010: RM1,667,000) as further disclosed in Note 8.

8. DIRECTORS' REMUNERATION

The directors' remuneration are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive directors' remuneration (Note 7):				
Other emoluments	1,915	1,667	-	-
Non-executive directors' remuneration (Note 6):				
Fees	250	250	231	231
Other emoluments	14	16	14	16
	264	266	245	247
Total directors' remuneration	2,179	1,933	245	247
Estimated money value of benefits-in-kind	41	48	-	-
Total directors' remuneration including benefits-in-kind	2,220	1,981	245	247

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Executive:				
Salaries and other emoluments	845	876	-	-
Bonus	765	516	-	-
Defined contribution plan	264	230	-	-
Allowances	41	45	-	-
Estimated money value of benefits-in-kind	41	48	-	-
	1,956	1,715	-	-
Non-Executive:				
Fees	250	250	231	231
Allowances	14	16	14	16
	2,220	1,981	245	247

8. DIRECTORS' REMUNERATION (contd.)

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors Company	
	2011	2010
Executive directors:		
RM650,001 - RM700,000	-	1
RM700,001 - RM750,000	1	-
RM1,050,001 - RM1,100,000	-	1
RM1,200,001 - RM1,250,000	1	-
Non-executive directors:		
RM0 - RM50,000	4	3
RM50,001 - RM100,000	3	3
	9	8

9. INCOME TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense:				
Malaysian income tax	32,066	25,981	679	567
Foreign tax	129	222	-	-
	32,195	26,203	679	567
(Over)/under provision in prior years				
Malaysian income tax	(729)	1,053	(2)	-
	31,466	27,256	677	567
Deferred tax (Note 15)				
Relating to origination and reversal of temporary differences	(280)	2,461	-	-
(Over)/under provision in prior years	(159)	1,159	-	-
Reduction in income tax rate	-	1	-	-
	(439)	3,621	-	-
Total income tax expense	31,027	30,877	677	567

9. INCOME TAX EXPENSE (contd.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction. Companies in Brunei are taxed where for the first BND100,000 of the chargeable income, only 25% is taxable, the next BND150,000 only 50% is taxable and 100% is taxable for any remaining balance. The income tax rate applicable to companies in Brunei is 22% (2010: 22%).

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	120,986	109,149	108,146	102,651
Taxation at Malaysian statutory tax rate of 25% (2010: 25%)	30,247	27,287	27,037	25,663
Effect of different tax rate and tax structure in other jurisdiction	(114)	(119)	-	-
Deferred tax recognised at reduced tax rates	-	1	-	-
Single tier dividend receipt not subject to tax	-	-	(26,536)	(25,293)
Income not subject to tax	(4)	(12)	-	-
Expenses not deductible for tax purposes	1,786	1,508	178	197
(Over)/underprovision of deferred tax in prior years	(159)	1,159	-	-
(Over)/underprovision of tax expense in prior years	(729)	1,053	(2)	-
Income tax expense	31,027	30,877	677	567

10. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year held by the Company.

	Group	
	2011	2010
Profit attributable to ordinary equity holders of the Company (RM'000)	89,959	78,272
Weighted average number of ordinary shares in issue (number '000)	164,386	164,386
Basic earnings (sen per share)	54.72	47.61

There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

11. DIVIDENDS

	Sen per share	Total amount RM'000	Date of payment
Year ended 31 December 2011			
Fourth quarter interim 2010 ordinary	9	14,795	22 March 2011
First quarter interim 2011 ordinary	9	14,795	10 June 2011
Second quarter interim 2011 ordinary	9	14,795	15 September 2011
Third quarter interim 2011 ordinary	9	14,795	21 December 2011
Special interim 2011 ordinary	30	49,315	21 December 2011
Total dividend		108,495	

11. DIVIDENDS (contd.)

	Sen per share	Total amount RM'000	Date of payment
Year ended 31 December 2010			
Fourth quarter interim 2009 ordinary	7	11,507	26 March 2010
First quarter interim 2010 ordinary	9	14,795	18 June 2010
Second quarter interim 2010 ordinary	9	14,795	7 September 2010
Third quarter interim 2010 ordinary	9	14,795	14 December 2010
Special interim 2010 ordinary	30	49,315	14 December 2010
		105,207	

Subsequent to reporting date the directors declared a fourth interim dividend on a single tier basis in respect of the financial year ended 31 December 2011, of 9.0 sen net per share on 164,385,645 ordinary shares, amounting to RM14,795,000.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2012.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Building improvements RM'000	Leasehold fixtures and improvements RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2011									
Cost									
At 1 January 2011	1,420	17,493	37,118	20,246	2,904	30,027	2,314	-	111,522
Additions	-	-	-	1,310	661	1,112	65	-	3,148
Disposals	-	-	-	-	(428)	(457)	(8)	-	(893)
Adjustments*	-	-	(3,218)	-	-	-	-	-	(3,218)
Effect of movements in exchange rates	-	-	-	-	4	9	-	-	13
At 31 December 2011	1,420	17,493	33,900	21,556	3,141	30,691	2,371	-	110,572
Accumulated depreciation									
At 1 January 2011	-	1,476	1,417	3,472	1,994	11,181	982	-	20,522
Charge for the year	-	269	898	2,286	654	5,181	481	-	9,769
Disposals	-	-	-	-	(426)	(433)	(8)	-	(867)
Effect of movements in exchange rates	-	-	-	-	4	9	-	-	13
At 31 December 2011	-	1,745	2,315	5,758	2,226	15,938	1,455	-	29,437
Net carrying amount	1,420	15,748	31,585	15,798	915	14,753	916	-	81,135

*Adjustments are relating to final certificate of completion.

