

REACHING FOR THE PINNACLE

ANNUAL REPORT 2015

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The diamond, derived from the ancient Greek word for "unbreakable" is the hardest known natural substance. Precious and rare, and always sparkling, the diamond is a symbol of perseverance, prosperity and renewal. Likewise, Amway Malaysia embodies these qualities through its unshakeable determination to reach new heights of success by helping people live better lives, and always leading the way as pioneers for tomorrow. The trust and confidence of Amway Business Owners in the company is boldly represented in jet black, while shimmering gold highlights our triumph over adversity. Together, the combination of these visual elements portrays Amway Malaysia as a prestigious, winning brand that constantly delivers premium quality and confidence to its partners, employees and customers.

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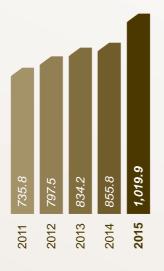
QUARTERLY PERFORMANCE

2015	1 st Quarter	2 nd Quarter	3 rd Quarter	4th Quarter	Full Year
Sales Revenue (RM Million)	322.0	188.0	241.6	268.3	1,019.9
Profit Before Taxation (RM Million)	50.0	13.3	16.6	9.4	89.3
Net Profit (RM Million)	36.8	10.2	11.8	5.1	63.9
Net Earnings Per Share (Sen)	22.4	6.2	7.2	3.1	38.9
Net Dividend Per Share (Sen)	10.0	10.0	10.0	15.0	45.0

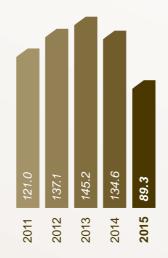
2014	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Full Year
Sales Revenue (RM Million)	213.3	193.5	219.1	229.9	855.8
Profit Before Taxation (RM Million)	34.3	35.2	32.6	32.5	134.6
Net Profit (RM Million)	25.5	26.1	25.0	23.2	99.8
Net Earnings Per Share (Sen)	15.5	15.9	15.2	14.1	60.7
Net Dividend Per Share (Sen)	10.0	10.0	10.0	25.0	55.0



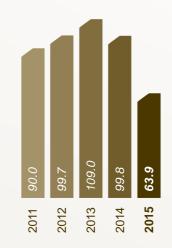
5-YEAR FINANCIAL HIGHLIGHTS



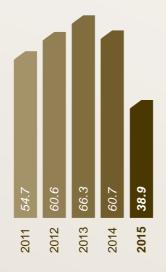
Sales Revenue (RM Million)



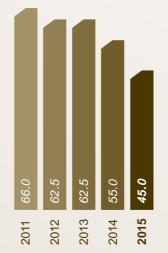
Profit Before Taxation (RM Million)



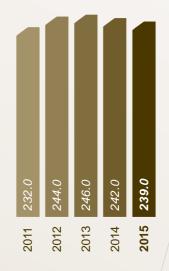
Net Profit (RM Million)



Net Earnings Per Share (Sen)



Net Dividend Per Share (Sen)



Core ABO Force (Thousand)



CHAIRMAN'S STATEMENT



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

DEAR SHAREHOLDERS,

Amway (Malaysia) Holdings Berhad ("Amway Malaysia") achieved a major milestone in 2015, with revenue crossing the RM1 billion mark for the very first time. This is cause for celebration indeed and a wonderful way to usher in our 40th year, in 2016. Once again, the trust and partnership between Amway Business Owners ("ABOs") and the company has brought the Amway business to new heights.

The year started out with the looming implementation of the Goods & Services Tax ("GST") on 1 April 2015. This new tax not only required major changes to our internal processes but was also expected to have a dampening effect on consumption and spending.

Throughout 2015, we were most encouraged by the tenacity and determination of our ABOs to overcome any challenges arising from GST implementation. Your company also implemented appropriate sales & marketing programmes that further shored up support for the ABOs. We ended the year with revenue in excess of RM1 billion, the result of an exceptionally strong 19.2% growth rate.

Profit after tax for the year was RM63.9 million. This was lower compared with RM99.8 million in the prior year due to higher import cost (primarily from a weaker Ringgit and higher transfer price), sales mix, and a higher level of investment in sales & marketing support programmes to grow the business.

DIVIDEND

In line with our performance, the company has declared a fourth interim dividend of 10.0 sen net per share and a special interim

dividend of 5.0 sen net per share for the financial year 2015 on 22 February 2016. Cumulatively, we have declared a total dividend of 45.0 sen net per share for the year, compared to 55.0 sen net per share in 2014. This single tier dividend represents a net dividend payout of RM74.0 million or 116% of 2015 profit after tax and is consistent with our commitment to return no less than 80% of the annual profit after tax to shareholders.

OUR ABOs

Our Core ABO Force ("CAF") was 239,000 as at 31 December 2015. This is slightly lower compared to 242,000 in the previous year. We expect the substantial rise of new sign-ups in 2015 to have a positive effect on our CAF for 2016. This improvement came from increased efforts to sponsor by our ABOs, effective sales and marketing programmes, and the new Online Sign-up facility, which began in June 2015.

We continued to make inroads into the two key ABO segments – adults under the age of 35 ("AU35") and Bumiputera. In 2015, new sign-ups from the AU35 group grew 14.4% and continue to make up more than half of total new ABOs who signed up. Bumiputera new sign-ups grew by 29.8% in 2015 and revenue from this segment grew at twice the rate compared to overall revenue growth.

OUR EMPLOYEES

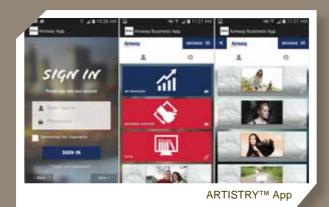
Our Employees also worked hard and diligently to support business growth. Knowing the challenge arising from GST, they worked tirelessly to support ABOs. The additional sales and marketing programmes put in place mitigated the effects preand post-GST implementation and was executed with aplomb, both administratively and operationally.



PHYSICAL PRESENCE IN THE MARKETPLACE

As part of our multi-year Regional Distribution Centre ("RDC") conversion strategy, we converted our last three RDCs in Kuching, Kota Kinabalu, and Miri into Amway Shops in early 2015. From 13 RDCs back in 2008, we have expanded and modernised our channel infrastructure to 25 Amway Shops located throughout Malaysia and Brunei, supported by three regional warehouse hubs for nationwide delivery and resupply to Amway Shops.

TECHNOLOGY





Technology continued to be a major enabler for Amway Malaysia in 2015.

We continued to grow our Social Media reach on our three Facebook pages with engaging content and contests like the ARTISTRY[™] Men Search Facebook contest. This increased the fan base on the main Amway Malaysia Facebook page by nearly 20% during the year.

To assist the retailing and sponsoring efforts of our ABOs, we launched three digital publications – two for NUTRILITE[™] and one to showcase Amway Achievers. We also built a digital app called "Amway Inspire", a one-stop multimedia collection of Diamond ABO success stories to spur ABOs to greater heights.

By far the most significant technology enabler launched in 2015 was the Online Registration of new ABOs, which allowed people to sign up online, at any time and from anywhere. This makes sponsoring much easier for our ABOs as it frees their prospects from having to submit physical forms during office hours.

BRANDS

In May 2015, as part of the continuing year-long NUTRILITE[™] 80th Anniversary celebrations, we organised the NUTRILITE Health Run in the heart of Kuala Lumpur, in the vicinity of the iconic Petronas Twin Towers. This was a regional initiative with Amway affiliates in Singapore, Thailand, Vietnam, Indonesia, Philippines and Australia organising similar runs. Our 8-kilometre run attracted more than 6,000 participants and finishers; each received a medal to commemorate the 80th anniversary of NUTRILITE.

In line with the NUTRILITE 80th Anniversary celebrations, we launched the BodyKey by NUTRILITE[™] personalised weight management programme in 2015. The BodyKey programme includes a kit with the BodyKey Meal Replacement Shake, NUTRILITE supplements, and the InBodyBAND fitness activity tracker, which is to our knowledge the only wearable device capable of analysing and displaying body fat composition on the device itself. In the first month of launch, we had sold out our first four months' forecast. This was clearly the brand highlight for the year.

CORPORATE RESPONSIBILITY

In 2015, we carried out the second year of our three-year Corporate Social Responsibility ("CSR") initiative, Program Harapan (i.e. Hope Programme). This programme, under the Amway One by One Campaign for Children[™], aims to meaningfully improve the lives of children in four Rumah Tunas Harapan ("RTH") foster homes in Selangor.

Way back in 1986, almost 30 years ago, Amway Malaysia partnered with the Ministry of National Unity and Social Development (as it was then known) to build the first RTH foster home in Kuala Selangor. Over the years, we have continued to support this home and in 2014 took another three homes under our wing.

As part of Program Harapan, we launched Projek HeadSTART, a programme to give 18-year-olds leaving foster homes or vocational institutes a head start in the working world through a six-month apprenticeship with Amway Malaysia. According to the Jabatan Kebajikan Masyarakat Negeri Selangor ("JKMNS") (i.e. Selangor State Social Welfare Department), Amway Malaysia is the first company in Malaysia to implement such a programme for underprivileged youth.

We also continued the Program Harapan Saturday Shows on a bi-monthly basis to challenge and broaden the minds of the RTH foster home children under our care. These included two workshops on financial literacy, an art therapy session conducted by officers from the JKMNS, "Book Shopping Day" at BookXcess where we gave each child RM40 to buy books of their choice, a visit to a fire station, and an agricultural field trip in Janda Baik, Pahang.

All these projects were conducted in partnership with our ABOs. Together, we also conducted eight Cheer Visits to RTH and other foster homes during the year. We thank all our ABOs for their community efforts during the year and have recognised them with the Amway Friends of the Community awards.



OUTLOOK

In 2016, Amway Malaysia celebrates its 40th year of operations. So far, we have achieved 36 years of revenue growth out of 39 years of operations, a track record which is unsurpassed by any Amway affiliate. We intend to leverage our 40th anniversary to generate new excitement among ABOs and continue to spur business growth. Highlights for 2016 include the continued rollout of the BodyKey personalised weight management programme, the 40th anniversary Growth Incentive Programme, and the 2016 business seminar for achievers on board a luxury cruise liner on the Mediterranean.

From our base of RM1 billion in 2015, we are in a good position to face the challenges in 2016 from a significantly weaker Ringgit, weaker economic outlook (the government in January lowered its GDP growth forecast for 2016), and weak consumer sentiment (the Consumer Sentiment Index compiled by the Malaysian Institute of Economic Research reached an all-time low of 63.8 in Q4 2015).

As we have shown in 2015, a challenge is what we make of it. In 2016, our focus is not just for the current year but to sustain growth in the long term, keeping Amway Malaysia vibrant and relevant. Reflecting our determination and purpose for the future, we have chosen "#AM40 Pioneers for Tomorrow" as our tagline for our 40th Anniversary, boldly expressing our strategic aim to stay at the forefront of the industry, leading change, and setting the standard in everything we do.

CHANGES TO BOARD AND MANAGEMENT COMPOSITION



In 2015, we welcomed Dato' Abdullah Thalith Bin Md Thani who joined the Amway Malaysia Board as an Independent Non-Executive Director. Dato' Abdullah Thalith was the Director-General of the Valuation and Property Services Department in the Ministry of Finance. He replaces Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof, who retired from the Board at the conclusion of our 20th Annual General Meeting. We thank Datuk Dr. Nik for his contribution and wish him all the best in his future endeavours.

On 19 November 2015, Mr. James Bradley Payne, a Non-Independent Non-Executive Director stepped down from the Board of Amway Malaysia. He was appointed a board

member in November 2011 and is currently Vice Chairman of Alticor Inc. ("Alticor"), the parent company of Amway Malaysia. We thank Jim for his wise counsel, dedication and most of all, his friendship, and wish him all the best in his role at Alticor.

Replacing Jim on the Board with effect from 19 November 2015 is Mr. Martin Liou, Regional Managing Director, SEA, who joined the Board of Amway Malaysia as a Non-Independent Non-Executive Director. Martin began his career in Amway 30 years ago. Before taking up his current position, he was a Vice President of Amway Greater China Region, and the Managing Director of Amway Taiwan.

Finally, it is with some sadness that I report that Mr. Low Han Kee retired as Managing Director of Amway Malaysia, effective 1 February 2016, after serving the company for 26 years. Han Kee joined Amway (Malaysia) Sdn Bhd ("AMSB") in 1990 and was appointed Managing Director of Amway Malaysia in 1998. We thank Han Kee for his leadership, unwavering commitment and passion for the company, and wish him a happy retirement. He will continue to lend his expertise by remaining a member of the Board.

Mr. Yee Kee Bing (Paul) assumed the position as Managing Director of Amway Malaysia with effect from 1 February 2016. Paul, an Executive Director of Amway Malaysia, has been with the company for 31 years and was appointed General Manager of AMSB in 2004. Under his leadership, the Malaysia business has continued to deliver its remarkable record of growing revenue in 36 of its 39 years of operations. With his promotion to the position of Managing Director, we are confident that Amway Malaysia will continue to be one of the largest and most successful Amway operations in the world.

APPRECIATION

We have reached a significant new height in Amway Malaysia, and I believe there are many more summits that we can conquer. We could not have done it without our ABOs and our Employees. On behalf of the Board, I would like to thank our ABOs and Employees for their drive and commitment in 2015.

To our Shareholders and business partners, I thank you for your continued trust in the company.

And finally, my deepest appreciation to my fellow Board members for their commitment and wise counsel throughout 2015.

As we begin our 40th Anniversary celebrations in 2016, I look back and am filled with admiration for what we have achieved. Looking forward, I realise that we are at the cusp of the next 40 years for Amway Malaysia and there are many new wonders we can offer to the industry and the world at large. Far from resting on our laurels, this company will continue to lead the industry in terms of innovation, business values, and ethics. We will remain young and stay curious, innovative and relevant, just like we did before.

I invite you to join me on this journey. #AM40 Pioneers for Tomorrow!

PENYATA PENGERUSI



Dato' Ab. Halim Bin Mohyiddin Pengerusi dan Pengarah Kanan Bebas Bukan Eksekutif

PEMEGANG SAHAM YANG DIHORMATI SEKALIAN,

Amway (Malaysia) Holdings Berhad ("Amway Malaysia") mencatatkan pencapaian penting pada 2015 apabila hasil melepasi aras RM1 bilion buat kali pertamanya. Ini merupakan satu kejayaan yang membanggakan dan cara terbaik untuk memulakan sambutan ulang tahun ke-40 kami pada 2016. Sekali lagi, kepercayaan dan perkongsian antara Pemilik Perniagaan Amway ("ABO") dan syarikat telah melonjakkan perniagaan Amway ke tahap yang lebih tinggi.

Tahun berkenaan bermula dengan pelaksanaan Cukai Barangan & Perkhidmatan ("GST") pada 1 April 2015. Cukai baharu ini bukan sahaja membawa perubahan besar kepada proses dalaman tetapi juga dijangka akan memberi kesan negatif terhadap penggunaan dan perbelanjaan.

Sepanjang 2015, kami mendapat suntikan semangat daripada kesungguhan dan tekad ABO untuk mengatasi sebarang cabaran yang timbul daripada pelaksanaan GST. Syarikat juga melaksanakan program jualan & pemasaran yang sesuai bagi mengukuhkan lagi sokongan kepada ABO. Pada akhir tahun, kami berjaya mencatatkan hasil lebih RM1 bilion, berikutan pertumbuhan teguh pada kadar 19.2%.

Keuntungan selepas cukai bagi tahun lalu berjumlah RM63.9 juta. Jumlah ini adalah lebih rendah berbanding RM99.8 juta pada tahun sebelumnya kerana kos import yang lebih tinggi (sebahagian besarnya disebabkan oleh kejatuhan nilai Ringgit dan harga pemindahan yang lebih tinggi), campuran jualan dan tahap pelaburan yang lebih tinggi dalam program sokongan jualan & pemasaran bagi mengembangkan perniagaan.

DIVIDEN

Selaras dengan prestasi kami, syarikat telah mengisytiharkan dividen interim keempat sebanyak 10.0 sen sesaham bersih dan dividen interim khas sebanyak 5.0 sen sesaham bersih bagi tahun kewangan 2015 pada 22 Februari 2016. Secara

keseluruhan, kami telah mengisytiharkan dividen berjumlah 45.0 sen sesaham bersih untuk 2015, berbanding 55.0 sen sesaham bersih pada 2014. Dividen satu peringkat ini merupakan pembayaran dividen bersih sebanyak RM74.0 juta atau 116% daripada keuntungan selepas cukai tahun 2015 dan konsisten dengan komitmen kami untuk memberikan pulangan tidak kurang 80% daripada keuntungan selepas cukai tahunan kepada pemegang saham.

PARA ABO KAMI

Setakat 31 Disember 2015, Tenaga ABO Teras ("CAF") kami berjumlah 239,000. Jumlah tersebut adalah rendah sedikit berbanding 242,000 pada tahun sebelumnya. Kami menjangkakan peningkatan ketara dalam pendaftaran baharu pada 2015 akan memberikan kesan positif kepada CAF pada 2016. Pertambahan ini terhasil daripada peningkatan usaha untuk menaja oleh ABO kami, program jualan dan pemasaran yang efektif dan kemudahan pendaftaran baharu dalam talian yang dilancarkan pada bulan Jun 2015.

Kami terus berjaya menguasai dua segmen ABO yang penting – dewasa di bawah usia 35 tahun ("AU35") dan Bumiputera. Pada 2015, penyertaan daripada kumpulan AU35 meningkat 14.4% dan menyumbang lebih setengah daripada penyertaan ABO baharu. Penyertaan baharu dalam kalangan Bumiputera berkembang 29.8% pada 2015 dan hasil daripada segmen ini berkembang pada kadar dua kali ganda berbanding pertumbuhan hasil keseluruhan.