12. PROPERTY, PLANT AND EQUIPMENT (contd.)

Group (Contd.)	Freehold land RM'000	Long term leasehold land RM'000	Buildings RM'000	Building improvements RM'000	Leasehold fixtures and improvements RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2010									
Cost									
At 1 January 2010	1,420	17,493	38,231	6,846	2,503	22,744	2,210	9,457	100,904
Additions	-	-	-	509	591	3,076	606	6,632	11,414
Disposals	-	-	-	-	-	(11)	(502)	-	(513)
Write-offs	-	-	-	-	(186)	(84)	-	-	(270)
Transfers	-	-	(1,113)	12,891	-	4,311	-	(16,089)	-
Effect of movements in exchange rates	-	-	-	-	(4)	(9)	-	-	(13)
At 31 December 2010	1,420	17,493	37,118	20,246	2,904	30,027	2,314	-	111,522
Accumulated depreciation									
At 1 January 2010	-	1,206	700	1,399	1,755	7,958	1,086	-	14,104
Charge for the year	-	270	717	2,073	431	3,321	398	-	7,210
Disposals	-	-	-	-	-	(11)	(502)	-	(513)
Write-offs	-	-	-	-	(186)	(80)	-	-	(266)
Effect of movements in exchange rates	-	-	-	-	(6)	(7)	-	-	(13)
At 31 December 2010	-	1,476	1,417	3,472	1,994	11,181	982	-	20,522
Net carrying amount	1,420	16,017	35,701	16,774	910	18,846	1,332	-	91,000

Included in the cost of property, plant and equipment of the Group are cost of fully depreciated plant and equipment which are still in use amounting to RM9,750,000 (2010: RM8,783,000).

13. INTANGIBLE ASSET

	Group 2011 RM'000	Group 2010 RM'000
Goodwill		
Carrying amount	4,782	4,782

(i) This represents the goodwill arising from consolidation of Amway (B) Sdn. Bhd.

(ii) Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on actual operating results.
- The subsidiary will continue its operation indefinitely.
- The size of operation will remain with at least or not lower than the current results.

The key assumptions represent management's assessment of future trends in the direct selling industry and are based on both external and internal sources (historical data) and that no reasonably possible change in any of the above assumptions would cause the carrying values of the cash flows generated to materially affect the recoverable amount.

14. INVESTMENT IN SUBSIDIARIES

	Company 2011 RM'000	Company 2010 RM'000
Unquoted shares at cost	86,202	86,202

Details of the subsidiaries are as follows:

Name of subsidiaries	Issued and paid-up share capital	Proportion of ownership interest 2011 %	Proportion of ownership interest 2010 %	Principal activities
Held by the Company:				
Amway (Malaysia) Sdn. Bhd., incorporated in Malaysia	RM35,499,000	100	100	Distribution of consumer products principally under the "AMWAY" trademark
Amway (B) Sdn. Bhd., incorporated in Negara Brunei Darussalam *	BND10,000	100	100	Distribution of consumer products principally under the "AMWAY" trademark

* Audited by a member firm of Ernst & Young Global in Brunei Darussalam

15. DEFERRED TAX ASSETS

	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
At 1 January	5,586	9,207	-	-
Recognised in income statement (Note 9)	439	(3,621)	-	-
At 31 December	6,025	5,586	-	-
Presented after appropriate offsetting as follows:				
Deferred tax assets	11,087	10,548	-	-
Deferred tax liabilities	(5,062)	(4,962)	-	-
	6,025	5,586	-	-

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000
At 1 January 2011	(4,962)
Recognised in income statement	(100)
At 31 December 2011	(5,062)
At 1 January 2010	(2,445)
Recognised in income statement	(2,517)
At 31 December 2010	(4,962)

15. DEFERRED TAX ASSETS (contd.)

Deferred tax assets of the Group:

	Accrued expenses RM'000
At 1 January 2011	10,548
Recognised in income statement	539
At 31 December 2011	11,087
At 1 January 2010	11,652
Recognised in income statement	(1,104)
At 31 December 2010	10,548

16. INVENTORIES

	Group	
	2011 RM'000	2010 RM'000
Consumer products:		
At cost	68,413	56,535
At net realisable value	82	809
	68,495	57,344

During the financial year, inventories recognised as cost of sales amounted to RM286,525,000 (2010: RM299,795,000). In prior year, the write-down of inventories to net realisable value amounted to RM818,000 and is included in cost of sales.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables				
Third parties	2,258	4,839	-	-
Due from related companies	179	223	-	-
	2,437	5,062	-	-
Less: Allowance for impairment on amount due from third party	(358)	(290)	-	-
Trade receivables, net	2,079	4,772	-	-
Other receivables				
Amount due from related parties:				
Due from related companies	17,257	17,578	-	-
Sundry receivables	957	668	183	225
Deposits	825	789	-	-
Prepayments	1,204	1,967	-	-
	20,243	21,002	183	225
Total trade and other receivables	22,322	25,774	183	225
Add: Cash and bank balances (Note 18)	123,201	136,796	88,450	89,394
Less: Prepayments	(1,204)	(1,967)	-	-
Total loans and receivables	144,319	160,603	88,633	89,619

17. TRADE AND OTHER RECEIVABLES (contd.)

(a) Trade receivables

Trade receivables are non-interest bearing and a significant amount of the outstanding balance is repayable by way of monthly instalment plans within 120 (2010:120) days. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

The Group maintains its ageing within 30 days by monitoring the instalments payments from distributors and any amounts which are due and not settled will be offset against the distributors' bonuses.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movement in allowance accounts:

	Group	
	2011 RM'000	2010 RM'000
At beginning of year	290	279
Charge for the year (Note 6)	235	34
Recovered	(167)	-
Written off	-	(23)
At end of year	358	290

The entire amount assessed as impaired has been provided as allowance for impairment.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Due from related companies

Related companies are companies within the Alticor Global Holdings Inc. group of companies. Amounts due from certain related parties are unsecured and bear interest equal to the Base Lending Rate set by the Central Bank of Malaysia plus 0.5% per annum, compounded on a monthly basis on overdue balances exceeding 30 to 90 (2010: 30 to 90) days from the date of invoice. The non-trade amounts due from related companies are mainly in respect of leases, support charges and payments made on behalf. These amounts are to be settled in cash.

Further details on related party transactions are disclosed in Note 25.

Other information on financial risks of other receivables are disclosed in Note 26.

18. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash on hand and at banks	14,207	10,084	216	77
Deposits with:				
Licensed banks	98,994	116,712	88,234	89,317
Licensed financial institutions	10,000	10,000	-	-
Cash and bank balances	123,201	136,796	88,450	89,394

Other information on financial notes of cash and cash equivalents are disclosed in Note 26.

19. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2011 000	**2010 000**	**2011 RM'000**	**2010 RM'000**
Authorised share capital:				
At 1 January/31 December	250,000	250,000	250,000	250,000
Issued and fully paid:				
At 1 January/31 December	164,386	164,386	164,386	164,386

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

20. RETAINED EARNINGS

The Company may distribute dividends on a single tier basis out of its entire retained earnings as at 31 December 2011 without any restrictions.

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Trade payables				
Third parties	17,517	21,299	-	-
Due to related companies	18,426	19,359	-	-
	35,943	40,658	-	-
Other payables				
Amount due to related parties:				
Penultimate holding company	1,297	1,200	-	-
Subsidiary	-	-	39	-
Related companies	11	12	-	-
Sundry payables	1,212	7,893	23	23
Accruals	66,892	57,603	223	247
	69,412	66,708	285	270
Total financial liabilities carried at amortised cost	105,355	107,366	285	270

(a) Trade payables

Amount due to third parties are non-interest bearing and the normal credit term granted to the Group range from 30 to 90 (2010: 30 to 90) days.

(b) Due to related companies

The amount due to related companies are unsecured and bear interest at the federal rate as defined by the United States Treasury Regulation and Internal Revenue Code on overdue balances exceeding 90 (2010: 90) days from the date of invoice. The non-trade amounts due to related companies are mainly in respect of payments made on behalf. These amounts are to be settled in cash.

(c) Due to penultimate holding company

The amount due to penultimate holding company is in respect of support charges payable, which are unsecured and bear interest at the federal rate as defined by the United States Treasury Regulation and Internal Revenue Code on overdue balances exceeding 90 (2010: 90) days from the date of invoice. These amounts are to be settled in cash.

21. TRADE AND OTHER PAYABLES (contd.)

(d) Due to subsidiary

The amount due to subsidiary is in respect of advances, which are unsecured, interest free and repayable on demand.

(e) Accruals

Accruals amounting to RM49,523,000 (2010: RM47,124,000) are in respect of distributors' bonuses, seminars and other expenses. It also includes accruals for support charges of RM6,038,000 (2010: RM309,000).

Further details on related party transactions are disclosed in Note 25. Other information on financial risks of other payables are disclosed in Note 26.

22. SEGMENT REPORTING

The Group operates solely in the direct selling industry and distribution of its products in Malaysia and Brunei. The results and total assets of the subsidiary in Negara Brunei Darussalam are less than 10% to the Group to be reported as a separate segment. Accordingly, information on geographical and business segments of the Group's operations are not presented.

23. CAPITAL COMMITMENTS

	Group	
	2011 RM'000	**2010 RM'000**
Capital expenditure in respect of		
Property, plant and equipment		
- Approved and contracted for	496	1,120
- Approved and not contracted for	5,600	7,500

24. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land, building and equipment. These leases have an average life of between three (3) and five (5) years with renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

The future aggregate minimum lease payments under the non-cancellable operating lease contracted as at the reporting date but not recognised as liabilities are as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Future minimum rentals payments		
Not later than 1 year	1,482	1,392
Later than 1 year and not later than 5 years	1,031	724
	2,513	2,116

The lease payments recognised in profit or loss during the financial year are disclosed in Note 6.

The Group leases a number of shop offices cum warehouse and shop lots under operating leases. The leases typically run for initial periods ranging from three (3) to five (5) years with the following options upon expiry of the initial lease periods:

Six (6) leases	-	renew the lease for a further term by notifying the lessor in writing at least three (3) months before expiry.
Four (4) leases	-	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least one (1) month before expiry.

24. OPERATING LEASE ARRANGEMENTS (contd.)

(a) The Group as lessee (contd.)

Eight (8) leases	-	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least three (3) months before expiry.
One (1) lease	-	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least three (3) months before expiry.
Two (2) leases	-	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least two (2) months before expiry.
Three (3) leases	-	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least three (3) months before expiry or the lease will be renewed automatically in absence of written notice.
Two (2) leases	-	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least two (2) months before expiry or the lease will be renewed automatically in absence of written notice.
One (1) lease	-	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least six (6) months before expiry or the lease will be renewed automatically in absence of written notice.
One (1) lease	-	renew the lease for a period of twelwe (12) months by notifying the lessor in writing at least six (6) months before expiry or the lease will be renewed automatically in absence of written notice.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year.

	Group	
	2011 RM'000	**2010 RM'000**
Sales of goods and services		
- Related company, Amway (Singapore) Pte. Ltd.	(2,753)	(2,846)
Purchases		
- Related company, Access Business Group International LLC	204,299	194,572
Payment on behalf of intermediate holding company, Amway International Inc.	(15,345)	(13,860)
Support charges		
- Penultimate holding company, Alticor Inc.	5,102	1,263
- Intermediate holding company, Amway International Inc.	3,651	1,652
- Related company, Amway IT Services Sdn. Bhd.	1,865	4,737
- Related company, Amway Vietnam Co. Ltd.	(1,274)	(999)
- Related company, Amway (Singapore) Pte. Ltd.	(611)	(782)
- Related company, P.T. Amway Indonesia	(819)	(722)
- Related company, Amway Philippines L.L.C	(371)	(359)
- Related company, Amway (Thailand) Co. Ltd.	(637)	(585)
Royalties paid		
- Related company, Access Business Group International LLC	1,605	1,197

The transactions with related parties are at rates mutually agreed by the parties concerned.

Information regarding outstanding balances arising from related party transaction as at 31 December 2011 are disclosed in Notes 17 and 21.