KAKITANGAN KAMI

Kakitangan kami juga gigih dan berdedikasi untuk menyokong pertumbuhan perniagaan. Mengetahui cabaran yang akan timbul daripada GST, mereka bekerja tanpa mengenal penat bagi menyokong ABO. Program jualan dan pemasaran tambahan telah dirangka untuk meringankan kesan pelaksanaan sebelum dan selepas GST dan dilaksanakan dengan yakin di peringkat pentadbiran dan juga operasi.



KEHADIRAN FIZIKAL DALAM PASARAN

Sebagai sebahagian daripada strategi penukaran Pusat Pengedaran Daerah ("RDC") yang telah dilaksanakan selama beberapa tahun, kami telah menukar tiga RDC terakhir di Kuching, Kota Kinabalu dan Miri kepada Kedai Amway pada awal 2015. Daripada 13 RDC pada 2008, kami telah meluaskan dan memodenkan infrastruktur saluran kami kepada 25 buah Kedai Amway yang terletak di seluruh Malaysia dan Brunei serta disokong oleh tiga hab gudang daerah untuk penghantaran ke seluruh negara dan membekalkan semula barangan ke Kedai Amway.

TEKNOLOGI

Teknologi terus menjadi pemangkin utama bagi Amway Malaysia pada 2015.

Kami terus meluaskan liputan Media Sosial di tiga halaman Facebook dengan kandungan dan peraduan yang menarik seperti peraduan Facebook Pencarian ARTISTRY™ Men. Peraduan ini berjaya menambah jumlah pengikut halaman Facebook Amway Malaysia sebanyak hampir 20% pada tahun tersebut.

Kami telah melancarkan tiga penerbitan digital bagi membantu usaha peruncitan dan penajaan – dua untuk NUTRILITE™ dan satu menampilkan Penyandang Amway. Kami turut membina aplikasi digital yang dikenali sebagai "Amway Inspire" iaitu koleksi multimedia kisah kejayaan ABO Intan bagi mendorong para ABO mencapai tahap yang lebih tinggi.

Setakat ini, pengupaya teknologi paling penting yang telah dilancarkan pada 2015 ialah Pendaftaran Dalam Talian ABO yang membolehkan prospek mendaftar dalam talian pada bila-bila masa dan di mana-mana jua. Ini menjadikan tugas penajaan lebih mudah bagi ABO kami kerana mereka tidak perlu lagi menyerahkan borang secara fizikal semasa waktu pejabat.

JENAMA



Sebagai sebahagian daripada sambutan Ulang Tahun ke-80 NUTRILITE™ yang berlangsung sepanjang tahun, kami telah mengadakan NUTRILITE Health Run di pusat bandar raya Kuala Lumpur, iaitu di sekitar Menara Berkembar Petronas pada bulan Mei 2015. Inisiatif ini turut dilaksanakan oleh syarikat gabungan Amway di Singapura, Thailand, Vietnam, Indonesia, Filipina dan Australia yang turut menganjurkan larian seumpama ini. Larian sejauh 8 kilometer ini telah menarik lebih daripada 6,000 peserta dan semuanya menerima pingat ulang tahun ke-80 NUTRILITE.

Selain itu, sempena sambutan Ulang Tahun ke-80 NUTRILITE pada tahun 2015, kami telah melancarkan program pengurusan berat badan yang diperibadikan BodyKey oleh NUTRILITE[™]. Program BodyKey ini merangkumi satu kit dengan Minuman Kocak Pengganti Sajian BodyKey, suplemen NUTRILITE dan penjejak aktiviti kecergasan InBodyBAND yang pada pengetahuan kami merupakan satu-satunya peranti boleh dipakai yang boleh menganalisis dan memaparkan komposisi lemak tubuh. Dalam bulan pertama pelancarannya, kami telah mencapai jualan bagi ramalan empat bulan pertama. Pencapaian ini menjadikan jenama berkenaan produk penting bagi tahun ini.

TANGGUNGJAWAB KORPORAT

2015 merupakan tahun kedua pelaksanaan inisiatif Tanggungjawab Sosial Korporat ("CSR") Program Harapan. Program tiga tahun yang bernaung di bawah "Amway One by One Campaign for Children[™] ini bermatlamat untuk memberikan penambahbaikan yang bermakna terhadap kehidupan kanak-kanak di empat buah rumah angkat Rumah Tunas Harapan ("RTH") di Selangor.

Pada tahun 1986 iaitu hampir 30 tahun lalu, Amway Malaysia dengan kerjasama Kementerian Perpaduan Negara dan Pembangunan Masyarakat (dahulu dikenali dengan nama tersebut) membina rumah angkat RTH yang pertama di Kuala Selangor. Sejak itu, kami terus membiayai rumah ini dan pada 2014 kami telah mengambil tiga buah rumah lagi untuk diletakkan di bawah program ini.

Sebagai sebahagian daripada Program Harapan, kami telah melancarkan Projek HeadSTART iaitu sebuah program yang memberikan landasan dalam alam pekerjaan kepada penghuni berusia 18 tahun yang bakal meninggalkan rumah angkat atau institut vokasional menerusi program perantisan selama enam bulan dengan Amway Malaysia. Menurut Jabatan Kebajikan Masyarakat Negeri Selangor ("JKMNS"), Amway Malaysia merupakan syarikat pertama di Malaysia yang melaksanakan program seperti ini untuk remaja kurang bernasib baik.

Kami juga meneruskan Program Harapan Saturday Shows yang diadakan dua kali sebulan untuk mencabar dan meluaskan minda anak-anak rumah angkat RTH di bawah seliaan kami. Ini meliputi dua bengkel tentang pengetahuan kewangan, sesi terapi seni yang dikendalikan oleh pegawai dari JKMNS, "Book Shopping Day" di BookXcess yang memberikan setiap kanak-kanak peluang untuk membeli buku-buku pilihan mereka berharga RM40, lawatan ke balai bomba dan lawatan ke Janda Baik, Pahang untuk menambah pengetahuan tentang bidang pertanian.

Semua projek ini dijayakan dengan kerjasama ABO kami. Kami telah mengadakan sejumlah lapan Lawatan Ceria ke RTH dan rumah-rumah angkat yang lain sepanjang tahun lalu bersamasama mereka. Kami ingin mengucapkan terima kasih kepada semua ABO atas keprihatinan mereka terhadap komuniti dan kami telah mengiktiraf mereka dengan Anugerah Rakan Masyarakat Amway.



TINJAUAN MASA DEPAN

Pada 2016, Amway Malaysia meraikan sambutan ulang tahun ke-40 operasinya. Kami telah mencapai pertumbuhan hasil selama 36 tahun daripada 39 tahun beroperasi, rekod yang tidak dapat diatasi oleh mana-mana syarikat gabungan Amway yang lain. Kami berhasrat untuk menggunakan ulang tahun ke-40 ini sebagai landasan untuk menjana minat baharu dalam kalangan ABO dan terus menggalakkan pertumbuhan perniagaan. Antara agenda penting pada 2016 termasuklah meneruskan promosi program pengurusan berat badan yang diperibadikan BodyKey, Program Insentif Pertumbuhan Ulang Tahun ke-40 dan seminar perniagaan bagi penyandang cemerlang 2016 di atas kapal persiaran mewah di Mediterranean.

Dengan asas bernilai RM1 bilion pada 2015, kami berada dalam kedudukan yang baik untuk menangani cabaran pada tahun 2016 yang timbul daripada kelemahan nilai Ringgit, persekitaran ekonomi yang kurang menggalakkan (pada bulan Januari kerajaan telah menurunkan ramalan pertumbuhan KDNK bagi 2016) dan sentimen pengguna yang lemah (Indeks Sentimen Pengguna yang disediakan oleh Institut Penyelidikan Ekonomi Malaysia mencatatkan penurunan ke tahap terendah iaitu 63.8 pada suku ke-4 2015).

Seperti yang dipamerkan pada 2015, kami sentiasa bersedia menghadapi cabaran. Pada 2016, fokus kami bukan sahaja tertumpu kepada tahun semasa tetapi juga untuk mengekalkan pertumbuhan dalam jangka masa panjang, memastikan Amway sentiasa segar dan relevan. Bagi menggambarkan tekad dan matlamat masa depan, kami telah memilih "#AM40 Pioneers for Tomorrow" sebagai slogan sambutan Ulang Tahun ke-40 sebagai mencerminkan sasaran strategik kami yang berani untuk kekal sebagai pemimpin industri, menerajui perubahan dan menetapkan piawaian dalam segala yang kami lakukan.

PERUBAHAN KOMPOSISI LEMBAGA PENGARAH DAN PASUKAN PENGURUSAN

Pada 2015, kami mengalu-alukan penyertaan Dato' Abdullah Thalith Bin Md Thani dalam Lembaga Pengarah Amway Malaysia sebagai Pengarah Bebas Bukan Eksekutif. Dato' Abdullah Thalith merupakan bekas Ketua Pengarah Jabatan Penilaian dan Perkhidmatan Hartanah di Kementerian Kewangan. Beliau menggantikan Profesor Datuk Dr. Nik Mohd Zain Bin Nik Yusof yang bersara daripada Lembaga Pengarah di penutup Mesyuarat Agung Tahunan ke-20. Terima kasih kami ucapkan kepada Datuk Dr. Nik atas sumbangan beliau dan selamat maju jaya.

Pada 19 November 2015, Encik James Bradley Payne, Pengarah Bukan Bebas Bukan Eksekutif meletakkan jawatan daripada Lembaga Pengarah Amway Malaysia. Beliau dilantik sebagai ahli lembaga Pengarah pada November 2011 dan kini merupakan Naib Pengerusi Alticor Inc. ("Alticor"), syarikat induk Amway Malaysia. Terima kasih kami ucapkan kepada Jim atas nasihat, dedikasi dan yang paling penting hubungan persahabatan yang terjalin dan semoga berjaya dalam peranan beliau di Alticor. Berkuat kuasa 19 November 2015, Encik Martin Liou, Pengarah Urusan Wilayah SEA menyertai Lembaga Pengarah Amway Malaysia sebagai Pengarah Bukan Bebas Bukan Eksekutif menggantikan Jim. Martin memulakan kerjaya beliau di Amway 30 tahun lalu. Sebelum menyandang jawatan sekarang, beliau ialah Naib Presiden Amway Wilayah Greater China dan Pengarah Urusan Amway Taiwan.

Akhir sekali, dengan rasa berat hati, kami memaklumkan bahawa Encik Low Han Kee telah bersara sebagai Pengarah Urusan Amway Malaysia berkuat kuasa 1 Februari 2016 selepas berkhidmat dengan syarikat selama 26 tahun. Han Kee menyertai Amway (Malaysia) Sdn Bhd ("AMSB") pada 1990 dan dilantik sebagai Pengarah Urusan Amway Malaysia pada 1998. Terima kasih kami ucapkan kepada Han Kee atas kepimpinan, komitmen dan semangat beliau yang jitu terhadap syarikat serta selamat bersara. Beliau akan terus menyumbangkan kepakaran dengan kekal sebagai Ahli Lembaga Pengarah.

Encik Yee Kee Bing (Paul) telah mengambil alih jawatan Pengarah Urusan Amway Malaysia berkuat kuasa dari 1 Februari 2016. Paul, Pengarah Eksekutif Amway Malaysia telah bersama syarikat selama 31 tahun dan dilantik sebagai Pengurus Besar AMSB pada 2004. Di bawah kepimpinan beliau, perniagaan di Malaysia terus mencatatkan keputusan membanggakan dengan mencapai pertumbuhan hasil dalam 36 tahun daripada 39 tahun beroperasi. Dengan kepimpinan beliau sebagai Pengarah Urusan, kami yakin Amway Malaysia akan terus menjadi salah sebuah syarikat gabungan yang paling besar dan paling berjaya di dunia.

PENGHARGAAN

Di Amway Malaysia, satu kejayaan baharu telah dicatatkan dan saya percaya kami boleh mencapai lebih banyak kegemilangan. Kami tidak mungkin menempa kejayaan ini tanpa ABO dan kakitangan kami. Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua ABO dan kakitangan atas usaha dan komitmen mereka pada 2015.

Saya juga ingin mengucapkan jutaan terima kasih kepada para Pemegang Saham dan rakan kongsi perniagaan atas kepercayaan yang berterusan terhadap syarikat.

Akhir sekali, setinggi-tinggi penghargaan kepada rakan-rakan Ahli Lembaga Pengarah atas komitmen dan nasihat berguna yang diberikan sepanjang tahun 2015.

Ketika kami memulakan sambutan Ulang Tahun ke-40, saya imbas kembali dan rasa sangat bangga dengan pencapaian kami selama ini. Saya sedar bahawa Amway Malaysia sedang melangkah ke-40 tahun seterusnya dan ada banyak keajaiban yang kami boleh tawarkan kepada industri dan dunia secara umumnya. Syarikat ini akan terus menerajui industri dari segi inovasi, nilai perniagaan dan etika. Kami akan kekal muda dan terus bersikap ingin tahu, inovatif dan relevan seperti sebelum ini.

Saya jemput anda untuk turut sama dalam perjalanan/ini. #AM40 Pioneers for Tomorrow!

BOARD OF DIRECTORS



- 1. Dato' Ab. Halim Bin Mohyiddin Chairman, Senior Independent Non-Executive Director
- 2. Yee Kee Bing Managing Director
- 3. Low Han Kee Non-Independent Non-Executive Director
- 4. Scott Russell Balfour Non-Independent Non-Executive Director
- 5. Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham Independent Non-Executive Director

- 6. Mohammad Bin Hussin Non-Independent Non-Executive Director
- 7. Tan Sri Faizah Binti Mohd Tahir Independent Non-Executive Director
- 8. Dato' Abdullah Thalith Bin Md Thani Independent Non-Executive Director
- 9. Liu, Ming-Hsiung @ Martin Liou Non-Independent Non-Executive Director

CORPORATE INFORMATION

COMPANY SECRETARIES

Wong Wai Foong (MAICSA 7001358) Kuan Hui Fang (MIA 16876)

REGISTERED OFFICE

Unit 30-01, Level 30, Tower A Vertical Business Suite Avenue 3, Bangsar South No 8 Jalan Kerinchi 59200 Kuala Lumpur Tel : 03-2783 9191 Fax : 03-2783 9111

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No 8 Jalan Kerinchi 59200 Kuala Lumpur Tel : 03-2783 9299 Fax : 03-2783 9222

COMPANY WEBSITE

www.amway.my

AUDITORS

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

PRINCIPAL BANKERS

Public Bank Berhad Standard Chartered Bank Malaysia Berhad

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

STOCK EXCHANGE LISTING

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



DIRECTORS' PROFILE

Dato' Ab. Halim Bin Mohyiddin

Chairman, Senior Independent Non-Executive Director

Dato' Ab. Halim Bin Mohyiddin, a Malaysian, aged 70, 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. in 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 2004 to 2007 and a council member of MIA from 2001 to 2007.

Presently, he is a Board member of KNM Group Berhad, Petronas Gas Berhad and MISC Berhad.

Dato' Ab. Halim Bin Mohyiddin 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 Bin Mohyiddin attended all the four Board meetings held during the financial year ended 31 December 2015.





Low Han Kee Non-Independent Non-Executive Director

Yee Kee Bing (Paul), a Malaysian, aged 56, was appointed Executive Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 16 July 2004. On 1 February 2016, he took over the helm as the Managing Director of AMHB. He was appointed Director of Amway (Malaysia) Sdn. Bhd. ("AMSB") and Amway (B) Sdn. Bhd. on 28 November 2000 and 1 February 2016 respectively.

He started his career as the Accounts Servicing Executive at Art Beat Communications Sdn Bhd in 1983. He joined AMSB as Communications Executive, in 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 1993. He was subsequently promoted to Marketing Manager in 1994, and promoted again to Assistant General Manager for Marketing & Business Development in 1999 before taking over as General Manager (Operations) in 2000. In 2004, he assumed his responsibility as the General Manager of AMSB.

Paul has been active on industry matters since year 2000 and led the Direct Selling Association of Malaysia ("DSAM") as its president for 10 years from 2001 to 2011, before relinquishing that position. He continues to participate actively on industry matters, providing guidance to the present board of DSAM as the association's immediate past president.

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

Paul 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.

Paul attended all the four Board meetings held during the financial year ended 31 December 2015.

Low Han Kee, a Malaysian, aged 56, was appointed Director of Amway (Malaysia) Holdings Berhad ("AMHB") and Amway (Malaysia) Sdn. Bhd. ("AMSB") on 6 June 1996 and 16 October 1995 respectively.

He joined AMSB in 1990 as Divisional Manager of the Finance & Administration Division and was promoted to General Manager in 1993 before being promoted to Managing Director in 1998, the position he retired from in February 2016. He served as Managing Director of AMHB from 1998 till his retirement in February 2016. He was also a Director of Amway (B) Sdn. Bhd..

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 30 years of financial expertise, having held senior finance positions 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 2015.





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

Director

Scott Russell Balfour, an American, aged 54, was appointed Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 15 January 2004. He also serves as a member of the Audit Committee and the Chairman of the Nominating 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 Vice President and Deputy General Counsel-Lead Regional Counsel Asia and Greater China Regions and Vice President-Global Business Conduct and Rules of Alticor Inc. He coordinates and oversees Alticor's diverse legal issues for all of its Asian affiliates, including Australia, China, Korea, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam. Scott Russell Balfour also leads a legal team responsible for global compliance and issues in direct selling law, customs and rules governing the more than three million Amway Business Owners.

Prior to joining Alticor in 1998, 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. He is a member of the Board of Directors of the West Michigan World Affairs Council.

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 2015.

Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham, a Malaysian, aged 70, was appointed Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 9 February 2006. He also serves as a member of the Audit Committee and Nominating Committee.

Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham 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 1969. He was admitted as an Advocate & Solicitor of the High Court of Malaya in 1970. He is a Fellow of Queen Mary College and a Bencher of the Honourable Society of Middle Temple.