25. SIGNIFICANT RELATED PARTY TRANSACTIONS (contd.)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2011 RM'000	2010 RM'000
Short-term employee benefits	2,974	2,467
Post-employment benefits:		
Defined contribution plan	539	435
Allowances	136	126
	3,649	3,028
Included in the remuneration of key management personnel are:		
Executive directors' remuneration (Note 7)	1,915	1,667

26. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The weighted average effective interest rates ("WAEIR") during the year and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk are as follows:

	WAEIR %	Within 1 year RM'000	Total RM'000
At 31 December 2011			
Group			
Deposits with licensed banks and financial institutions	2.97	108,994	108,994
Company			
Deposits with licensed banks and financial institutions	3.02	88,234	88,234

26. FINANCIAL INSTRUMENTS (contd.)

(b) Interest rate risk (contd.)

	WAEIR %	Within 1 year RM'000	Total RM'000
At 31 December 2010			
Group			
Deposits with licensed banks and financial institutions	2.35	126,712	126,712
Company			
Deposits with licensed banks and financial institutions	2.53	89,317	89,317

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through purchases and payments on behalf that are denominated in a currency other than the functional currency to which they relate. The currency giving rise to this risk is primarily United States Dollar.

During the year the Group entered into a product supply agreement with its related company where the pricing of the products are specified in Ringgit Malaysia in order to mitigate the foreign currency risk.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group	
	2011 RM'000	2010 RM'000
Due from related companies		
Singapore Dollar	766	253
United States Dollar	1,759	17,512
Due to penultimate company		
United States Dollar	1,207	1,200
Due to related companies		
Singapore Dollar	1	1
United States Dollar	2,001	19,370
Cash and bank balances		
Euro	-	562

Sensitivity analysis for foreign currency risk

The Group's exposure to currency risk is not significant in the context of the financial statements and accordingly the sensitivity analysis is not presented.

(d) Liquidity risk

The Group manages operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

At the reporting date, the entire trade and other payable will mature on demand or within a year.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

26. FINANCIAL INSTRUMENTS (contd.)

(e) Credit risk (contd.)

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

(f) Fair values

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

Current	Note
Trade and other receivables	17
Due from other related companies	17
Due to other related companies and related parties	21
Trade and other payables	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

27. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group does not have any external borrowings as at reporting date. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders and return capital to shareholders. No significant changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

28. SUPPLEMENTARY EXPLANATORY NOTE ON DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits of the Group and of the Company as at 31 December 2011 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total retained profits of the Company and its subsidiaries				
- Realised	25,305	44,219	7,905	8,930
- Unrealised	6,117	5,719	64	65
	31,422	49,938	7,969	8,995
Less: Consolidation adjustments	(5,768)	(5,748)	-	-
Total retained profits as per financial statements	25,654	44,190	7,969	8,995

The determination of realised and unrealised profits above is solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

PARTICULARS OF PROPERTIES
31 DECEMBER 2011

PROPERTIES OWNED BY THE GROUP

LOCATION	LAND AREA (SQ.METRES)	EXISTING USE	TENURE	APPROXIMATE AGE OF BUILDING (YEARS)	NET BOOK VALUE RM `000	DATE OF ACQUISITION
28 Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	10,007	Office	Leasehold expiring 2 May 2071	2	32,078	9/3/06
26 & 26A Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	7,934	Warehouse	Leasehold expiring 26 March 2069	2	29,126	19/11/04
1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai Johor Darul Takzim	3,841	Office & Warehouse	Freehold	11	2,204	6/3/00
34, Hala Rapat Baru 22 Taman Perusahaan Ringan Kinta Jaya Off Jalan Raja Nazrin Shah 31350 Ipoh Perak Darul Ridzuan	1,271	Office & Warehouse	Leasehold expiring 18 August 2094	16	560	21/8/95
10, Lorong Nagasari 4 Taman Nagasari 13600 Prai Penang	975	Office & Warehouse	Freehold	20	583	19/6/91

GROUP'S PHYSICAL PRESENCE
31 DECEMBER 2011

CORPORATE HEADQUARTERS

- Van Andel & DeVos Training Centre
- One-stop Customer Service Centre
- Shop Facility
- Brand Experience Centre
- Warehouse & Logistic Facility
- Office Block

28 Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan
Tel : 03-7946 2288   Fax : 03-7946 2399

REGIONAL DISTRIBUTION CENTRES

Butterworth
10, Lorong Nagasari 4
Taman Nagasari
13600 Prai Penang

Ipoh
34, Hala Rapat Baru 22
Taman Perusahaan Ringan
Kinta Jaya
Off Jalan Raja Nazrin Shah
31350 Ipoh
Perak Darul Ridzuan

Johor Bahru
1, Jalan Sri Plentong 5
Taman Perindustrian Sri Plentong
81750 Masai
Johor Darul Takzim

Kota Kinabalu
Lot 30, Jalan Sembulan Lama
Karamunsing
88000 Kota Kinabalu
Sabah

Kuching
Lot 40 & 41
Jalan Tun Ahmad Zaidi Adruce
93200 Kuching
Sarawak

Miri
Lot 302 Ricemill Road
MCLD, 98000 Miri
Sarawak

Sandakan
Lot 7 & 8, Block 12, Mile 4
Jalan Labuk, Bandar Indah
90000 Sandakan
Sabah

Sibu
No. 7 & 9, Ground Floor
Lorong Chew Siik Hiong 1
96000 Sibu
Sarawak

AMWAY SHOPS

Alor Setar
No. 35, Taman Bandar Baru Mergong
Lebuhraya Sultanah Bahyah
06250 Alor Setar
Kedah Darul Aman

Batu Pahat
No. 26 & 27
Jalan Flora Utama 1
Taman Flora Utama
83000 Batu Pahat
Johor Darul Takzim

Bintulu
Lot No. 4075, 4076 & 4077
Parkcity Commercial Square
Jalan Tun Ahmad Zaidi
97000 Bintulu Sarawak

Klang
No. 55 & 57 Ground Floor
Jalan Mahogani 5/KS7
Bandar Botanic
41200 Klang
Selangor Darul Ehsan

Kota Bharu
No. 10 & 11
Bangunan Yakin
Jalan Raja Perempuan Zainab 2
Bandar Baru Kubang Kerian
16150 Kota Bharu
Kelantan Darul Naim

Kuala Trengganu
No. 24
Bangunan Pusat Niaga Paya Keladi
Bandar Kuala Trengganu
Trengganu Darul Iman

Kuantan
A255 Ground Floor
Jalan Air Putih
25300 Kuantan
Pahang Darul Makmur

Melaka
108A, Jalan Berkat 15
Taman Malim Jaya
75250 Melaka

Mentakab
No. 28B & 28C Jalan Zabidin
28400 Mentakab
Pahang Darul Ridzuan

Penang
28-G-1 Jalan Tanjong Tokong
10470 Penang

Segamat
31 & 32 Jalan Genuang Kampong
Segamat 85000
Johor Darul Takzim

Seremban
No. 255 & 256 Ground Floor
Jalan S2 B12 Uptown Avenue
Seremban 2
70300 Seremban
Negeri Sembilan Darul Khusus

Taiping
No.13,15 & 17 Tingkat Bawah
Jalan Medan Saujana Kamunting
Taman Medan Saujana Kamunting
34600 Kamunting Taiping
Perak Darul Ridzuan

Wangsa Maju
No. 34N-0-3, Jalan Wangsa Delima 6
Jalan 1/27F KLSC Section 5
Pusat Bandar Wangsa Maju
53300 Kuala Lumpur

Brunei
No. 6 & 7 Block A
Kompleks Shakirin
Kampong Kiulap
Bandar Seri Begawan BE1518
Brunei Darussalam

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Sixteenth Annual General Meeting held on 11 May 2011, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Practice Note 12 of the Main Market Listing Requirements of Bursa Securities, the details of recurrent related party transactions conducted during the financial year ended 31 December 2011 pursuant to the shareholders' mandate are disclosed as follows:

TRANSACTING PARTIES				
RELATED PARTIES	COMPANIES WITHIN OUR GROUP	NAME OF OTHER RELATED PARTIES	AMOUNT TRANSACTED DURING THE FINANCIAL YEAR RM'000	NATURE OF TRANSACTIONS BY COMPANIES WITHIN OUR GROUP
Access Business Group International LLC ("ABGIL")	Amway (Malaysia) Sdn Bhd ("AMSB") and Amway (B) Sdn Bhd ("ABSB")	Alticor Global Holdings Inc. ("AGH"), Solstice Holdings Inc. ("SHI"), Alticor Inc. ("Alticor"), Amway International Inc. ("Amway International"), Amway Nederland Ltd. ("Amway Nederland") and GDA B.V. ("GDA")	1,605	Payment of Royalty Fees on Substitute Products and Additional Products that are distributed under the "AMWAY" trade name to ABGIL
ABGIL	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	204,299	Purchase of consumer products from ABGIL
Alticor and Amway International	AMSB and ABSB	AGH, SHI, Amway Nederland and GDA	8,753	Procurement of administrative and marketing support services from Alticor and Amway International
Amway (Singapore) Pte Ltd ("Amway (S)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	2,753 611	a) Sale of products to Amway (S) b) Procurement of administrative and marketing support services from AMSB
Amway (Vietnam) Co. Ltd ("Amway (V)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland, GDA and Amway Foreign Development LLC ("AFD")	1,274	Procurement of administrative and marketing support services from AMSB
P.T. Amway Indonesia ("Amway (I)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland, GDA and Amway International Development, Inc. ("AID")	819	Procurement of administrative and marketing support services from AMSB.

TRANSACTING PARTIES				
RELATED PARTIES	COMPANIES WITHIN OUR GROUP	NAME OF OTHER RELATED PARTIES	AMOUNT TRANSACTED DURING THE FINANCIAL YEAR RM'000	NATURE OF TRANSACTIONS BY COMPANIES WITHIN OUR GROUP
Amway Philippines LLC ("Amway (P)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland, GDA, AFD, Amway Foreign Investment Co. ("AFI")	371	Procurement of administrative and marketing support services from AMSB.
Amway (Thailand) Limited ("Amway (T)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland, GDA and Amway Thailand Partnership ("Amway Thailand")	637	Procurement of administrative and marketing support services from AMSB.

NOTES:

1. ABGIL, a company incorporated in the United States of America ("USA"), is effectively a wholly-owned subsidiary of AGH which is also the ultimate holding company of the Company.

2. Alticor, a company incorporated in the USA, is a wholly-owned subsidiary of SHI which in turn is a wholly-owned subsidiary of AGH.

3. Amway International, a company incorporated in the USA, is a wholly-owned subsidiary of Alticor.

4. Amway (S), a company incorporated in Singapore, is a wholly-owned subsidiary of Amway International.

5. Amway (V), a company incorporated in the Socialist Republic of Vietnam and a wholly-owned subsidiary of AFD, a company incorporated in the USA and a wholly-owned subsidiary of Amway Nederland.

6. Amway (I), a company incorporated in the Republic of Indonesia and a wholly-owned subsidiary of AID, a company incorporated in the USA which is 60%-owned by Amway International and 40%-owned by Alticor.

7. Amway (P), a company incorporated in the USA which is 99%-owned by AFD and 1%-owned by AFI. AFI is a company incorporated in the USA and a wholly-owned subsidiary of Amway International.

8. Amway (T), a company incorporated in the Kingdom of Thailand and a wholly-owned subsidiary of Amway Thailand. Amway Thailand, a Nevada (USA) general partnership, is 99%-owned by GDA and the remaining 1% equally-owned by 2 wholly-owned subsidiaries of AGH.