He is currently the Senior Partner of Cecil Abraham and Partners. He has an extensive litigation and arbitration practice.

Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham 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 Wilbert Mohanaraj Abraham attended all the four Board meetings held during the financial year ended 31 December 2015.





Mohammad Bin Hussin, a Malaysian, aged 55, was appointed Director of Amway (Malaysia) Holdings Berhad 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 Unit Trust Division of Permodalan Nasional Berhad ("PNB"). He is also the Chief Executive Officer and Executive Director of Amanah Saham Nasional Berhad and the Director of Amanah Mutual Berhad. Prior to his current position, 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.

Presently, Mohammad Bin Hussin is a Board member of Federation of Investment Managers Malaysia, Sime Darby Industrial Holdings Sdn Bhd, Amanah Saham Nasional Berhad and Amanah Mutual Berhad.

Mohammad Bin Hussin 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 Bin Hussin attended three of the four Board meetings held during the financial year ended 31 December 2015. Tan Sri Faizah Binti Mohd Tahir, a Malaysian, aged 65, was appointed Director of Amway (Malaysia) Holdings Berhad on 8 May 2014. She also serves as a member of the Audit Committee. She graduated with a Bachelor of Economics (Honours) from Universiti Malaya. She obtained a Master of Arts (Development Economics) from Williams College, United States of America.

Presently, Tan Sri Faizah Binti Mohd Tahir is the Chairman of Small Medium Enterprise Development Bank Malaysia Berhad and a Board member of Goodyear Malaysia Berhad. She is also the Chairman of OrphanCare Foundation and Yayasan Sejahtera, Deputy Chairman of Yayasan Chow Kit, Board of Trustees of Yayasan Kebajikan Negara Malaysia and Temasek Foundation, Singapore.

She joined the Economic Planning Unit ("EPU"), Prime Minister's Department in 1973 and served in the Agriculture, Distribution and Human Resource Sections in various capacities. Her last position in EPU was as Director, Trade and Industry Section before she was promoted to the post of Secretary-General of the Ministry of Women, Family and Community Development, which she held from 2001 until her retirement in 2009.

Tan Sri Faizah Binti Mohd Tahir 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.

Tan Sri Faizah Binti Mohd Tahir attended all the four Board meetings held during the financial year ended 31 December 2015.





Dato' Abdullah Thalith Bin Md Thani, a Malaysian, aged 61, was appointed Director of Amway (Malaysia) Holdings Berhad on 15 May 2015. He also serves as a member of the Audit Committee and Remuneration Committee.

He graduated with a Bachelor of Surveying (Property Management) from Universiti Teknologi Malaysia in 1978. He holds a Master of Science (Business Studies) from University of Salford in 1993.

Dato' Abdullah Thalith Bin Md Thani started his career as a Valuation Officer in the Valuation and Property Services Department, Ministry of Finance in 1978. Along the line, he has been elevated to District Valuer, State Director, Director of National Institute of Valuation, Director of National Property Information Centre ("NAPIC"), Deputy Director-General and subsequently to the Director-General of the Department in 2006. He retired from public service in 2012.

Dato' Abdullah Thalith Bin Md Thani 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.

Dato' Abdullah Thalith Bin Md Thani attended all the two Board meetings held during the financial year ended 31 December 2015 since his appointment as a Director on 15 May 2015. Martin Liou, a Taiwanese, aged 58, was appointed Director of Amway (Malaysia) Holdings Berhad on 19 November 2015. He also serves as the Chairman of the Remuneration Committee. He is currently the Managing Director, South East Asia.

Liu.

Ming-Hsiung@

Non-Independent

Non-Executive Director

Martin Liou

He started his career with Amway as the Distribution Manager of Amway Taiwan Co., Ltd. ("Amway Taiwan") in 1985 before assuming the position of Operations Director in 1995, and was promoted to Managing Director of Amway Taiwan in 2005. Martin Liou subsequently expanded his capacity to assume additional responsibility as the Managing Director of Amway Philippines, LLC, Executive Director of Amway Greater China Training Institute while continuing to be the Vice President of Amway Greater China Region ("GCR").

He served as the Chairman of the Taiwan Direct Selling Association for two terms, in 2000 and 2002 and was appointed as Asia-Pacific Region Advisory Committee Member of World Federation of Direct Selling Association for two terms, in 2008 and 2011. In 2015, Martin Liou was awarded the prestigious "Asia Pacific Entrepreneurship Awards 2015 Taiwan".

Prior to his employment with Amway, Martin Liou worked with ICI China, Dulux Paint Co from 1982 to 1984.

He graduated with a Bachelor of Chemical Engineering from National Taiwan University, Taipei in 1980 and later obtained an Executive Master of Business Administration from National Taiwan University in 2003.

Martin Liou 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.

Martin Liou did not attend any Board meetings of the Company held during the financial year ended 31 December 2015 as he was appointed to the Board on 19 November 2015.



OPERATIONS REVIEW

Amway's revenue growth of 19.2% to RM1.02 billion for 2015 was our 16th year of consecutive growth. One major challenge for the year was the new Goods & Services Tax (GST) which was to come into effect on 1 April 2015. Preparations for the new tax regime begun more than a year earlier and we are happy to report that the transition was smooth.

Anticipating a major buy-up prior to 1 April and a significant pull back in the months after, we designed a sales & marketing strategy to capitalise on this. The end result was better than expected with revenue jumping 51.0% year-on-year in Q1 2015, followed by a smaller-than-expected 2.9% decline year-on-year in Q2 2015. This tremendous start to 2015 lifted the morale of our ABOs and Employees and the momentum carried through for the rest of the year, and propelled us across the RM1 billion mark.

PEOPLE

Our Core ABO Force ("CAF") at the end of the year was 239,000. This was slightly lower than 242,000 for the previous year but we expect to see an improvement in 2016 due to the strong level of new applicants in 2015.

Our two key focus segments, the AU35 (adults under the age of 35) and Bumiputera segments, continued to improve.

More than half of new sign-ups in 2015 were AU35. This has been the case over the past 5 years, demonstrating the continued appeal of the Amway business opportunity to "Gen Y".

Our Bumiputera segment reported revenue growth of 43.3% over the prior year, more than double our overall revenue growth rate. New applications from this segment increased by a very strong 29.8%. This segment also ended the year with 3 new Bumiputera Diamonds and 2 new Founders Executive Diamonds added to its leadership pool, a testament to the continued strength of our Bumiputera segment. As a

percentage of our Total ABO Force, our Bumiputera segment has increased every year since the start of our Bumiputera Initiative in 2010.

In terms of field support and ABO recognition, we held a total of 16 rallies in 2015, including 11 recognition rallies for new Diamonds and above. Notably, we recognised two Founders Crown Ambassadors ("FCAs") during the year. This is the pinnacle of achievement in Amway and both FCAs were celebrated in grand style in stadiums.

We also continued to organise Leadership Meetings and Forums with ABO Leaders to strengthen our engagement with them. The highlight for the year in terms of leadership meetings was our National Leadership Convention in June at the Sunway Resort Hotel & Spa, with the theme "Igniting NEXT". Our very special guests at the event were Amway's global Chief Operating Officer, Mike Cazer, who spoke on Amway's strategic plan for the next ten years, and the Regional President of Amway Asia Pacific, Mark Beiderwieden, who gave the keynote address.

To strengthen the collaboration between the company and ABO Centres, there were 13 Shop Fairs held in various towns in Malaysia, including three at the Shops in East Malaysia which had just been newly converted from Regional Distribution Centres ("RDCs").

To recognise ABOs who achieved their targets, we flew 870 of our ABOs to the Amway Leadership Seminar in Las Vegas, Nevada, USA where they participated in motivational business sessions and also visited the local attractions. Among these were the magnificent Grand Canyon, one of the Seven Wonders of the Natural World, in neighbouring Arizona. Many ABOs also managed to get on the extension trip to Amway's Global Headquarters in Ada, Michigan, fulfilling one of the "bucket list" destinations of many of our ABO leaders.



2015 ALS – Extension Trip to Amway Global Headquarters in Ada, Michigan



Top ten finalists from the ARTISTRY Men Search 2015 competition, with renowned local designer, Bon Zainal

PRODUCTS

During the year, we launched 9 new products and made 6 product revisions. The highlight of the year was of course the exceptionally strong launch of the BodyKey by NUTRILITE[™] personalised weight management programme in September. This programme includes a kit with the BodyKey Meal Replacement Shake and other NUTRILITE supplements, and the InBodyBAND fitness activity tracker, to our knowledge the only wearable device capable of analysing body fat composition. In the first month of launch, we had sold out our first four months' forecast.

In November, we had a high-glamour launch for the ARTISTRY SUPREME LX[™] Regenerating Cream & Eye Cream where we heard true-life testimonies from female ABO leaders across a wide age spectrum who had used the products prior to launch. Notably, their transformation was recorded on video and attendees could see for themselves the significant visible improvement in the clarity, firmness and evenness of their skin.

Earlier in the year, we organised the ARTISTRY Men Search among our male ABOs, in conjunction with the launch of the ARTISTRY Men Serum Concentrate. The event was covered well by media. Other notable products from ARTISTRY[™] skincare included the Ideal Radiance Illuminating CC Cream, Exact Fit Beauty Balm Perfecting Primer, HYDRA-V Advanced Hydration Kit, HYDRA-V Ampoule Mask and HYDRA-V Essence Mist Refill. We also added to the ARTISTRY colour range with the ARTISTRY Spring 2015 Limited Edition.

As a brand, NUTRILITE has grown from its founding in 1934 to become the largest-selling brand of vitamins & dietary supplements in the world as verified by Euromonitor. In 2015, we continued the year-long NUTRILITE 80th Anniversary celebrations with the NUTRILITE Health Run in May. The run was held in the heart of Kuala Lumpur around the Petronas Twin Towers, and was a regional initiative with Amway affiliates in Singapore, Thailand, Vietnam, Indonesia, Philippines and Australia. The 8-kilometre run attracted more than 6,000 participants and finishers each received a NUTRILITE 80th anniversary medal.





TECHNOLOGY

We continued to utilise technology to grow the business in 2015. Among the digital initiatives for 2015 were three digital publications to help ABOs retail and sponsor. Two of these were for NUTRILITE[™] and the third showcased Amway Achievers. A digital app called "Amway Inspire" was also launched. This is a one-stop multimedia collection of Diamond ABO success stories to inspire ABOs to new heights.

We continued to increase our followers on Social Media. Our three Facebook pages grew with the main Amway Malaysia Facebook growing new "Likes" by nearly 20% during the year.

We also launched our Online Registration facility in 2015. This important new online tool enables prospects to sign up online, from any place and at any time, freeing their sponsoring ABOs from having to physically submit the forms during office hours.

PHYSICAL INFRASTRUCTURE

We converted our last three Regional Distribution Centres ("RDCs") in East Malaysia (Kuching, Kota Kinabalu and Miri) into Amway Shops in 2015. This completes our Shop Strategy to expand and modernise our channel infrastructure which began in 2008. We now have 25 Amway Shops located throughout Malaysia and Brunei, and three regional warehouse hubs.

Our Brand Experience Centre in Amway HQ attracted 22,000 visitors in 2015 as our ABOs continued to bring customers and prospects to experience Amway in a vivid, memorable way. This was slightly lower than the 24,000 in 2014 due to some refurbishment work which closed off certain parts of the Centre.



CORPORATE RESPONSIBILITY & SUSTAINABILITY

WORKPLACE

We provide a conducive working atmosphere based on mutual respect, performance and professionalism in line with our values – partnership, integrity, personal worth, achievement, personal responsibility and free enterprise. We recruit Employees without discriminating based on non-work-related criteria like race or religion.

Training continued to be a key focus for Employees in 2015. We conducted 77 training sessions translating into 6,585 man-hours of training. The key training programmes in 2015 were the Amway Experience Programme, to give Employees a firm grounding in Amway's history and company culture, and the Employee Development Programme, to develop Employees in core job performance and soft skills, and to build a mindset for continuous self-development.

Selected Employees underwent the Amway Global Leadership Certification Programme ("ALCP") and Leadership Agility Virtual Situational Leadership® II (SLII®) Programme in 2015 to equip them with the necessary strategic planning, communication, delegation, problem-solving and persuasive skills.

At Amway, we believe Employees give their best when they are engaged as whole persons, so we try to weave in fun activities which are supported by the company. Besides our well-equipped gymnasium and yoga classes, the Amway Sports & Recreation Club also organised team-building activities like Go Kart racing and a fun trip to the District 21 indoor adventure park to promote camaraderie and an active lifestyle.

Separately, each department in Amway also held their own Team Building activities. For example Sales spent a day at Sunway Lagoon, Marketing challenged themselves to the Escape Room, and Finance tried to "Break The Code". Human Resources and other smaller departments set off on a day trip to Pulau Ketam, an island off the coast of Selangor near Port Klang. Of course, all these activities included sumptuous food.

The annual bowling tournament was organised in November 2015 with 77 employees turning up to compete. We also have badminton sessions weekly and the annual competition between Amway (Malaysia) Sdn. Bhd. ("AMSB") and Amway IT Services Sdn. Bhd. ("AITS") took place in October 2015.



Amway Employees having fun during the Team Building visit to Pulau Ketam

Health and wellness talks were also conducted. Among these included a practical self-defence workshop, a health talk on body massage and a fire prevention awareness seminar. With the collaboration with our health insurer, a talk was organised on preventing back problems by a consultant orthopaedist from Assunta Hospital.

We hired a total of 107 new Employees in 2015 and paired them up with "AmBuddies" to help them transit smoothly into the Amway family. In 2015, a total of 64 Employees took on the AmBuddy role, with the male buddies called "AmBrothers" and the female ones, "AmSisters". Long-serving Employees from 3 years to 35 years are cheered on and recognised in Amway with certificates, pins and monetary awards. Notably, in 2015, we recognised a total of 8 Employees for 25, 30 and 35 years of service.

At Amway, we offer flexible working hours to help employees balance work and personal life. Employees have the flexibility to determine their arrival and departure time from the office as long as they are in the office during the "Core Hours" of 10 a.m. to 4 p.m. This popular system is one of the major reasons for Employees staying at Amway.

To help Amway Employees upskill, we launched Amway University, our online learning portal. This is a single learning destination with customised online learning for Malaysian Employees in a collaborative, connected and continuous learning environment with learning modules in three sections: The Leadership Academy, Professional Development and Functional Schools.

Amway is mindful to be inclusive in its recruitment. The recruitment process for our workforce is mainly dependent on the nature of the work and the requisite skills for it.

As at 31 December 2015, the breakdown of our employees are as follows:

	NON-EXECUTIVE							
Age Range	20 >	→ 30	30 >	30 > 40 40 > 50		50 > 60		
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Malay	31	38	41	22	13	12	14	11
Chinese	7	14	6	13	1	6	3	6
India	9	7	3	8	5	6	5	5
Others	3	6	-	1	2	-	3	1
Total	50	65	50	44	21	24	25	23

	EXECUTIVE							
Age Range	20 >	> 30	30 >	30 > 40 40 > 50		50 > 60		
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Malay	1	-	6	4	2	5	4	3
Chinese	6	13	22	49	10	28	7	13
India	1	-	3	-	3	2	-	2
Others	-	-	1	-	1	1	-	-
Total	8	13	32	53	16	36	11	18

MARKETPLACE

For Amway, corporate responsibility extends to the way we do business. We are an active member of the Direct Selling Association of Malaysia ("DSAM") and are committed to adhere to the DSAM Code of Conduct. We expect our ABOs to also uphold similarly high standards of behaviour, as detailed in the Amway Rules of Conduct. Apart from our business conduct in the field, we have established policies to ensure the integrity of the company's internal controls. One such policy is our Investor Relations Policy, which ensures that we communicate ethically and effectively, with equal access to information for all our stakeholders.

Training & Education

Given our large ABO force, it is crucial for our ABOs to undergo training to ensure that business is done ethically and customers get the best experience with Amway, to ensure the long-term sustainability of our business.

In 2015, we equipped our ABOs with the necessary product knowledge through 262 workshops for NUTRILITE[™], ARTISTRY[™] and Amway Home Technology products. A significant percentage of these focused on training on BodyKey by NUTRILITE and ARTISTRY SUPREME LX.

Recognising that younger ABOs tend to respond well to eLearning, this training channel has become more important in recent years. In 2015, more than 15,000 ABOs logged into our eLearning platform and more than 37% of them completed the courses chosen. The most popular eLearning courses were "ARTISTRY SUPREME LX Collection", "BodyKey: Unlock A New You" and "NUTRILITE DOUBLE X".

We also conducted 11 sessions of the popular Amway Entrepreneurship Series Marathons and 11 sessions of the 3S Marathons, providing ABOs with the skills necessary to grow their business as well as inculcate in them the high ethical standards to uplift their professionalism.

To inspire and equip our ABOs with first-hand product knowledge, we continued to bring in scientists and researchers from Amway Headquarters in the USA to speak at product launches and rallies. In 2015, we had three invited speakers for BodyKey, SUPREME LX and DOUBLE X.



NUTRILITE Scientist Kerry Grann took ABOs on a deep dive into the science behind the BodyKey[™] personalised weight management programme

Consumer Protection

To give consumers peace of mind when they buy our products, Amway also offers a high level of consumer protection. In addition to the "cooling-off period" required by the Direct Selling Act, we offer a comprehensive satisfaction guarantee for Amway coreline products. We stand by the high quality of our core products and want to give consumers recourse should they find the product below their expectations.

New ABOs are also protected with the option to opt-out for a full refund of their fee during their first year. Also, Amway will buy back their purchased products provided they are still in acceptable condition.

Corporate Governance

As a public-listed company, in addition to compliance with the Listing Requirements, Amway Malaysia also adheres to best practices as recommended by the Malaysian Code on Corporate Governance 2012 and conducts quarterly Enterprise Risk Management reviews and assessments. Staff are also required to be familiar and ensure compliance with all applicable laws like the Companies Act 1965 and the Direct Sales and Anti-Pyramid Scheme Act 1993. On a day-to-day basis, all departments within the company are guided by detailed standard operating procedures and are subject to internal and external audits. Employees who are tasked to ensure our compliance regularly go for seminars and workshops to keep abreast of new developments and requirements pertaining to all aspects of corporate governance.

Awards & Recognition

Amway products continued to receive praise in 2015. Well-known magazine Reader's Digest awarded the "Trusted Brand" designation to NUTRILITE and eSpring[™] with NUTRILITE named Trusted Brand (Platinum) for the 11th consecutive year while the eSpring Water Treatment System was named Trusted Brand (Gold) for the 10th year.

Another major accolade for eSpring was from Frost & Sullivan which named Amway as the Asia Pacific Water Filtration Company of the Year for the 6th consecutive year. For the first time, Frost & Sullivan also awarded us the 2015 Asia Pacific Home Water Filter Customer Value Leadership Award. Our company was commended for its "exemplary leading position in the market in terms of product advancement and customer value" which "outshone its competitors with its thriving geographical expansion success in the Asia-Pacific while ensuring its strategies and products address end-users' varying demand".

At the global level, Amway was named "Company of the Year" by the Islamic Food and Nutrition Council of America ("IFANCA") at the 2015 International Halal Food Conference in Chicago. Specifically, the award cites Amway's excellence in compliance and execution of Halal-certified NUTRILITE dietary supplements in 11 markets around the world, including Malaysia. We are grateful to IFANCA for recognising our efforts over the years to be Halal compliant in Malaysia and also thankful for the assistance of JAKIM (Jabatan Kemajuan Islam Malaysia i.e. the Department of Islamic Development Malaysia) for assessing and certifying the locally-sourced products that we also carry. With this award, we know our Muslim customers and ABOs have gained even greater confidence in the integrity and efficacy of NUTRILITE supplements."



Ms Debbie Laverty, Director, Global Technical Services, Amway, receiving the Company of the Year award during the 2015 International Halal Food Conference in Chicago from Dr. Muhammad Munir Chaudry, IFANCA President.

COMMUNITY

Amway has a long track record of sustained support for the community in which we operate. Globally, Amway's focus has been to enhance the well-being children under the Amway One by One Campaign for Children[™]. This programme has benefited more than 12.7 million children since its inception in 2003.

In Malaysia, our support for children began in earnest 30 years ago in 1986 when the company donated RM555,000 to build the first Rumah Tunas Harapan ("RTH") foster home in Kuala Selangor. The RTH concept, to give children without parental support a real family, was novel at the time and has since expanded to another 8 locations in Malaysia.

Since 1986, we have continued to support the Kuala Selangor RTH home and in 2013 we expanded our scope to another three RTH homes in Selangor, helping about 100 children in all.

Program Harapan

In 2014, Amway decided to deepen its commitment and involvement with RTH though Program Harapan ("Hope Programme"), a three-year programme to address difficult challenges and emerging needs of the RTH children, and to encourage volunteerism among our ABOs and Employees.

As its name suggests, the key aim of Program Harapan is to Deliver Hope to underprivileged children. A Memorandum of Understanding (MoU) was signed with the Jabatan Kebajikan Negeri Selangor (Selangor State Social Welfare Department), identifying four key support areas:

 Encouragement & Life Skills: Through monthly "Program Harapan Saturday Shows", the children are motivated and challenged by interesting guest speakers and site visits, helping them grow and adapt to life. In 2015, we ran six Saturday Shows:

- (a) Two financial literacy workshops in January and March, to budget, save and invest. The younger children were engaged in art & craft activities conducted by personnel from the JKMNS.
- (b) An educational visit to the Sri Hartamas Fire Station in May.
- (c) An "Art and Play Therapy" session in August conducted by officers from the JKMNS, helping children to learn how to cope with peer pressure and expectations in life, and how to reach their goals and aspirations. This was combined with a scrumptious Hari Raya lunch.
- (d) In September, we brought the children on a "Bookshopping Day" in BookXcess in Amcorp Mall. Each child was given a RM40 budget (funded by the sale of Program Harapan USB drives) to select the books of their choice, with ABO budget. The children were then asked to explain their book choices and many gave interesting answers!

Kemahiran Kebangsaan Serendah (Serendah National Centre for Skills Development). They were rotated through four roles: Regional Sales, Visual Merchandising & Marketing Events, HQ Shop (Cashier) and HQ Shop (Store), with mentors appointed to coach and guide them. Weekly debriefs and we also engaged the JKMNS to help address the apprentices' personal issues.

Mid-way through the programme, the two apprentices from Serendah left to pursue other vocations in their respective hometowns while the other two apprentices from RTH successfully completed the programme. This pioneering effort many newspapers and even on NTV7.

Of the two apprentices, one was offered and accepted a permanent position as a cashier in our PJ Shop while the other decided to fulfil his life's calling to be a baker and enrolled in a without parental support find their footing early in life, and are delighted to see them succeed, whether in Amway or elsewhere.



- (e) In November, we brought the children for an agricultural field trip in Radiant Retreats in Janda Baik, Pahang. The children learned about natural farming and how to care for nature. And, they also got to trek up a river and get all wet!
- 2. Publicity and Awareness: We officially launched Program Harapan on Universal Children's Day on 20 November 2014 together with the theme song for the programme, "Harapan". The signing of the Memorandum of Understanding (MoU) between Jabatan Kebajikan Masyarakat Negeri Selangor ("JKMNS") and Amway was witnessed by Minister of Women, Family and Community Development Y.B. Dato' Sri Rohani Abdul Karim.
- 3. Funding for Operating Expenditure: As and when the need arises, we have supplied RTH homes with necessities like washing machines and laundry products. We also plan to raise funds for the homes to fund specific needs in future.
- 4. Help for 18-year-olds Transitioning to Working Life: Called "Projek HeadSTART", this is a 6-month apprenticeship programme at Amway Headquarters in April. This programme who have just completed their SPM examinations adapt successfully to working life. Projek HeadSTART is believed to be the first such programme of its kind in Malaysia.

Projek HeadSTART

board on April 1 with a full-day On-Boarding Programme. Two were from RTH and another two from the Pusat Perkembangan

Cheer Visits

Our ABOs are also active in giving back to their communities. They continued to bring cheer to children within the community through Cheer Visits. In 2015, our ABOs organised 8 visits to the four RTH homes in Selangor and other charitable homes to spread cheer and hope. Their efforts are recognised through the Amway Friends of the Community (AFC) Award.

Program Harapan and Cheer Visits in 2015 collectively and disabled people, with 457 Amway ABOs and Employees committing a total of 1,905 volunteer hours to this effort. One big event here was a trip to the Skytrex Adventure park which also involved a motivational talk by our National Astronaut, Dr. Sheikh Muszaphar Shukor. About 50 ABOs turned up to volunteer for this Cheer Visit.



Skytrex Cheer Visit



Blood Donation

Our annual blood donation drive was again held in collaboration with the Blood Bank in October 2015 with 49 successful donors from among our ABOs and Employees.

Encouraging Entrepreneurship

Amway Malaysia participated in the AMWAY Global Entrepreneurship Report ("AGER") for the first time in 2015. This report spans 44 countries, with in-person and telephone interviews conducted with nearly 50,000 men and women aged 14-99. In Malaysia, we interviewed 1,003 Malaysians aged 15 to 64 from all walks of life. The findings were shared with the public through a unique Facebook Live Chat with a panel chaired by Amway Malaysia Deputy General Manager Mike Duong. The panellists comprised Dr. Mass Hareeza Ali @ Hamid, Senior Lecturer from Universiti Putra Malaysia, Lay Soo Yuen, Gemologist and Co-founder of Ruì jade jewellery brand, Teoh Wee Kiat, Co-founder of myBurgerLab gourmet restaurants, and two Amway Business Owners – Liew Rik Chuean and Wayne Tan. We received good media coverage of the Live Facebook Chat and the key findings, which offered deep insights into the psyche of Malaysians when contemplating to start their own business.



Panellists at the AGER Malaysia 2015 Live Facebook Chat

ENVIRONMENT

Arway has been caring for the Earth since the company's founding in 1959 in Ada, Michigan. Our first product, the L.O.C.[™] Multi-Purpose Cleaner was already biodegradable and this was maintained in subsequent products like the SA8[™] laundry products, which was already phosphate free in the 1960s.

In our NUTRILITE[™] vitamins and dietary supplements line, we grow the bulk of our ingredients on our own certified organic farms in Brazil, Mexico and the USA, which not only ensures freshness and phytonutrient integrity but also helps protect the surrounding ecosystem with sustainable farming methods. NUTRILITE is the only global brand of vitamins and dietary supplements to have been certified by third-party verification companies (Euromonitor) to grow, harvest, and process plants on their own certified organic farms.

In 2015, Amway Malaysia continued to reduce the amount of printing for both internal and external use by providing electronic versions which can be downloaded from our website. For example, we reduced the number of printed copies for our monthly newsletter & catalogue, the Amagram, by about 10% in 2015, reducing our carbon footprint as well as saving on printing costs and postage. Similarly, we reduced the number of printed copies of our Personal Shoppers Catalogue by 15%.

The launch of our Online Registration facility in June allowed us to reduce the use of paper by about 25% as the applicants filled up online forms. There was also a similar percentage reduction in the man-hours to manually input in applicants' data.

To save on electricity usage, we changed all the light bulbs in the warehouse block at our Headquarters to LED bulbs in May 2015. Since then, our electricity bill has been lower almost every month, sometimes up to 27% lower year-on-year.

To encourage recycling, we invested in more recycling bins. The amount of recyclable trash collected increased with improved quality so much that when the trash was sold to a recycling specialist, the money collected more than offset the investment in the bins.

Amway Malaysia continues to reuse old cartons to package bulk orders made by ABOs and some of these cartons are processed to produce 'dunnage' (soft packing material) used to stabilise, secure and protect products during transportation. Besides helping preserve the environment, these measures also result in savings in terms of distribution and packing costs.

We have also stepped up our use of biodegradable plastic bags made from recycled materials, saving cost as well as helping to conserve the Earth's natural resources.

In Malaysia, we continue to encourage conservation by reducing the use of plastic bags with "No Plastic Bags Day" on Saturdays and encouraging ABOs to use reusable bags. We also educate Employees in ways to reduce electricity consumption at our Petaling Jaya Headquarters and Amway Shops.

The Board of Directors ("Board") of Amway (Malaysia) Holdings Berhad (the "Company") supports the Principles and Recommendations as promulgated by the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). The Board recognises the importance of enhancing shareholder value through building a sustainable business by implementing and maintaining high standards of corporate governance in managing the business affairs of the Company.

PRINCIPLE 1

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD AND MANAGEMENT

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Company's business;
- overseeing the conduct of the Company's business and evaluating whether or not its businesses are being properly managed;
- identifying principal business risks faced by the Company and its subsidiaries and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- ensuring that all candidates appointed to senior management positions are of sufficient calibre, including having in place a process to provide for the orderly succession of senior management personnel and members of the Board and Executive Directors;
- overseeing the development and implementation of a shareholder communications policy, including an investor relations programme for the Company;
- reviewing the adequacy, integrity and effectiveness of the Group's internal control and management information systems;
- determining the remuneration of Executive Directors and recommending the fees of Non-Executive Directors of the Company for shareholders' approval, with the individuals concerned abstaining from discussions of their own remuneration; and
- ensuring that the Group adheres to high standards of ethics and corporate behaviour.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Remuneration Committee and Nominating Committee, to examine specific matters 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, however, lies with the Board.

The Managing Director ensures the effective implementation of the Group's strategic plan and policies established by the Board and manages the daily conduct of the business to ensure its smooth operations. The Managing Director is accountable to the Board for the achievement of Group's goals and objectives.

BOARD CHARTER

The Board has adopted a Board Charter ("Charter") which would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's duties and responsibilities. To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. Key matters reserved for the Board include the approval of strategic plans, annual operating and capital budgets, quarterly and annual financial statements for announcement and monitoring of financial and operating performance. Such delineation of roles is clearly set out in the Charter which serves as a reference point for Board activities.

The Charter provides guidance for Directors and Management regarding the responsibilities of the Board, its Committees and Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The Charter is available for reference in the Company's corporate website at www.amway.my.

CODE OF ETHICS AND WHISTLEBLOWER POLICY

The Board has in place a Code of Ethics, setting out the standards of ethics and conduct expected from Directors and employees to engender good corporate behaviour. To augment the Code of Ethics, the Company's Whistleblower Policy adopted by the Board, outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud or breach of ethics involving employee, Management or Director in the Group. It allows the whistleblower the opportunity to raise concern outside the Management line. The identity of whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retribution. All concerns reported by the whistleblower are made to the Legal Counsel or Chairman of the Audit Committee and shall be set forth in writing, orally or via electronic mail. The Whistleblower Policy is available for reference in the Company's corporate website at www.armway.my.

The Board recognises the importance on adherence to the Code of Ethics by all personnel in the Group and takes measures to put in place a process to ensure its compliance.

SUSTAINABILITY OF BUSINESS

The Board is mindful of the importance of business sustainability and, in developing the corporate strategy of the Group, its impact on the environmental, social and governance aspects is taken into consideration. The Company's activities on corporate responsibilities for the year under review are disclosed on pages 20 to 24 of this Annual Report.

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 seven (7) days 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 meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in accordance with established procedures set out in the Charter in furtherance of their duties.

Directors have unrestricted access to the advice and services of both the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries who are qualified to act as company secretary under Section 139A of the Companies Act 1965, experienced and competent on new statutory and regulatory requirements, and the resultant implications to the Company and Directors in relation to their duties and responsibilities. The Company Secretaries, who oversee

adherence with board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries keep abreast of the evolving capital market environment, regulatory changes and developments in Corporate Governance through continuous training. The Company Secretaries attend all Board and Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The Company Secretaries also serve notices to the Directors and Principal Officers on the closed periods for trading in Amway's shares pursuant to Chapter 14 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

PRINCIPLE 2

STRENGTHEN COMPOSITION OF THE BOARD SELECTION AND ASSESSMENT OF DIRECTORS

The Company has a Nominating Committee, which comprises exclusively Non-Executive Directors, a majority of whom are Independent Directors. The members are as follows:

- Scott Russell Balfour (Chairman of Committee, Non-Independent Non-Executive Director – appointed on 8 May 2014);
- Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director – appointed on 19 October 2005); and
- Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director – appointed on 9 February 2006).

The Nominating Committee was formed by the Board with specific terms of reference, which cover, inter-alia, assessing and recommending to the Board the candidature of Directors, appointment of Directors to Board Committees, training programmes for the Board and review of the Board's succession planning. In discharging its responsibilities, the Nominating Committee has developed certain criteria used in the recruitment process and annual assessment of Directors.

A selection process for new appointees to the Board as recommended by the Nominating Committee has been adopted by the Board. The Committee has conducted a review on the candidates to identify suitable individuals for the Board in term of professionalism, skills, knowledge, expertise and experience before recommending to the Board for appointment.

The Board is committed to provide equal opportunities and nurturing diversity within the Group in evaluating the suitability of candidates. The Nominating Committee considers, inter-alia, mix of skills, knowledge, expertise, experience, professionalism, integrity, competencies, gender, ethnicity, age, character, commitment (including time commitment) and independence of the candidates.

The Nominating Committee will continue to ensure that suitable women candidates are sought and considered as part of its recruitment exercise. Currently, the Board has a female Independent Non-Executive Director on Board.

The Board strongly supports the need for board diversity to facilitate optimal decision-making by harnessing different insights and perspective. To this end, the Board has adopted a Boardroom Diversity Policy.

Following the appointment of new Directors to the Board, the Committee ensures that an induction programme is arranged, including visits to the Group's significant businesses and meetings with Senior Management personnel, as appropriate, to enable them to have a full understanding of the nature of the business, current issues within the Group and corporate strategies as well as the structure and management of the Group. During the year, the Nominating Committee facilitated the process for the appointment of a new Independent Non-Executive Director as part of an on-going programme for the progressive refreshing of the board. Potential candidates were considered on the basis of their skills and experience in the context of the range of skills and experience of the existing board as a whole. Following a review and assessment carried out by the Nominating Committee taking into consideration the potential candidates' character, experience, competency, integrity and time commitment, diversity of knowledge and ability to act and discharge their roles and responsibilities, the Board, on the recommendation of the Nominating Committee, approved the appointment of Dato' Abdullah Thalith Bin Md Thani as an Independent Non-Executive Director, member of Audit Committee and member of Remuneration Committee on 15 May 2015.

On 19 November 2015, the Board had also, on the recommendation of the Nominating Committee, appointed Martin Liou as Non-Independent Non-Executive Director and Chairman of the Remuneration Committee in place of James Bradley Payne.

RE-ELECTION OF DIRECTORS AND RE-APPOINTMENT OF DIRECTORS WHO ARE OVER THE AGE OF SEVENTY (70)

The Board has via Nominating Committee conducted an assessment and considered that Scott Russell Balfour, Mohammad Bin Hussin, Dato' Abdullah Thalith Bin Md Thani and Martin Liou, the Directors standing for re-election and Dato' Ab. Halim Bin Mohyiddin and Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham, the Directors standing for re-appointment and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors as prescribed by the Listing Requirements and would therefore recommended to seek shareholders' approval.