9. The Company is a 51.70%-owned subsidiary of GDA, a company incorporated in the Netherlands, which in turn is wholly-owned by Amway Nederland. Amway Nederland, a company incorporated in the USA, is a wholly-owned subsidiary of Amway International, which in turn is wholly-owned by Alticor. Further, Alticor is an indirect holding company of ABGIL.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of AMWAY (MALAYSIA) HOLDINGS BERHAD (the "Company") will be held at the Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn Bhd, 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 30 May 2012 at 9.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2011 together with the Directors' and the Auditors' Reports thereon. **Ordinary Resolution 1**
2. To re-elect Mr Scott Russell Balfour who is retiring pursuant to Article 87.1 of the Company's Articles of Association. **Ordinary Resolution 2**
3. To re-elect Mrs Eva Cheng Li Kam Fun who is retiring pursuant to Article 87.1 of the Company's Articles of Association. **Ordinary Resolution 3**
4. To re-elect Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof who is retiring pursuant to Article 87.1 of the Company's Articles of Association. **Ordinary Resolution 4**
5. To re-elect Mr James Bradley Payne who is retiring pursuant to Article 94 of the Company's Articles of Association. **Ordinary Resolution 5**
6. To approve the increase in Directors' fees up to RM265,000 for the financial year ending 31 December 2012. **Ordinary Resolution 6**
7. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

As Special Business

To consider and, if thought fit, to pass the following resolution:

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC ("ABGIL"), Alticor Inc. ("Alticor"), Amway International Inc. ("Amway International"), P.T. Amway Indonesia ("Amway (I)"), Amway Philippines LLC ("Amway (P)"), Amway (Singapore) Pte Ltd ("AMWAY (S)"), Amway (Thailand) Limited ("Amway (T)") and Amway Vietnam Co., Ltd. ("AMWAY (V)"). **Ordinary Resolution 8**

(The detailed text and rationale on Item 8 are contained in the Circular dated 25 April 2012 which is enclosed together with the Annual Report)

9. **Proposed Amendments to the Articles of Association** **Special Resolution**
   That the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix 1 attached with the Annual Report for the financial year ended 31 December 2011 be and are hereby approved.

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
LIEW IRENE (MAICSA 7022609)
Company Secretaries

Date: 25 April 2012

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.

5. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Boardroom Corporate Services (KL) Sdn Bhd, Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Explanatory Notes on the Special Business

7. Ordinary Resolution 8, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with ABGIL, Alticor, Amway International, Amway (I), Amway (P), Amway (S), Amway (T) and Amway (V) in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related transactions occur would not arise. Besides facilitating a smoother and more efficient conduct of business, this would substantially reduce administrative time, inconvenience, expenses associated with the convening of such meetings and would place the Group in a better position to leverage and take advantage of business opportunities as and when they may arise, without compromising the corporate objectives of the Group. The shareholders' mandate is subject to renewal on an annual basis.

8. The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.

ANALYSIS OF SHAREHOLDINGS
As at 19 March 2012

Authorised Share Capital	:	RM250,000,000
Issued and Paid-Up Share Capital	:	RM164,385,645
Class of Shares	:	Ordinary Share of RM1.00 each
Voting Rights	:	One vote per share

ANALYSIS OF SHAREHOLDINGS
Distribution of shareholdings according to size:

Size of Holdings			No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
1	-	99	189	4.87	6,561	0.00
100	-	1,000	1,356	34.93	1,050,622	0.64
1,001	-	10,000	2,095	53.97	6,718,928	4.09
10,001	-	100,000	210	5.41	5,689,187	3.46
100,001	-	8,219,281	30	0.77	43,330,364	26.36
8,219,282	-	and above	2	0.05	107,589,983	65.45
Total			3,882	100.00	164,385,645	100.00

SUBSTANTIAL SHAREHOLDERS
(As per Register of Substantial Shareholders)

	Direct		Indirect	
Name of Shareholders	No. of Shares held	% of Issued Capital	No. of Shares held	% of Issued Capital
GDA B.V. ("GDA")	84,990,283	51.70	-	-
Amway Nederland Ltd ("Amway Nederland")	-	-	*i84,990,283	51.70
Amway International Inc ("Amway International")	-	-	*ii84,990,283	51.70
Alticor Inc. ("Alticor")	-	-	*iii84,990,283	51.70
Solstice Holdings Inc. ("SHI")	-	-	*iv84,990,283	51.70
Alticor Global Holdings Inc. ("AGH")*vi	-	-	*v84,990,283	51.70
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	22,599,700	13.75	-	-
Employees Provident Fund Board	8,661,133	5.27	-	-
Kumpulan Wang Persaraan (Diperbadankan)	7,819,800	4.76	647,000	0.39

NOTES:

*i Deemed interested by virtue of interest in GDA pursuant to Section 6A of the Companies Act, 1965.
*ii Deemed interested by virtue of interest in Amway Nederland pursuant to Section 6A of the Companies Act, 1965.
*iii Deemed interested by virtue of interest in Amway International pursuant to Section 6A of the Companies Act, 1965.
*iv Deemed interested by virtue of interest in Alticor pursuant to Section 6A of the Companies Act, 1965.
*v Deemed interested by virtue of interest in SHI pursuant to Section 6A of the Companies Act, 1965.
*vi The equity interests in AGH are wholly held by certain trusts established by Jay Van Andel and Richard M. DeVos, the co-founders of the AGH group of companies or members of their immediate families.