ANNUAL ASSESSMENT

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

The activities of the Nominating Committee during the year include the following:

- reviewed the Board's succession plans;
- reviewed the required mix of skills, experience, size and composition of the Board of Directors;
- reviewed and assessed the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director including his/her time commitment, character, experience, integrity and competency;
- assessed the effectiveness and performance of the Executive Directors;
- assessed the independence of Independent Directors based on criteria set out in the Listing Requirements of Bursa Securities;
- reviewed and made recommendations to the Board of Directors on the re-election of Directors based on the assessment conducted;
- reviewed the character, experience, integrity, competency and time to effectively discharge the roles of Managing Director and Chief Financial Officer;
- reviewed and recommended the re-election of Low Han Kee, James Bradley Payne and Tan Sri Faizah Binti Mohd Tahir who are due for retirement by rotation;



- reviewed and recommended the retention of Dato' Ab. Halim Bin Mohyiddin and Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham who have served for a cumulative period of nine years to continue in office as Independent Non-Executive Directors;
- reviewed and recommended the appointment of Dato' Abdullah Thalith Bin Md Thani as an Independent Non-Executive Director, member of Audit Committee and member of Remuneration Committee;
- recommended the re-designation of Low Han Kee to Non-Independent Non-Executive Director following his retirement as Managing Director effective 1 February 2016;
- reviewed and recommended the appointment of Yee Kee Bing as Managing Director effective 1 February 2016; and
- reviewed and recommended the appointment of Martin Liou as Non-Independent Non-Executive Director.

The Nominating Committee meets at least once every year. Three (3) meetings were held during the year. All recommendations of the Nominating Committee are subject to the approval of the Board.

DIRECTORS' REMUNERATION

The Remuneration Committee, established by the Board, is responsible for setting the policy, framework and determining the remuneration of Directors so as to ensure that the Company is able to attract and retain its Directors needed to run the Group successfully. The components of Directors' 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.

During the year, the Remuneration Committee comprised the following members:

- Martin Liou (Chairman of Committee, Non-Independent Non-Executive Director – appointed on 19 November 2015);
- Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director – appointed on 19 October 2005);
- Dato' Abdullah Thalith Bin Md Thani (Independent Non-Executive Director – appointed on 15 May 2015):
- James Bradley Payne
 (Chairman of Committee, Non-Independent Non-Executive Director – resigned on 19 November 2015); and
- Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director – retired on 15 May 2015).

The Remuneration Committee is entrusted to recommend 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 deciding their own remuneration but may attend the committee meetings at the invitation of the Chairman of the Committee if their presence is required. The determination of remuneration of 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 Company's Articles of Association provide that any payment of Directors' fees should be approved at a general meeting.

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

Details of remuneration of Directors of the Company for the financial year ended 31 December 2015 are as follows:

	Executive RM'000	Non- Executive RM'000
Fees	-	370
Salaries and other emoluments	1,037	-
Bonus	432	-
EPF	240	-
Allowances	34	21
Benefits-in-kind	35	4
TOTAL	1,778	395

Bonuses payable to Executive Directors are performance based and relate 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 – RM50,000	-	5
RM50,001 – RM100,000	-	3
RM100,001 - RM150,000	-	1
RM850,001 – RM900,000	1	-
RM900,001 – RM950,000	1	-
TOTAL	2	9

PRINCIPLE 3

REINFORCE INDEPENDENCE OF THE BOARD

The Board currently has nine (9) members, comprising the Managing Director and eight (8) Non-Executive Directors, four (4) of whom are independent. As independent directors account for 50% of the Board, the composition fulfils the requirement as set out under the Listing Requirements of Bursa Securities, whereby at least two (2) Directors or one-third of the Board, whichever is higher, must be independent. The profile of each Director is set out on pages 12 to 16 of this Annual Report.

The Board had appointed Yee Kee Bing to assume the Managing Director's position following the retirement of Low Han Kee, who remains on the Board as Non Independent Non-Executive Director effective 1 February 2016.

The Board considers all its independent non-executive directors are independent in character and judgment, and their knowledge, diversity of experience and other business interests continue to enable them to contribute significantly to the work of the Board. The Board also believes that the current Board composition is appropriate for its purpose, and is satisfied that it adequately safeguards the interests of minority shareholders of the Company. The Board shall continue to monitor and review the Board size and composition from time to time.

There is clear division of responsibilities between the Chairman and the Managing Director to engender accountability and facilitate the division of responsibility, such that no one individual



has unfettered powers over decision making. The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates discussion. The Managing Director, supported by the Senior Management team, implements the Group's strategic plan, policies and decision adopted by the Board and oversees the operations and business development of the Group.

The Board recognises the importance of independence and objectivity in the decision making process. In line with the MCCG 2012 and to enable a balance of power and authority in the Board, the Charter states that the Board should comprise a majority of Independent Directors in the event the Chairman of the Board is a Non-Independent Non-Executive Director.

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. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality. Dato' Ab. Halim Bin Mohyiddin is the Chairman of the Board and also the Senior Independent Non-Executive Director, to whom concerns may be conveyed by shareholders and other stakeholders.

During the year, the Board has assessed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the interest of the Company.

In line with the MCCG 2012, the Company's Charter restricts the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nominating Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

Following an assessment by the Board through Nominating Committee, the Board is satisfied with the level of independence demonstrated by Dato' Ab. Halim Bin Mohyiddin and Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham, and recommended for them to continue in office as Independent Non-Executive Directors subject to shareholders' approval at the 21st Annual General Meeting.

Key justifications for the recommended continuance as Independent Non-Executive Director for the Directors are reflected in the Notice of Annual General Meeting on pages 80 to 82 of the Annual Report.

PRINCIPLE 4

FOSTER COMMITMENT OF DIRECTORS

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 matters. 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 attention or direction. All pertinent matters 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 year, four (4) meetings were held and details of attendance of members are as follows:

Directors	Number of Meetings Attended
Dato' Ab. Halim Bin Mohyiddin Chairman, Senior Independent Non-Executive Director	4/4
Yee Kee Bing Managing Director (Re-designated from Executive Director on 1 February 2016)	4/4
Low Han Kee Non-Independent Non-Executive Director (Re-designated from Managing Director on 1 February 2016)	4/4
Scott Russell Balfour Non-Independent Non-Executive Director	4/4
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham Independent Non-Executive Director	4/4
Mohammad Bin Hussin Non-Independent Non-Executive Director	3/4
Tan Sri Faizah Binti Mohd Tahir Independent Non-Executive Director	4/4
Dato' Abdullah Thalith Bin Md Thani Independent Non-Executive Director – appointed on 15 May 2015	2/2
Martin Liou Non-Independent Non-Executive Director – appointed on 19 November 2015	*
James Bradley Payne Non-Independent Non-Executive Director – resigned on 19 November 2015	3/4
Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof Independent Non-Executive Director – retired on 15 May 2015	1/1

*no meeting was held subsequent to his appointment on 19 November 2015

It is the policy of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. The Board obtains this commitment from Directors at the time of appointment. It is also the Board's policy for Directors to notify the Chairman before accepting any new directorships notwithstanding that the Paragraph 15.06 of Listing Requirements of Bursa Securities allows a Director to sit on the boards of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.



DIRECTORS' TRAINING

The Board, via the Nominating Committee, continues to review and assess the training needs of the directors which he/she may require for personal development as well as to keep abreast of changes in legislation and regulations affecting the Group.

All Directors, including Dato' Abdullah Thalith Bin Md Thani and Martin Liou who were appointed on 15 May 2015 and 19 November 2015 respectively, had successfully completed the Mandatory Accreditation Programme within the stipulated timeframe as required by the Listing Requirements of Bursa Securities. As an integral element of the process of appointing new Directors, the Board ensures that there is an induction programme for its new Board members. During the year, all Directors attended development and training programmes as well as conferences in areas of finance, corporate governance, risk management, leadership, legal, industry and regulatory developments. Some of the Directors have also participated as speakers at local and international conventions on topics relevant to their expertise.

Conferences, seminars and training programmes attended by Directors in 2015 included the following:

Corporate Governance/Risk Management

- 1. Corporate Governance Breakfast Series with Directors: "The Board's Response in Light of Rising Shareholder Engagements"
- 2. Current Trends in Shareholders' Activism & Predicting Financial Crime
- Detection, Prevention & Remediation
- Risk Oversight and Compliance

 Action Plan for the Board of Directors
- 4. Light and Shadow in the Boardroom: Reflections on Board Evaluation and Development
- 5. The Inside Story of the Annual Report: What Directors Must Know

Strategic/Leadership

- 1. Leadership Change Management
- 2. Global Growth Conference on Enterprise Direction: Strategic Platforms
- 3. Leadership Agility
- 4. Board Chairman Series Part 2: Leadership Excellence from the Chair

Industry/Legal & Regulatory Development

- 1. Products, Legal and Digital/Business System Implementation Roadmap Conference
- 2. The New Companies Bill 2015 & Boardroom War/Tussle
- 3. Advocacy Skill Seminar

Finance

- 1. Capital Market Director Programme
- 2. Shaking Foundation of Finance

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 briefed the Board members on any changes to the Malaysian 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.

PRINCIPLE 5

UPHOLD INTEGRITY IN FINANCIAL REPORTING BY COMPANY

The Board has established an Audit Committee, comprising wholly Non-Executive Directors, the majority of whom are independent, with Dato' Ab. Halim Bin Mohyiddin as the Audit Committee Chairman. The composition of the Audit Committee, including its roles and responsibilities are set out on pages 31 to 34 of this Annual Report. One of the key responsibilities of the Audit Committee is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial reports announced to Bursa and the annual statutory financial statements. The Chief Financial Officer presents a review of quarter-to-quarter and year-to-date financial performance against budget at quarterly meetings.

The Board upholds the integrity of financial reporting by the Company. As such, it has established procedures, via the Audit Committee, in assessing the suitability and independence of the external auditors. Such procedures entail the provision of written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

On an annual basis, the Audit Committee considers the re-appointment of the external auditors and their remuneration and makes recommendations to the Board. The external auditors are re-appointed each year at the Annual General Meeting. The Audit Committee assesses the level of service provided by the external auditors, taking into account the following, amongst others:

- The quality and scope of the planning of the audit in assessing risks and how the external auditors maintain or update the audit plan to respond to changing risks and circumstances;
- The quality and timeliness of reports provided to the Audit Committee;
- The level of understanding demonstrated of the Group's business;
- Communication to the AC about new and applicable accounting practices and auditing standards and its impact on the Company's financial statement.

Ernst & Young have reported to the Audit Committee that, in their professional judgment, they are independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The Audit Committee, having assessed the level of service of Ernst & Young and their independence as well as having reviewed the level of non-audit services rendered by them for the financial year ended 31 December 2015, was satisfied that Ernst & Young continue to possess the competency, independence and experience required to fulfil their duties effectively. The Audit Committee has recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the 21st AGM.



PRINCIPLE 6

RECOGNISE AND MANAGE RISKS

Recognising the importance of risk management, the Board has in past years formalised a structured risk management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis. The Board has also established a Risk Management Committee to identify principal risks and recommend policies and parameters for the key risks profile/register and overall risk strategy linking to value creation and the strategic objectives of the Group. Further details on the key features of the risk management framework and Risk Management Committee are set out in the Statement on Risk Management and Internal Control of this Annual Report.

In line with the MCCG 2012 and the Listing Requirements of Bursa Securities, the Board established an independent internal audit function that reports directly to the Audit Committee. This internal audit function is outsourced to an independent professional firm, namely Deloitte Enterprise Risk Services Sdn. Bhd.. The scope of work covered by the internal audit function during the year is covered in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE 7

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to the regulators, shareholders and stakeholders. The Board formalised pertinent corporate disclosure policies not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa Securities, but also setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To augment the process of disclosure, the Board established a dedicated section for corporate information on the Company's website where information on the Company's announcements, financial information, share prices, and the Company's Annual Report may be accessed.

PRINCIPLE 8

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

SHAREHOLDER PARTICIPATION AT GENERAL MEETING

The Annual General Meeting ("AGM"), which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. The Notice of AGM is circulated twenty six (26) days before the date of the meeting to enable shareholders to go through the Annual Report, fulfilling the 21-day requirement under the Companies Act 1965 and the Listing Requirements of Bursa Securities. The additional time given to shareholders allows them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.



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.

During the last AGM, a question and answer session was held where the Chairman invited shareholders to raise questions with responses from the Board. All the resolutions set out in the Notice of the 20th AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa Securities on the same meeting day. At the AGM, shareholders participated in deliberating on resolutions being proposed.

At the last AGM, the Executive Director also provided shareholders with an overview of the Group's operations for the financial year while the Chief Financial Officer provided a financial overview of the financial year's performance. The Chairman also shared with shareholders at the meeting responses to questions submitted in advance by the Minority Shareholder Watchdog Group.

ENCOURAGE POLL VOTING

At the commencement of the AGM, the Chairman shall inform the shareholders on the substantive resolutions put forth for shareholders' approval (if any) and encourage the voting of all substantive resolutions by polling pursuant to MCCG 2012.

To assist the shareholders in exercising their rights, the Chairman shall read out the provisions of the Articles of Association on the shareholders right to demand a poll vote.

COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

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, relevant announcements and circulars, when necessary, bi-annual briefings to the financial community, Annual General Meeting and through the Group's website at www.amway.my where shareholders can access amongst others the corporate information, annual reports, press releases, financial information, company announcements and share prices.

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.

INVESTOR RELATIONS

An Investor Relations Policy enables 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. To maintain transparency and to effectively address any matters and concerns, the Company has a dedicated electronic mail, i.e. ir@amway.com to which stakeholders can direct their queries.

The Company has in place a dividend policy with a dividend payout ratio of no less than 80% of the Company's current year net earnings. The Board will re-assess this policy on an ongoing basis to ensure efficient distribution of dividend to shareholders and to ensure that the Company's dividend payment will continue to reflect the Group's underlying financial performance.

This statement was approved by the Board on 22 February 2016.

The Board is pleased to present the Audit Committee Report for the financial year ended 31 December 2015.

MEMBERSHIP

The Company's Audit Committee, appointed by the Board from amongst its members, comprises five (5) Directors, in compliance with Paragraph 15.09(1)(a) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

In line with Paragraph 15.09(1)(b) of the Listing Requirements of Bursa Securities, all the five (5) Committee members are Non-Executive Directors, four (4) of whom are Independent Directors. The Independent Directors satisfy the test of independence under Paragraph 1.01 of the Listing Requirements. Dato' Ab. Halim Bin Mohyiddin is a member of The Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA"). He also serves as the Chairman of the Education and Training Committee of the Institute of MICPA. In this regard, the Company is in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

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				
Scott Russell Balfour - appointed on 19 October 2005	Non-Independent Non-Executive Director			
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham - appointed on 14 February 2006	Independent Non-Executive Director			
Tan Sri Faizah Binti Mohd Tahir - appointed on 8 May 2014	Independent Non-Executive Director			
Dato' Abdullah Thalith Bin Md Thani - appointed on 15 May 2015	Independent Non-Executive Director			
Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof - retired on 15 May 2015	Independent Non-Executive Director			

TERMS OF REFERENCE

1. OBJECTIVES

The primary function of the Audit Committee (the "Committee"), formed by the Board, 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 Listing Requirements of 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 one 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.

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 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 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 Committee directly and reviews their 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 internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit) and provide the resigning staff member or the internal audit service provider 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;

- 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 non-audit services provided by the external auditors and/or its network firms to the Company for the financial year, including the nature of the non-audit services, fee of the non-audit services, individually and in aggregate, relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided;
- 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 accounting standards and other legal requirements;
- review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, 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.

The Chairman of the Committee shall engage on a continuous basis with Senior Management, such as the Managing Director, Chief Financial Officer, the Head of Internal Audit and the external auditors in order to be kept informed of matters affecting the Group.



MEETINGS

During the financial year ended 31 December 2015, 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
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham Independent Non-Executive Director	4/4
Tan Sri Faizah Binti Mohd Tahir Independent Non-Executive Director	4/4
Dato' Abdullah Thalith Bin Md Thani Independent Non-Executive Director – appointed on 15 May 2015	2/2
Prof Datuk Dr. Nik Mohd Zain Bin Nik Yusof Independent Non-Executive Director – retired on 15 May 2015	1/1

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 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.

The Board assessed the performance of the Committee and its members through an annual Audit Committee evaluation and is satisfied that the Committee and its members have been able to discharge their functions, duties and responsibilities in accordance to the Terms of Reference.

SUMMARY OF ACTIVITIES

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

- reviewed the revised Operating and Capital Expenditure Budget for year 2015;
- approved the Internal Audit Plan for the financial years 2015 and 2016;
- reviewed the adequacy and 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 2015;
- 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 Deloitte Enterprise Risk Services Sdn. Bhd. ("Deloitte"), an independent professional services firm, which

highlighted the audit observations, recommendations and Management's response. Discussed with Management the actions taken to improve the internal controls based on improvement opportunities identified in the internal audit reports;

- reviewed the effectiveness of the risk management framework and internal control system;
- reviewed the risk management reports from the Risk Management Committee. Significant risk issues were summarised and communicated to the Board for consideration and resolution;
- reviewed the audited financial statements of the Group and Company with the external auditors prior to submission to the Board for their consideration and approval;
- reviewed the quarterly unaudited financial results for announcements to Bursa Securities as well as declaration of dividends before recommending them to the Board for approval;
- reviewed the related party transactions entered into by the Group to ensure compliance with the Listing Requirements of Bursa Securities; and
- reviewed the Operating and Financial Budget for the year 2016.

AUDIT COMMITTEE TRAINING AND EDUCATION

During the year, the Committee members have attended the relevant development and training programmes as well as conferences relating to areas of finance, corporate governance, risk management, leadership, legal, industry and regulatory developments 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 is outsourced to an independent professional services firm, namely Deloitte. Deloitte commenced the internal audit function on 1 January 2015 with its first annual evaluation to be conducted in 2016. The Head of Internal Audit reports directly to the Committee. Internal audit reports are presented, together with Management's response and proposed action plans, to the 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 risk 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 good corporate governance practices. During the year, the internal audit report from this team was shared with the Committee.

Deloitte undertakes internal audit based on the operational, compliance and risk-based audit plan that is reviewed and approved by the Committee. 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. The Head of Internal Audit is responsible for providing assurance to the Board that the internal controls are operating effectively.



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 Committee, was essentially based on the risk profiles of significant companies in the Group, where areas of key 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 the internal audit function to Deloitte, during the financial year amounted to approximately RM101,000.

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 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 level of risk tolerance of the Company is expressed through the use of a risk impact and likelihood matrix. For each of the risks identified, the divisional head or manager is assigned to ensure appropriate mitigating actions are carried out in a timely manner.

Management certify quarterly that they are responsible for managing their business objectives and that the internal controls are such that they provide reasonable but not absolute assurance that the risks in their areas of responsibility are appropriately identified, evaluated and managed.

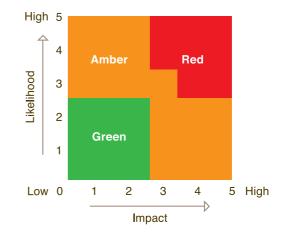
The RMC's responsibilities include the following:

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

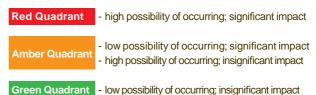
The Group's Enterprise Risk Management process comprises five (5) phases as follows:



A risk map depicting the positioning of the risks in terms of the impact and likelihood of occurrence would be updated accordingly after the review.



The location of the risks in each quadrant depicts the following:



During the year, the Risk Management Team met four (4) times to review the Group's risk profile. The risk management activities undertaken for each division included risk assessment at enterprise and operational levels, evaluation of the effectiveness of the controls in place and the requirements for further controls when mitigated residual risks are unacceptable. The results of these risk management activities were incorporated in the quarterly reporting to the Committee. The Committee was briefed by Executive Director and the Senior Management.

The Group's Enterprise Risk Management Policy was enhanced for continuous improvement towards greater effectiveness in risk management following the review by an independent professional firm in 2014. The risk indicators measuring the impact and likelihood of risks occurrence were also revised to reflect the current trend and volume of business operations.

The Group recognises the importance of business continuity management which forms part of the wider enterprise risk management effort in business resilience. The established Business Continuity Plan ("BCP") ensures essential business functions are able to continue in the event of unforeseen circumstances. Alternate sites are identified for resumption of key operational activities and the risk of loss events is mitigated through appropriate insurance coverage.

During the year, BCP owners, together with the Crisis Management Team, reviewed the existing BCP and did a tabletop exercise and drills. Areas of improvement identified during the exercise were addressed and updated in the BCP.

During the year, the Committee was of the view that the Company was in compliance with the Listing Requirements and as such, the reporting to Bursa Securities pursuant to paragraph 15.16 of the Listing Requirements was not required. This report was approved by the Board on 22 February 2016.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is committed towards maintaining a sound risk management framework and internal control system and is pleased to provide this Statement on Risk Management and Internal Control ("Statement"). This Statement outlines the nature and scope of risk management and internal control of the Group for the financial year ended 31 December 2015.

For the purpose of disclosure, this Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

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

The system of internal control covers financial, operational and compliance controls. In view of the inherent limitations in any system of internal controls, it should be noted that such a system is designed to manage, rather than to eliminate, the risk of not achieving the Group's business objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Board has in place an ongoing 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, including mitigating measures taken by Management, via the Risk Management Committee ("RMC") to address areas of key risks as identified.

The Audit Committee assists the Board to review the adequacy, integrity and effectiveness, of the risk management and internal control system 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 ("ERM") framework. This framework includes a risk management process which is ongoing and results in the compilation of a Corporate Risk Register with specific risk profile and action plans for mitigating the identified risks. The level of risk tolerance of the Group is expressed through the use of a risk impact and likelihood matrix. The risk responses and internal controls that Management has taken and/or is taking are documented in the minutes of the RMC meetings. Any new risk will not be accepted without the Board's approval. Such new risk together with control strategy will be evaluated and promptly reported to the RMC. The RMC is led by the Executive Director and represented by divisional 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.

The Group is committed to a process of continuous development and improvement through developing systems in response to any relevant reviews and developments on good governance in compliance with the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

During the year, the RMC met to review the risk register in accordance with the terms of reference enshrined in the ERM framework. Existing risks were reassessed and categorised based on the different levels of risks and appropriate actions were identified to mitigate the risks discussed at quarterly meetings.

The risk profile and register are reviewed quarterly by the Board through the Audit Committee, focusing on the progress of mitigation plans for the key business risks identified.

INTERNAL AUDIT FUNCTION

The Audit Committee evaluates the internal audit function to assess its effectiveness in the discharge of its responsibilities. The independent internal audit function, which is outsourced to a professional services firm, namely Deloitte Enterprise Risk Services Sdn. Bhd., provides assurance to the Audit Committee through the execution of internal audit based on an approved risk based internal audit plan. Observations from these audits 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. During the financial year under review, the internal audit function conducted four (4) internal audit cycles and reported to the Audit Committee. Further details of



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

the activities of the internal audit function are provided in the Audit Committee Report.

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

(a) Authority and Responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organisational 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.

(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 to resolve operational deficiencies. These help to ensure that internal control principles and mechanisms are embedded in the operations within the Group. Group policies and procedures are available on the Group's intranet for easy access by employees.

(c) Planning, Monitoring and Reporting

- there is an established strategic planning and budgeting process, requiring all functional divisions to prepare the operating and financial budgets for discussion and approval by the Board;
- the Audit Committee reviews the Group's quarterly financial results, together with Management, which is subsequently reported to the Board;
- the Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects;
- 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 Code of Ethics to promote ethical conduct in the workplace.

BUSINESS CONTINUITY

Established Business Continuity Plan ("BCP") and Disaster Recovery Plan are in place to ensure that the essential business functions are able to continue in the event of unforeseen circumstances or calamity befalling the Group.

In November 2015, we have conducted BCP testing to better prepare the Group's employees to handle such emergencies, if any, in future as well as to enhance the Group's crisis readiness.

INSURANCE

Sufficient insurance and physical safeguards on major assets and contingencies 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. An annual insurance renewal exercise is undertaken in which management reviews the relevance and adequacy of the insurance coverage.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2015 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system. This Statement was approved by the Board on 22 February 2016.

CONCLUSION

The Board is of the view that the risk management and internal control system is satisfactory for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report, 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.



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:

Utilisation of Proceeds Raised from Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2015.

Share Buy-Back

There was no share buy-back effected during the financial year ended 31 December 2015.

Options or Convertible Securities

There were no options or convertible securities issued by the Company during the financial year ended 31 December 2015.

Depository Receipt Programme

The Company did not sponsor any Depository Receipt Programme during the financial year ended 31 December 2015.

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 ended 31 December 2015.

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 RM52,342 by the Company's auditors or a firm or a company affiliated to the auditor's firm.

Variation in Results

There was no profit forecast issued by the Company or its subsidiaries during the financial year ended 31 December 2015.

Profit Guarantee

There was no profit guarantee during the financial year ended 31 December 2015.

Material Contracts

There were no material contracts by the Company or its subsidiaries involving the Directors' and major shareholders' interests 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 20th Annual General Meeting ("AGM") held on Friday, 15 May 2015, 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 2015 is set out on pages 78 to 79 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 2015 is stated on pages 20 to 24 of the Annual Report.

Employee Share Scheme

The Company has not implemented any Employee Share Scheme.

Statement of Directors' Responsibility for Preparing the Annual Audited Financial Statements ("Financial Statements")

The Directors are required by the Companies Act, 1965 to prepare the financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and, the requirements of the Companies Act 1965 in Malaysia so as to 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.



DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

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	Company	
RM'000	RM'000	
63,928	95,168	

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 amounts of dividends paid by the Company since 31 December 2014 were as follows: In respect of the financial year ended 31 December 2014 as reported in the directors' report of that year:

	RM'000
Fourth interim tax exempt (single-tier) dividend of 10.0 sen per share, on 164,385,645 ordinary shares, declared on 10 February 2015 and paid on 24 March 2015.	16,439
Special interim tax exempt (single-tier) dividend of 15.0 sen per share,	
on 164,385,645 ordinary shares, declared on 10 February 2015 and paid on 24 March 2015.	24,656
	41,095
In respect of the financial year ended 31 December 2015:	
(i) First interim tax exempt (single-tier) dividend of 10.0 sen per share, on 164,385,645 ordinary	
shares, declared on 15 May 2015 and paid on 17 June 2015;	16,439
(ii) Second interim tax exempt (single-tier) dividend of 10.0 sen per share, on 164,385,645 ordinary	
shares, declared on 19 August 2015 and paid on 15 September 2015; and	16,439
(iii) Third interim tax exempt (single-tier) dividend of 10.0 sen per share, on 164,385,645 ordinary	
shares, declared on 18 November 2015 and paid on 15 December 2015.	16,439
	49,317
Total dividends paid	90,412

Subsequent to reporting date on 22 February 2016, the directors declared a fourth interim tax exempt (single tier) dividend in respect of the financial year ended 31 December 2015, of 10.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM16,439,000 and special interim tax exempt dividend of 5.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM8,219,000.

The financial statements for the current financial year do not reflect these dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.



DIRECTORS' REPORT

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	(Chairman)
Yee Kee Bing	(Managing Director)
Low Han Kee	
Scott Russell Balfour	
Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham	
Mohammad Bin Hussin	
Tan Sri Faizah Binti Mohd Tahir	
Dato' Abdullah Thalith Bin Md Thani	(Appointed on 15 May 2015)
Liu, Ming-Hsiung @ Martin Liou	(Appointed on 19 November 2015)
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof	(Retired on 15 May 2015)
James Bradley Payne	(Resigned on 19 November 2015)

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:

Liu, Ming-Hsiung @ Martin Liou Dato' Ab. Halim Bin Mohyiddin Dato' Abdullah Thalith Bin Md Thani

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 as shown in the Note 9 of the financial statements or the fixed salary of a full-time employee of the Company) 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					
	As at 1.1.2015	Acquired	Sold	As at 31.12.2015		
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.



DIRECTORS' REPORT

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:
 - to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance 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.
- (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 allowance 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 22 February 2016.

Dato' Ab. Halim Bin Mohyiddin



STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Ab. Halim Bin Mohyiddin and Yee Kee Bing, 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 44 to 74 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 2015 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 29 on page 75 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 22 February 2016.

Dato' Ab. Halim Bin Mohyiddin

Yee Kee Bing

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, Ho Kim Poi, 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 44 to 75 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, 1960.

Subscribed and solemnly declared by the abovenamed Ho Kim Poi at Kuala Lumpur in Federal Territory on 22 February 2016

Ho Kim Poi

Before me,

Gurdeep Singh A/L Jag Singh Commissioner for Oaths Kuala Lumpur



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMWAY (MALAYSIA) HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Amway (Malaysia) Holdings Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows 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 44 to 74.

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls as the directors determine is 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 judgment, 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 give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.



INDEPENDENT AUDITORS' REPORT

To the Members of Amway (Malaysia) Holdings Berhad (Incorporated in Malaysia)

- (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 29 on page 75 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. 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 Loke Siew Heng No. 2871/07/17(J) Chartered Accountant

Kuala Lumpur, Malaysia 22 February 2016



STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Group		Com	pany
		2015 2014 2015		2014	
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	1,019,924	855,804	93,717	101,172
Cost of sales	5	(763,522)	(597,341)	-	-
Gross profit		256,402	258,463	93,717	101,172
Other income	6	8,235	7,007	3,237	2,812
Distribution expenses		(45,331)	(40,201)	-	-
Selling and administrative expenses		(129,988)	(90,655)	(978)	(1,019)
Profit before tax	7	89,318	134,614	95,976	102,965
Income tax expense	10	(25,390)	(34,766)	(808)	(683)
Profit net of tax		63,928	99,848	95,168	102,282
Other comprehensive income:					
Foreign currency translation		374	102	-	-
Other comprehensive income for the year,					
net of tax		374	102	-	-
Total comprehensive income for the year		64,302	99,950	95,168	102,282
Profit attributable to owners of the parent		63,928	99,848	95,168	102,282
Total comprehensive income					
attributable to owners of the parent		64,302	99,950	95,168	102,282
Earnings per share attributable to owners					
of the parent (sen per share)					
- Basic	11	38.89	60.74		

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



STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

		Group		Com	pany
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	64,258	66,704	-	-
Intangible asset	14	4,782	4,782	-	-
Investment in subsidiaries	15	-	-	86,202	86,202
Deferred tax asset	16	13,210	4,938	-	-
		82,250	76,424	86,202	86,202
Current assets					
Inventories	17	83,903	84,429	-	-
Trade and other receivables	18	46,017	28,434	191	150
Cash and cash equivalents	19	182,473	173,272	92,855	88,001
		312,393	286,135	93,046	88,151
Total assets		394,643	362,559	179,248	174,353
Equity and liabilities					
Equity					
Share capital	20	164,386	164,386	164,386	164,386
Share premium		685	685	685	685
Other reserves		1,982	1,608	1,365	1,365
Retained earnings	21	38,357	64,841	12,199	7,443
Total equity attributable to owners of the parent		205,410	231,520	178,635	173,879
Non-current liability					
Deferred tax liability	16	27	25	_	_
	10				
Current liabilities					
Trade and other payables	22	180,529	124,378	379	289
Current tax payable		8,677	6,636	234	185
		189,206	131,014	613	474
Total liabilities		189,233	131,039	613	474
Total equity and liabilities		394,643	362,559	179,248	174,353

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



STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		Ne				
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Distributable retained earnings RM'000	Total equity RM'000
Group						
At 1 January 2015 Total comprehensive income	164,386 -	685 -	1,365 -	243 374	64,841 63,928	231,520 64,302
Transaction with owners						
Dividends on ordinary shares (Note 12)	-	-	-	-	(90,412)	(90,412)
At 31 December 2015	164,386	685	1,365	617	38,357	205,410
At 1 January 2014 Total comprehensive income	164,386 -	685 -	1,365 -	141 102	67,734 99,848	234,311 99,950
Transaction with owners						
Dividends on ordinary shares (Note 12)	-	-	-	-	(102,741)	(102,741)
At 31 December 2014	164,386	685	1,365	243	64,841	231,520

	┌─ Non-Distributable ─┐				
	Share capital	Share premium	Capital redemption reserve	Distributable retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
At 1 January 2015	164,386	685	1,365	7,443	173,879
Total comprehensive income	-	-	-	95,168	95,168
Transaction with owners					
Dividends on ordinary shares (Note 12)	-	-	-	(90,412)	(90,412)
At 31 December 2015	164,386	685	1,365	12,199	178,635
At 1 January 2014	164,386	685	1,365	7,902	174,338
Total comprehensive income	-	-	-	102,282	102,282
Transaction with owners					
Dividends on ordinary shares (Note 12)	-	-	-	(102,741)	(102,741)
At 31 December 2014	164,386	685	1,365	7,443	173,879

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



STATEMENTS OF CASH FLOW

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Gro	oup	Company		
	2015	2014	2015	2014	
	RM'000	RM'000	RM'000	RM'000	
Cash flows from operating activities					
Profit before tax	89,318	134,614	95,976	102,965	
Adjustments for:					
Property, plant and equipment					
- depreciation	7,387	7,804	-	-	
- loss/(gain) on disposals	29	(1,164)	-	-	
- written off	-	341	-	-	
Interest income	(7,258)	(5,662)	(3,237)	(2,812)	
Dividends income	-	-	(93,717)	(101,172)	
Net impairment loss on trade receivables	108	94	-	-	
Allowance/(reversal) for inventory obsolescence	186	(11)	-	-	
Inventories written-off	546	907	-	-	
Unrealised foreign exchange loss/(gain)	107	(54)	-	-	
Operating profit/(loss) before working capital changes	90,423	136,869	(978)	(1,019)	
(Increase)/decrease in receivables	(10,651)	43	(41)	(43)	
Increase in inventories	(206)	(20,674)	-	-	
Increase/(decrease) in payables	61,845	14,328	90	(53)	
Cash generated from/(used in) operations	141,411	130,566	(929)	(1,115)	
Tax paid	(31,619)	(36,370)	(759)	(688)	
Net cash generated from/(used in) operating activities	109,792	94,196	(1,688)	(1,803)	
Cash flows from investing activities					
Purchase of property, plant and equipment (Note A)	(3,465)	(3,263)	-	-	
Proceeds from disposals of property, plant and equipment	4	1,706	-	-	
Dividends received	-	-	93,717	101,172	
Interest received	7,258	5,662	3,237	2,812	
Net cash generated from investing activities	3,797	4,105	96,954	103,984	
Cash flows from financing activities					
Dividends paid	(90,412)	(102,741)	(90,412)	(102,741)	
Repayment (to)/from related companies	(15,117)	23,710	-	-	
Payment made on behalf by penultimate holding company	741	1,021	-	-	
Net cash used in financing activities	(104,788)	(78,010)	(90,412)	(102,741)	
Net increase/(decrease) in cash and cash equivalents	8,801	20,291	4,854	(560)	
Effects of foreign exchange rate changes	400	98	-	-	
Cash and cash equivalents at beginning of year	173,272	152,883	88,001	88,561	
Cash and cash equivalents at end of year (Note 19)	182,473	173,272	92,855	88,001	
Note A:					
Purchase of property, plant and equipment					
during the year by way of:-					
- Cash	3,465	3,263	-	-	
- Other payables	1,485	541	-	-	
	4,950	3,804	-	-	

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



FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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 Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, 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 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 principal activities during the financial year.