SHAREHOLDINGS OF DIRECTORS

(As per Register of Directors' Shareholdings)

Name of Directors	No. of Shares held	% of Issued Capital
1. Dato' Ab. Halim Bin Mohyiddin	1,000	**
2. Low Han Kee	20,000	0.01
3. Scott Russell Balfour	-	-
4. Yee Kee Bing	-	-
5. Eva Cheng Li Kam Fun	-	-
6. Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	-	-
7. Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham	-	-
8. Mohammad Bin Hussin	-	-
9. James Bradley Payne	-	-

** Negligible

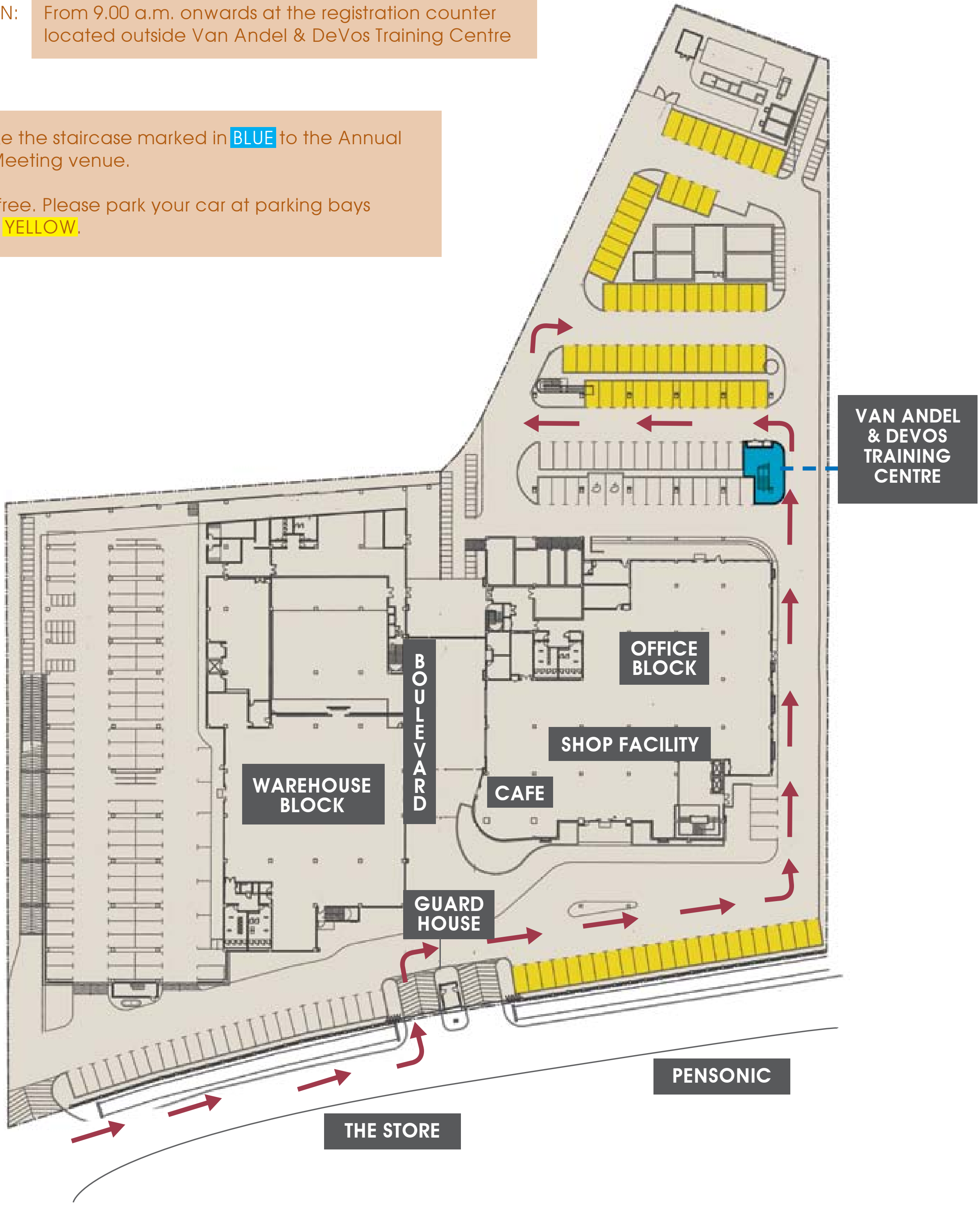
THIRTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares held	% of Issued Capital
1. GDA B.V.	84,990,283	51.70
2. AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	22,599,700	13.75
3. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	8,161,133	4.96
4. Kumpulan Wang Persaraan (Diperbadankan)	7,819,800	4.76
5. AmanahRaya Trustees Berhad - Amanah Saham Malaysia	7,000,000	4.26
6. Lembaga Tabung Haji	6,246,331	3.80
7. Valuecap Sdn Bhd	5,877,800	3.58
8. AmanahRaya Trustees Berhad - Amanah Saham Didik	2,210,300	1.34
9. Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	647,000	0.39
10. Bank Kerjasama Rakyat Malaysia Berhad	558,000	0.34
11. Employees Provident Fund Board	500,000	0.30
12. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for MAAKL Al-Fauzan (5170)	432,600	0.26
13. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt An for Kenanga Investors Bhd	403,300	0.25
14. Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	396,700	0.24
15. Amanah Saham Mara Berhad	345,000	0.21
16. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for MAAKL Dividend Fund (5311-401)	260,000	0.16
17. PM Nominees (Tempatan) Sdn Bhd - PCB Asset Management Sdn Bhd for MUI Continental Insurance Berhad	240,000	0.15
18. AmanahRaya Trustees Berhad - Dana Al-Aiman	234,800	0.14
19. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Exempt An for Kumpulan Sentiasa Cemerlang Sdn Bhd (TSTAC/CLNT)	222,000	0.13
20. Tabung Amanah Warisan Negeri Johor	194,500	0.12
21. HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd for Kenanga Growth Fund (3795)	172,000	0.10
22. Ho Teik Chuan @ Ho Sonney	156,000	0.09
23. Permodalan Nasional Berhad	149,100	0.09
24. Chin Chee Kin	142,000	0.09
25. BHLB Trustee Berhad - Public Focus Select Fund	139,800	0.09
26. Ajeet Kaur A/P Inder Singh	127,700	0.08
27. Mehar Singh @ Mehar Singh Gill	124,000	0.08
28. Malaysian Reinsurance Berhad - As Beneficial Owner (MMIP Fund)	123,500	0.08
29. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Kian Chuan	120,000	0.07
30. Teo Chiang Hong	116,000	0.07
	150,709,347	91.68

INFORMATION FOR SHAREHOLDERS ON SEVENTEENTH ANNUAL GENERAL MEETING

AMWAY ANNUAL GENERAL MEETING INFORMATION		
VENUE	:	Van Andel & DeVos Training Centre Amway (Malaysia) Sdn Bhd 1st Floor, 28, Jalan 223, 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia
DATE	:	30 May 2012
TIME	:	9.30 a.m.
REGISTRATION	:	From 9.00 a.m. onwards at the registration counter located outside Van Andel & DeVos Training Centre

* Please take the staircase marked in BLUE to the Annual General Meeting venue.
* Parking is free. Please park your car at parking bays marked in YELLOW.