The financial statements for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 February 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and the requirements of the Companies Act, 1965 in Malaysia. These financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements 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 STANDARDS AND INTERPRETATIONS ISSUED AND ADOPTED

On 1 January 2015, the Group and the Company adopted the following new and amended MFRS mandatory for annual financial periods beginning on or after the dates stated below:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 2 Share based Payment (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 3 Business Combinations (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014
Amendments to MFRS 8 Operating Segments (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 13 Fair Value Measurement (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 STANDARDS AND INTERPRETATIONS ISSUED AND ADOPTED (CONTD.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 116 Property, Plant & Equipment (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 138 Intangible Assets (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 124 Related Party Disclosures (Annual Improvements to MFRSs 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 140 Investment Property (Annual Improvements to MFRSs 2011-2013 Cycle)	1 July 2014

The adoption of the standards above have no material impact on the financial statements in the period of initial application.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 5 Non-current Asset Held for Sale and	
Discontinued Operations (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 7 Financial Instruments : Disclosures (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
	1 Sandary 2010
Amendments to MFRS 10 Consolidated Financial Statements	
(Applying the Consolidation Exception)	1 January 2016
Amendments to MFRS 12 Disclosure of Interest in Other Entities	4.4
(Applying the Consolidation Exception)	1 January 2016
Amendments to MFRS 101 Presentation of Financial Statements	1 1000000 2016
(Disclosure Initiative)	1 January 2016
Amendments to MFRS 119 Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)	1 January 2016
	i January 2010
Amendments to MFRS 10 and MFRS 128 Investment in Associates and Joint	
Ventures (Sale or Contribution of Assets between an Investor and Associate or	Deferred
Joint Venture) Amendments to MERS 128 Investment in Associates and	Deletted
Joint Ventures (Applying the Consolidation Exception)	1 January 2016
Amendments to MFRS 134 Interim Financial Reporting	i January 2010
(Annual Improvements to MFRS 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interest in Joint Ventures	1 January 2016
MFRS 14 Regulatory Deferral Account	1 January 2016
Amendments to MFRS 116 and 138 Clarification of Acceptable	
Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and 141 Agriculture : Bearer Plants	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 9 Financial Instrument	1 January 2018

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application except as stated below:



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTD.)

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

2.4 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 used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 BASIS OF CONSOLIDATION (CONTD.)

or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

(a) Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.5.

(b) Subsidiaries

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for 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.

2.5 INTANGIBLE ASSET

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.) 2.6 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, 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.

Subsequent to recognition, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the other assets as follows:

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

Capital work in progress comprises the renovation in progress which have not been commissioned. Capital work in progress is not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

2.7 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.

2.8 LEASES

The determination of whether an arrangement is, or contains, a lease is based on substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.8 LEASES (CONTD.)

As lessee (contd.)

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.

2.9 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.

2.10 INCOME TAXES

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests
 in joint controlled entities, where the timing of the reversal of the temporary differences can be controlled and it is
 probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in
 joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences
 will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can
 be utilised.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.10 INCOME TAXES (CONTD.)

(b) Deferred tax (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Goods and Services tax ("GST")

The amount of GST Input tax is included in sundry receivables and GST Output tax is included in sundry payables in the statements of financial position.

2.11 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

(a) 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.

(b) Interest income

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

(c) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.12 FOREIGN CURRENCIES

The Group's consolidated financial statements are presented in RM, which is also the Company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.12 FOREIGN CURRENCIES (CONTD.)

(a) Transactions and balances (contd.)

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is classified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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

	2015	2014
	RM	RM
United States Dollar	4.29	3.50
Singapore/Brunei Dollar	3.04	2.65
Euro	4.68	4.24

2.13 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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the income statements in expense categories consistent with the function of the impaired asset, except for a property previously revalued when 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.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.) 2.13 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTD.)

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

2.14 EMPLOYEE BENEFITS

(a) 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.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) 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.

2.15 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. All financial assets of the Group and of the Company are classified as loans and receivables.

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.

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.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.15 FINANCIAL ASSETS (CONTD.)

Loans and receivables (contd.)

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.

2.16 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 MFRS 139, 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. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. All financial liabilities of the Group and of the Company are classified as other financial liabilities.

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.

2.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.18 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.



For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.18 IMPAIRMENT OF FINANCIAL ASSETS (CONTD.)

Trade and other receivables and other financial assets carried at amortised cost (contd.)

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.

2.19 FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as, derivatives financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to or by the Group.

The fair value of an asset or liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participants that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement if directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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 instruments.

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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.

For the financial year ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTD.) 2.20 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgments, 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 judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 14 - measurement of the recoverable amounts of cash-generating units.

4. REVENUE

	Gro	Group		pany
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
ucts	1,019,924	855,804	-	-
	-	-	93,717	101,172
	1,019,924	855,804	93,717	101,172

5. COST OF SALES

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

6. OTHER INCOME

Included in other income are the following:

Interest income on deposits with licensed bank and licensed financial institutions Net unrealised gain on foreign exchange Realised foreign exchange gain

Gain on disposal of property, plant and equipment

Gro	oup	Com	pany
2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
7,258	5,662	3,237	2,812
-	54	-	-
902	42	-	-
-	1,164	-	-



For the financial year ended 31 December 2015

7. PROFIT BEFORE TAX

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

	Gro	oup	Com	pany
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 8)	56,806	41,015	-	-
Non-executive directors' remuneration excluding				
benefits-in-kind (Note 9)	420	416	391	390
Auditors' remuneration				
- statutory	196	149	42	29
- other services	52	11	11	11
Allowance/(reversal) of inventory obsolescence	186	(11)	-	-
Inventories written off	546	907	-	-
Rental of premises	2,981	2,733	-	-
Net unrealised loss on foreign exchange	107	-	-	-
Property, plant and equipment				
- depreciation (Note 13)	7,387	7,804	-	-
- loss on disposal	29	-	-	-
- written off	-	341	-	-
Net impairment loss on trade receivables (Note 18)	108	94	-	-
Support charges received/receivable				
from related companies	(12,482)	(9,914)	-	-
Support charges paid/payable to related companies	19,761	13,784	-	-

8. EMPLOYEE BENEFITS EXPENSE

	Gro	pup
	2015	2014
	RM'000	RM'000
Wages, salaries and bonus	41,067	30,134
Contribution to defined contribution plan	5,610	4,663
Social security contributions	220	243
Other benefits	9,909	5,975
	56,806	41,015

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,743,000 (2014: RM1,492,000) as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

The directors' remuneration are as follows:

	Gro	oup	Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Executive directors' remuneration (Note 8):				
- Other emoluments	1,743	1,492	-	-
Non-executive directors' remuneration (Note 7):				
- Fees	399	394	370	368
- Other emoluments	21	22	21	22
	420	416	391	390
Total directors' remuneration	2,163	1,908	391	390
Estimated money value of benefits-in-kind	39	40	4	-
Total directors' remuneration including benefits-in-kind	2,202	1,948	395	390

For the financial year ended 31 December 2015

9. DIRECTORS' REMUNERATION (CONTD.)

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

	Gro	oup	Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Executive:				
- Salaries and other emoluments	1,037	975	-	-
- Bonus	432	273	-	-
- Defined contribution plan	240	206	-	-
- Allowances	34	38	-	-
- Estimated money value of benefits-in-kind	35	40	-	-
	1,778	1,532	-	-
Non-Executive:				
- Fees	399	394	370	368
- Allowances	21	22	21	22
- Estimated money value of benefits-in-kind	4	-	4	-
	2,202	1,948	395	390

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

	Number o Com	f Directors pany
Executive directors:	2015	2014
RM700,001 - RM750,000	-	1
RM750,001 - RM800,000	-	1
RM850,001 - RM900,000	1	-
RM900,001 - RM950,000	1	-
Non-executive directors:		
RM0 - RM50,000	5	4
RM50,001 - RM100,000	3	3
RM100,001 - RM150,000	1	1
	11	10

10. INCOME TAX EXPENSE

	Gro	oup	Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
- Malaysian income tax	32,896	33,327	808	699
- Foreign tax	363	218	-	-
	33,259	33,545	808	699
Under/(over) provision in prior years				
- Malaysian income tax	403	1,264	-	(16)
- Foreign tax	(14)	68	-	-
	389	1,332	-	(16)
	33,648	34,877	808	683
Deferred tax (Note 16):				
- Relating to origination and reversal of				
temporary differences	(9,017)	1,191	-	-
- Effect of changes in tax rate	540	-	-	-
- Under/(over) provision in prior year	219	(1,302)	-	-
	(8,258)	(111)	-	-
Total income tax expense	25,390	34,766	808	683



For the financial year ended 31 December 2015

10. INCOME TAX EXPENSE (CONTD.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Based on 2014 Budget, the income tax rate will be reduced by 1% to 24% from year of assessment 2016.

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 18.5% (2014: 18.5%).

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		Com	pany
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit before tax	89,318	134,614	95,976	102,965
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	22,330	33,654	23,994	25,741
Changes in tax rate and tax structure in other jurisdiction	(191)	(180)	-	-
Income not subject to tax	-	-	(23,429)	(25,293)
Expenses not deductible for tax purposes	2,103	1,262	243	251
Effect of changes in deferred tax rate	540	-	-	-
Under/(over) provision of deferred tax in prior year	219	(1,302)	-	-
Under/(over) provision of tax expense in prior years	389	1,332	-	(16)
Income tax expense	25,390	34,766	808	683

11. 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.

Profit attributable to ordinary equity holders of the Company	
(RM'000)	
Weighted average number of ordinary shares in issue	
(number '000)	
Basic earnings (sen per share)	

	Group				
	2015	2014			
y					
	63,928	99,848			
	164,386	164,386			
	38.89	60.74			

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



For the financial year ended 31 December 2015

12. DIVIDENDS

	Sen per	Total amount	Date of payment
	share	RM'000	Date of payment
Recognised in the financial year ended 31 December 2015			
Interim tax exempt (single tier):			
Fourth quarter interim 2014 ordinary	25.00	41,095	24 March 2015
First quarter interim 2015 ordinary	10.00	16,439	17 June 2015
Second quarter interim 2015 ordinary	10.00	16,439	15 September 2015
Third quarter interim 2015 ordinary	10.00	16,439	15 December 2015
		90,412	
Recognised in the financial year ended 31 December 2014			
Interim tax exempt (single tier):			
Fourth quarter interim 2013 ordinary	32.50	53,424	21 March 2014
First quarter interim 2014 ordinary	10.00	16,439	05 June 2014
Second quarter interim 2014 ordinary	10.00	16,439	11 September 2014
Third quarter interim 2014 ordinary	10.00	16,439	09 December 2014
		102,741	

Subsequent to reporting date on 22 February 2016, the directors declared a fourth interim tax exempt (single tier) dividend in respect of the financial year ended 31 December 2015, of 10.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM16,439,000 and special interim tax exempt dividend of 5.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM8,219,000.

The financial statements for the current financial year do not reflect these dividends. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.



For the financial year ended 31 December 2015

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Long term leasehold land	Buildings	Building improvements	Leasehold fixtures and improvements	Furniture, fittings and equipment	Motor vehicles	Capital work-in- progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
At 31 December 2015									
Cost									
At 1 January 2015	1,420	17,356	33,291	20,558	4,389	35,149	2,048	541	114,752
Additions	-	-	-	635	365	1,971	494	1,485	4,950
Disposals	-	-	-	-	(239)	(592)	-	-	(831)
Reclassification	-	-	-	-	541	-	-	(541)	-
Effect of movements in									
exchange rates	-	-	-	-	42	75	-	-	117
At 31 December 2015	1,420	17,356	33,291	21,193	5,098	36,603	2,542	1,485	118,988
Accumulated depreciation									
At 1 January 2015	-	3,139	3,845	10,304	3,621	26,143	996	-	48,048
Charge for the year (Note 7)	-	540	666	1,789	775	3,186	431	-	7,387
Disposals	-	-	-	-	(239)	(559)	-	-	(798)
Effect of movements in									
exchange rates	-	-	-	-	42	51	-	-	93
At 31 December 2015	-	3,679	4,511	12,093	4,199	28,821	1,427	-	54,730
Net carrying amount	1,420	13,677	28,780	9,100	899	7,782	1,115	1,485	64,258
At 31 December 2014									
Cost									
At 1 January 2014	1,420	17,493	33,912	21,656	4,274	33,969	2,157	-	114,881
Additions	-	-	-	15	409	2,069	770	541	3,804
Disposals	-	(137)	(621)	(1,113)	(301)	(445)	(879)	-	(3,496)
Write-offs	-	-	-	-	-	(455)	-	-	(455)
Effect of movements in						. ,			
exchange rates	-	-	-	-	7	11	_	_	18
At 31 December 2014	1,420	17,356	33,291	20,558	4,389	35,149	2,048	541	114,752
Accumulated depreciation									
At 1 January 2014	-	2,623	3,391	9,640	3,362	22,803	1,479	-	43,298
Charge for the year (Note 7)	-	541	672	1,770	554	3,871	396	-	7,804
Disposals	-	(25)	(218)	(1,106)	(301)	(424)	(879)	-	(2,953)
Write-offs	-	-	-	-	-	(114)	-	-	(114)
Effect of movements in									
exchange rates	-	-	-	-	6	7	-	-	13
At 31 December 2014	-	3,139	3,845	10,304	3,621	26,143	996	-	48,048
Net carrying amount	1,420	14,217	29,446	10,254	768	9,006	1,052	541	66,704

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 RM24,483,000 (2014: RM18,633,000).



For the financial year ended 31 December 2015

14. INTANGIBLE ASSET

	Group	
	2015 2	
	RM'000	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.

15. INVESTMENT IN SUBSIDIARIES

Company				
2014 RM'000	2015 RM'000			
86,202	86,202			

Unquoted shares at cost

Details of the subsidiaries are as follows:

		Proportion of ownership interest		
Name of subsidiaries	Issued and paid-up share capital	2015 %	2014 %	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
Held by Amway (Malaysia) Sdn. Bhd.: 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



For the financial year ended 31 December 2015

16. DEFERRED TAX

	Group		Com	pany
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At beginning of financial year	4,913	4,802	-	-
Recognised in profit or loss (Note 10)	8,258	111	-	-
Exchange difference	12	-	-	-
At end of financial year	13,183	4,913	-	-
Presented after appropriate offsetting as follows:				
Deferred tax asset	13,210	4,938	-	-
Deferred tax liability	(27)	(25)	-	-
	13,183	4,913	-	-

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

Deferred tax liability of the Group:

	Property, plant and equipment RM'000
At 1 January 2014	(5,229)
Recognised in profit or loss	(263)
At 31 December 2014	(5,492)
Recognised in profit or loss	380
Exchange difference	(2)
At 31 December 2015	(5,114)

Deferred tax asset of the Group:

	RM'000
At 1 January 2014	10,031
Recognised in profit or loss	374
At 31 December 2014	10,405
Recognised in profit or loss	7,878
Exchange difference	14
At 31 December 2015	18,297

17. INVENTORIES

	Group	
	2015 RM'000	2014 RM'000
Consumer products:		
At cost	83,639	84,090
At net realisable value	264	339
	83,903	84,429

During the financial year, inventories recognised as cost of sales amounted to RM460,919,000 (2014: RM361,039,000).



For the financial year ended 31 December 2015

18. TRADE AND OTHER RECEIVABLES

	Gro	oup	Com	pany
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables				
Third parties	10,372	4,555	-	-
Due from related companies	1,646	553	-	-
	12,018	5,108	-	-
Less: Allowance for impairment on amounts				
due from third parties	(635)	(527)	-	-
Trade receivables, net	11,383	4,581	-	-
Other receivables				
Amounts due from related companies	23,150	17,201	-	-
Sundry receivables	8,280	3,635	187	146
Deposits	1,301	1,171	4	4
Prepayments	1,903	1,846	-	-
	34,634	23,853	191	150
Total trade and other receivables	46,017	28,434	191	150
Add: Cash and cash equivalents (Note 19)	182,473	173,272	92,855	88,001
Less: Prepayments	(1,903)	(1,846)	-	-
Total loans and receivables	226,587	199,860	93,046	88,151

(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 (2014: 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 Amway Business Owners ("ABOs") and any amounts which are due and not settled will be offset against the ABOs' bonuses.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group		
	2015		
	RM'000	RM'000	
Neither past due nor impaired	11,383	4,581	
Impaired	635	527	
	12,018	5,108	

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. Based on past experience, the Board believes that no allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.



For the financial year ended 31 December 2015

18. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (contd.)

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 Individually impaired		
	2015	2014	
	RM'000	RM'000	
At beginning of financial year	527	433	
Charge for the year (Note 7)	1,318	826	
Recovered (Note 7)	(1,210)	(732)	
At end of financial year	635	527	

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 (2014: 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 26.

Other information on financial risks of other receivables are disclosed in Note 27.

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	26,244	15,495	198	337
Deposits with licensed banks	156,229	157,777	92,657	87,664
Total cash and cash equivalents	182,473	173,272	92,855	88,001

Deposits with licensed banks are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and the Company. Other information on cash and cash equivalents are disclosed in Note 27.

20. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares of RM1 each		Amount	
Authorised	2015 '000	2014 '000	2015 RM'000	2014 RM'000
At beginning/end of financial year	250,000	250,000	250,000	250,000
Issued and fully paid				
At beginning/end of financial year	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.

For the financial year ended 31 December 2015

21. RETAINED EARNINGS

The Company may distribute dividends on a single-tier basis out of its entire retained earnings as at 31 December 2015 without any restrictions.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	40,612	27,243	-	-
Due from related companies	17,190	29,471	-	-
	57,802	56,714	-	-
Other payables				
Amounts due to:				
- Penultimate holding company	3,491	2,750	-	-
- A subsidiary	-	-	27	14
- Related companies	7,264	2,951	-	-
Sundry payables	6,228	821	36	24
Accruals	105,744	61,142	316	251
	122,727	67,664	379	289
Total financial liabilities carried at amortised cost	180,529	124,378	379	289

(a) Trade payables

Amounts due to third parties are non-interest bearing and the normal credit term granted to the Group range from 30 to 90 (2014: 30 to 90) days.

(b) Due to related companies

The amounts 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 (2014: 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 (2014: 90) days from the date of invoice. These amounts are to be settled in cash.