Amway

AMWAY (MALAYSIA) HOLDINGS BERHAD (340354-U)
Incorporated in Malaysia

PROXY FORM

CDS account number of holder

I/We, ____(name of shareholder as per NRIC, in capital letters)
IC No./ID No./Company No. ______________________ (new)______________________________ (old)
of ____(full address)
being a member of AMWAY (MALAYSIA) HOLDINGS BERHAD, hereby appoint ______________________
(name of proxy as per NRIC, in capital letters) IC No. ____________________(new)__________________(old)
of ____(full address)
or failing him/her ____________________________________(name of proxy as per NRIC, in capital letters)
IC No. ______________________(new) ____________________(old) of ______________________
____(full address) or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held at the Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn Bhd, 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 30 May 2012 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

	RESOLUTIONS		FOR	AGAINST
1	Adoption of Audited Financial Statements and Directors' and Auditors' Reports for the financial year ended 31 December 2011	Ordinary Resolution 1		
2	Re-election of Mr Scott Russell Balfour as Director	Ordinary Resolution 2		
3	Re-election of Mrs Eva Cheng Li Kam Fun as Director	Ordinary Resolution 3		
4	Re-election of Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof as Director	Ordinary Resolution 4		
5	Re-election of Mr James Bradley Payne as Director	Ordinary Resolution 5		
6	Approval of Directors' fees for the financial year ending 31 December 2012	Ordinary Resolution 6		
7	Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 7		
8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC, Alticor Inc., Amway International Inc., P.T. Amway Indonesia, Amway Philippines LLC, Amway (Singapore) Pte Ltd, Amway (Thailand) Limited and Amway Vietnam Co., Ltd.	Ordinary Resolution 8		
9	Proposed Amendments to the Articles of Association	Special Resolution		

(Please indicate with an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

____
Signature/Common Seal

Number of shares held: ______________________

Date: ______________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTES:
1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
5. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Boardroom Corporate Services (KL) Sdn Bhd, Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 22 May 2012 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

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AFFIX STAMP

The Share Registrars

BOARDROOM CORPORATE SERVICES (KL) SDN BHD (3775-X)
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya, Selangor Darul Ehsan

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PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:

ARTICLE NO.	EXISTING ARTICLES	AMENDED ARTICLES
To amend Article 2.1	WORDS MEANINGS New definition New definition	WORDS MEANINGS Exempt Authorised Nominee — An authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of Central Depositories Act. Share Issuance Scheme — means a scheme involving a new issuance of shares to the employees.
To amend Article 3.4	Issue of shares every issue of shares or options to employees and/or Directors shall be approved by the members in general meeting and:- (a) such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; and (b) only Directors holding office in an executive capacity shall participate in such an issue of shares or options Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue;	Issue of shares every issue of shares or options to employees and/or Directors and any participation in Share Issuance Scheme by Directors shall be approved by the members in general meeting and:- (a) such approval shall specifically detail the amount of shares or options to be issued to such employees and/or Directors; (b) only Directors holding office in an executive capacity shall participate in such an issue of shares or options Provided Always that a Director not holding office in an executive capacity may so participate in an issue of shares pursuant to a public offer or a public issue;
To amend Article 56	Right to appoint proxy In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not, be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company. A proxy shall be entitled to vote on a show of hands on any questions at any general meeting.	Right to appoint proxy In every notice calling a meeting of the Company, there shall appear with reasonable prominence a statement that a member entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, is entitled to appoint a proxy to attend and vote instead of him. A proxy may, but need not, be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy shall be entitled to vote on a show of hands on any questions at any general meeting.
To add Article 56A	New provision	Rights of proxy to speak A proxy appointed to attend and vote at a meeting shall have the same rights as the member to speak at the meeting.

ARTICLE NO.	EXISTING ARTICLES	AMENDED ARTICLES
To amend last sentence of Article 66.1	Voting on resolutions Provided that no poll shall be demanded on the election of a chairman of a meeting or on any question of adjournment.	Voting on resolutions Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken forthwith at the meeting and without adjournment.
To amend Article 74.2	Number of votes Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present or a member or member's representative or proxy or attorney and entitled to vote shall be entitled to one vote on any question at any general meeting and in the case of a poll, a holder of ordinary shares or preference shares who is personally present or a member's representative or proxy or attorney or other duly authorised representative and entitled to vote shall be entitled to one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.	Number of votes Subject to any special rights or restrictions as to voting attached to any class or classes of shares by or in accordance with these Articles, on a resolution to be decided on a show of hands, a holder of ordinary shares or preference shares who is personally present or a member or member's representative or proxy or attorney and entitled to vote shall be entitled to one vote on any question at any general meeting. If a Member appoints two (2) proxies, he must specify which proxy is entitled to vote on a show of hands. Only one (1) of those proxies is entitled to vote on a show of hands. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. In the case of a poll, a holder of ordinary shares or preference shares who is personally present or a member's representative or proxy or attorney or other duly authorised representative and entitled to vote shall be entitled to one vote for every share held by him. A person entitled to more than one vote need not use all his votes or cast all the votes he uses on a poll in the same way.
To amend Article 80	Appointment of more than one proxy for authorised nominee company Where a member of the Company is an authorised nominee as defined under the Central Depositories Act, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.	Exempt Authorised Nominee Where a Member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

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AMWAY (MALAYSIA) HOLDINGS BERHAD (340354-U) 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia. Tel: 03 7946 2288 Fax: 03 7946 2399 www.amway2u.com