(d) Due to a subsidiary

The amount due to a subsidiary is in respect of advances, which is unsecured, non-interest bearing and repayable on demand.

(e) Accruals

Accruals amounting to RM80,125,000 (2014: RM47,694,000) are in respect of ABOs' bonuses, seminars and other expenses.

Further details on related parties transactions are disclosed in Note 26. Other information on financial risks of other payables are disclosed in Note 27.

23. SEGMENT REPORTING

Although the Group has an operation in Negara Brunei Darussalam, there is no disclosure of this operation as a separate geographical segment as the revenue contributed by this foreign incorporated company is not material to constitute an independent geographical segment as stipulated under MFRS 8: Operating Segments. Accordingly, information on geographical and business segments of the Group's operations are not presented.



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24. CAPITAL COMMITMENTS

	Group	
	2015	2014
	RM'000	RM'000
Capital expenditure in respect of		
Property, plant and equipment:		
- Approved and contracted for	43	1,562
- Approved and not contracted for	25	5

25. OPERATING LEASE ARRANGEMENTS

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	
	2015	2014
	RM'000	RM'000
Future minimum rentals payments		
Not later than 1 year	2,555	2,200
Later than 1 year and not later than 5 years	2,412	1,790
	4,967	3,990

The lease payments recognised in profit or loss during the financial year are disclosed in Note 7.

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:

- One (1) lease renew the lease for a further term by notifying the lessor in writing at least three (3) months before expiry.
- Nine (9) 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.
- Twenty-Five (25) -renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least three (3)leasesmonths before expiry.
- Five (5) 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.

The Group has also leased a shop lot where it will only be terminated upon the lessee's written notice of one month period.



For the financial year ended 31 December 2015

26. 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.

	Gro	oup
	2015	2014
	RM'000	RM'000
Sales of goods and services:		
- Related company, Amway (Singapore) Pte. Ltd.	(2,287)	(2,486)
Purchases:		
- Related company, Access Business Group International LLC	334,304	241,311
Support charges:		
- Penultimate holding company, Alticor Inc.	9,659	7,473
- Intermediate holding company, Amway International Inc.	2,537	3,831
- Related company, Amway Vietnam Co., Ltd.	(3,033)	(2,323)
- Related company, Amway (Singapore) Pte. Ltd.	(2,212)	(1,563)
- Related company, P.T. Amway Indonesia	(2,042)	(1,846)
- Related company, Amway Philippines, LLC	(1,265)	(953)
- Related company, Amway (Thailand) Limited	(2,961)	(2,595)
- Related company, Amway of Australia	(969)	(634)
- Related company, Amway Business Services Asia Pacific Sdn. Bhd.	7,565	2,480
Royalties paid:		
- Related company, Access Business Group International LLC	2,175	1,483

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

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 are disclosed in Notes 18 and 22.

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

	Group	
	2015	2014
	RM'000	RM'000
Short-term employee benefits	4,329	3,377
Post-employment benefits:		
- Defined contribution plan	803	785
- Allowances	475	926
	5,607	5,088
Included in the remuneration of key management personnel are:		
- Executive directors' remuneration (Note 9)	1,743	1,492

27. 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 interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk and credit 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.



For the financial year ended 31 December 2015

27. FINANCIAL INSTRUMENTS (CONTD.)

(a) Financial risk management objectives and policies (contd.)

It is, and has been throughout the year under review, 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.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from deposits with licensed banks and financial institutions.

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	Total
	%	RM'000	RM'000
At 31 December 2015			
Group			
Deposits with licensed banks	3.69	156,229	156,229
Company			
Deposits with licensed banks	3.57	92,657	92,657
At 31 December 2014			
Group			
Deposits with licensed banks	3.25	157,777	157,777
Company			
Deposits with licensed banks	3.19	87,664	87,664

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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 ("USD") and Singapore Dollar ("SGD").



For the financial year ended 31 December 2015

27. FINANCIAL INSTRUMENTS (CONTD.)

(c) Foreign currency risk (contd.)

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

	Group		
	2015	2014	
	RM'000	RM'000	
Due from related companies			
Singapore Dollar	1,645	553	
United States Dollar	20	-	
Due to penultimate company United States Dollar	84	63	
Due to related companies			
Singapore Dollar	276	7	
United States Dollar	11	9	

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

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

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.

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.



For the financial year ended 31 December 2015

27. FINANCIAL INSTRUMENTS (CONTD.)

(f) Fair values

As stipulated in Amendments to MFRS 7: Improving Disclosures about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

- Level 1 the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group does not have any financial instruments classified as Level 1 to Level 3 as at 31 December 2015 and 31 December 2014.

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

	Note
Trade and other receivables	18
Amounts due from related companies	18
Amounts due to related companies and related parties	22
Amounts due to penultimate holding company	22
Trade and other payables	22

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

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a 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 2015 and 31 December 2014.

The Group and the Company is not subject to any externally imposed capital requirements.



For the financial year ended 31 December 2015

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 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.

	Gro	Group		pany
	2015 2014		2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	32,450	67,177	12,200	7,443
- Unrealised	13,183	4,892	-	-
	45,633	72,069	12,200	7,443
Less: Consolidation adjustments	(7,276)	(7,228)	-	-
Total retained earnings as per financial statements	38,357	64,841	12,200	7,443

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

AS AT 31 DECEMBER 2015

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	6	26,471	9 March 2006
26 & 26A, Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	7,934	Warehouse	Leasehold expiring 26 March 2069	6	23,795	19 November 2004
1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai Johor Darul Takzim	3,841	Office, Warehouse and Shop	Freehold	15	2,276	6 March 2000
10, Lorong Nagasari 4 Taman Nagasari 13600 Perai Pulau Pinang	975	Warehouse	Freehold	24	437	19 June 1991



GROUP'S PHYSICAL PRESENCE

AS AT 31 DECEMBER 2015

CORPORATE HEADQUARTERS

- Van Andel & DeVos Training Centre
- One-stop Customer Service Centre
- Shop Facility

AMWAY SHOPS

ALOR SETAR

35 Taman Bandar Baru Mergong Lebuhraya Sultanah Bahyah 06250 Alor Setar Kedah Darul Aman

BATU PAHAT 26 & 27 Jalan Flora Utama 1 Taman Flora Utama 83000 Batu Pahat Johor Darul Takzim

BINTULU

Lot 4075, 4076, 4077 Parkcity Commercial Square Phase 5 Jalan Tun Ahmad Zaidi 97000 Bintulu, Sarawak

IPOH 8 & 10, Bercham Bistari 1 Medan Bercham Bistari 31400 Ipoh Perak Darul Ridzuan

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

KLANG 55 & 57 (Ground Floor) Jalan Mahogani 5/KS7 Bandar Botanic 41200 Klang Selangor Darul Ehsan

KOTA BHARU 10 & 11, Lot 1669 & 1670 Bangunan Yakin Jalan Raja Perempuan Zainab 2 Bandar Baru Kubang Kerian 16150 Kota Bharu Kelantan Darul Naim

KOTA KINABALU Lot 6 (1st Floor) & Lot 7

(Ground & 1st Floor), Block F Sri Kepayan Commercial Centre 88200 Kota Kinabalu, Sabah

- Brand Experience Centre
- Warehouse & Logistic
- Office Block

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

KUALA TERENGGANU Bangunan Pusat Niaga Paya Keladi

24 HS(D) 7349 Lot 3519 20100 Kuala Terengganu Terengganu Darul Iman

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

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

MELAKA 108A, Ground Floor Jalan Berkat 15 Taman Malim Jaya 75250 Melaka

MENTAKAB 28B & 28C, Jalan Zabidin 28400 Mentakab Pahang Darul Ridzuan

MIRI Lot 302 Ricemill Road MCLD, 98000 Miri Sarawak

NUSA BESTARI

26G, Jalan Bestari 7/2 Taman Nusa Bestari 79150 Nusajaya Johor Darul Takzim

PULAU PINANG Lot 28-G-1 Jalan Tanjong Tokong 10470 Pulau Pinang

PERAI 1797-G-07 & 08 Kompleks Auto World Jalan Perusahaan Juru Interchange 13600 Perai, Pulau Pinang SANDAKAN

Block A, Lot SO198-SO201 Ground Floor, One Avenue 8 Bandar Utama, Mile 6 North Road 90000 Sandakan, Sabah

SEGAMAT 401 & 40J, Tingkat Bawah Jalan Genuang Kampung 85000 Segamat Johor Darul Takzim

SEREMBAN 255 & 256, Ground Floor Jalan S2 B12, Uptown Avenue Seremban 2 70300 Seremban Negeri Sembilan Darul Khusus

SIBU 25, Ground Floor Lorong Wong King Huo 1B 96000 Sibu Sarawak

TAIPING

13, 15 & 17, Tingkat Bawah Jalan Medan Saujana Kamunting Taman Medan Saujana Kamunting 34600 Kamunting, Taiping Perak Darul Ridzuan

WANGSA MAJU

34N-0-3 Jalan Wangsa Delima 6 (1/27F) KLSC Section 5 Pusat Bandar Wangsa Maju 53300 Kuala Lumpur

BRUNEI

6 & 7, Block A, Kompleks Shakirin Kampong Kiulap Bandar Seri Begawan BE1518, Brunei Darussalam



DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the 20th Annual General Meeting held on 15 May 2015, 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 2015 pursuant to the shareholders' mandate are disclosed as follows:

Transacting Parties

, s				
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")	1,848	Payment of Royalty Fees to ABGIL on Substitute Products and Additional Products that are distributed under the "AMWAY" trade name but which do not physically bear a sublicensed trademark on the product or product packaging and which are not manufactured using any ABGIL Intellectual Property
		AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	278	Payment of Royalty Fees to ABGIL on any Substitute Products or Additional Products bearing the sublicensed trademarks but not manufactured using any ABGIL Intellectual Property
		AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	49	Payment of Royalty Fees to ABGIL on any Substitute Products or Additional Products incorporating or manufactured using any ABGIL Intellectual Property and bearing the sublicensed trademarks
ABGIL	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	334,304	Purchase of consumer products from ABGIL
Alticor and Amway International	AMSB and ABSB	AGH, SHI, Amway Nederland and GDA	12,196	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	2,287 2,212	 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")	3,033	Procurement of administrative and marketing support services from AMSB
P.T. Amway Indonesia ("Amway (I)")	AMSB	AGH, SHI, Alticor, Amway International, Amway International Development, Inc. ("AID"), Amway Nederland and GDA	2,042	Procurement of administrative and marketing support services from AMSB



DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

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, AFD, Amway Foreign Investment Co. ("AFI"), Amway Nederland and GDA	1,265	Procurement of administrative and marketing support services from AMSB
Amway (Thailand) Limited ("Amway (T)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	2,961	Procurement of administrative and marketing support services from AMSB
Amway of Australia ("Amway (A)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	969	Procurement of administrative and marketing support services from AMSB
Amway Business Services Asia Pacific Sdn. Bhd. ("ABSAP")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland, Amway Nederland Cooperatief U.A. ("Amway Nederland Cooperatief") and GDA	7,565	Procurement of administrative support services from ABSAP

┌── Transacting Parties ──

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 the Republic of 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 which is 99%-owned by Amway Nederland and the remaining 1% owned by two (2) wholly-owned subsidiaries of Alticor.
- 9. Amway (A), a company incorporated in Australia and a wholly-owned subsidiary of Amway International.
- 10. ABSAP, a company incorporated in Malaysia, is 99%-owned by Amway Nederland Cooperatief, and 1%-owned by Amway International. Amway Nederland Cooperatief, a company incorporated in the Netherlands, is 99%-owned by Amway Nederland and 1%-owned by Amway International.
- 11. 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 21st 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 Tuesday, 17 May 2016 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 2015 together with the Directors' and the Auditors' Reports thereon.	(Please refer to Note 1 of the Explanatory Notes)
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 1
3.	To re-elect En. Mohammad Bin Hussin who is retiring pursuant to Article 87.1 of the Company's Articles of Association.	Ordinary Resolution 2
4.	To re-elect Dato' Abdullah Thalith Bin Md Thani who is retiring pursuant to Article 94 of the Company's Articles of Association.	Ordinary Resolution 3
5.	To re-elect Mr Liu, Ming-Hsiung @ Martin Liou who is retiring pursuant to Article 94 of the Company's Articles of Association.	Ordinary Resolution 4
6.	To approve the Directors' fees up to RM395,000.00 for the financial year ending 31 December 2016 (2015: up to RM376,000.00).	Ordinary Resolution 5
7.	To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6
As	Special Business	
To	consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:	
8.	" THAT Dato' Ab. Halim Bin Mohyiddin who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."	Ordinary Resolution 7
9.	" THAT Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham who is over the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."	Ordinary Resolution 8
10.	Authority for Dato' Ab. Halim Bin Mohyiddin to continue in office as Independent Non-Executive Director	Ordinary Resolution 9
	" THAT authority be and is hereby given to Dato' Ab. Halim Bin Mohyiddin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012."	
11.	Authority for Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham to continue in office as Independent Non-Executive Director	Ordinary Resolution 10
	" THAT authority be and is hereby given to Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham who has served as an Independent Non-Executive Director of the Company for a cumulative term of nine years, to continue to act as an Independent Non-Executive Director of the Company until	

the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on



Corporate Governance 2012."

NOTICE OF ANNUAL GENERAL MEETING

12. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC ("ABGIL"), Amway Business Services Asia Pacific Sdn. Bhd. ("ABSAP"), Alticor Inc. ("Alticor"), Amway of Australia ("Amway (A)"), 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)")

"THAT approval be and is hereby given for the Company and/or its subsidiaries ("Group") to enter into recurrent transactions of a revenue or trading nature with ABGIL, ABSAP, Alticor, Amway (A), Amway International, Amway (I), Amway (P), Amway (S), Amway (T) and Amway (V) as set out in Section 2.4 of the Circular to shareholders dated 20 April 2016, which are subject to the approval of the Proposed Renewal of Shareholders' Mandate, provided that such recurrent transactions are necessary for the day-to-day operations and are carried out in the ordinary course of business and at arms-length basis on normal commercial terms which are consistent with the Group's normal business practices and policies and on terms not more favourable to the related parties than those generally available to the public and on terms not to the detriment of the minority shareholders,

AND THAT such approval shall be in force until:

- the conclusion of the next Annual General Meeting of the Company ("AGM") at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM is required to be held under Section 143(1) of the Companies Act, 1965 (but must not extend to such extension as may be allowed under Section 143(2) of the Companies Act, 1965); or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever is the earlier **AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and things (including, without limitation, to execute all such documents) in the interest of the Company to give effect to the aforesaid shareholders' mandate,

AND THAT in making the appropriate disclosure of the aggregate value of the recurrent transactions conducted pursuant to the shareholders' mandate in the Company's annual report, the Company must provide a breakdown of the aggregate value of the recurrent transactions made during the financial year, amongst others, based on the following information:

- (i) the type of the recurrent transactions entered into; and
- (ii) the names of the related parties involved in each type of the recurrent transaction and their relationship with the Group."
- 13. To transact any other business of which due notice is given in accordance with the Companies Act 1965 and the Company's Articles of Association.

BY ORDER OF THE BOARD

WONG WAI FOONG (MAICSA 7001358) KUAN HUI FANG (MIA 16876) Company Secretaries

Dated this 20 April 2016

Notes on the appointment of Proxy

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, vote and speak in his/her 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.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her 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 Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 9 May 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, vote and speak on his/her behalf.

Explanatory Notes on Ordinary Business

- Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.
- Mr Scott Russell Balfour, En. Mohammad Bin Hussin, Dato' Abdullah Thalith Bin Md Thani and Mr Liu, Ming-Hsiung @ Martin Liou are standing



Ordinary Resolution 11

NOTICE OF ANNUAL GENERAL MEETING

for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 21st Annual General Meeting.

The Board has conducted an assessment on the independence of Dato' Abdullah Thalith Bin Md Thani and is satisfied that he has complied with the independence criteria applied by the Company.

Explanatory Notes On Special Business

1. Ordinary Resolution 7

The re-appointment of Dato' Ab. Halim Bin Mohyiddin, a person over the age of seventy years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution is passed by a majority of not less than three-fourth (¾) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

2. Ordinary Resolution 8

The re-appointment of Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham, a person over the age of seventy years as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the proposed Resolution is passed by a majority of not less than three-fourth (¾) of such members as being entitled to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

3. Ordinary Resolution 9

The Board of Directors ("Board") has via the Nominating Committee conducted an annual performance evaluation and assessment of Dato' Ab. Halim Bin Mohyiddin, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- a. he fulfilled the criteria under the definition of "Independent Director" stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and is therefore able to bring independent and objective judgment to the Board;
- b. his experience in the audit and accounting industries enable him to provide the Board with a diverse set of experience, expertise, skills and competence;
- he has been with the Company for more than nine years and has a strong understanding of the Company's business operations which enables him to participate actively and contribute during deliberations at Audit Committee and Board meetings;
- d. he has devoted sufficient time and attended all Audit Committee and

Board meetings as well as meeting the Management prior to Audit Committee and Board meetings, for pre-meeting briefings; and

 he has exercised due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.

4. Ordinary Resolution 10

The Board has via the Nominating Committee conducted an annual performance evaluation and assessment of Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham, who has served as Independent Non-Executive Director of the Company for a cumulative term of nine years and recommended him to continue to act as Independent Non-Executive Director of the Company based on the following justifications:-

- he fulfilled the criteria under the definition of "Independent Director" stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and is therefore able to bring independent and objective judgment to the Board;
- b. he has always participated actively in Board and Board Committees discussions and has continuously provided an independent view to the Board;
- c. he has the qualifications, experience, skills, and personal qualities to consistently challenge management in an effective and constructive manner;
- he is highly committed and has devoted sufficient time to his responsibilities as an Independent Non-Executive Director of the Company; and
- he exercised due care in the interest of the Company and shareholders during his tenure as an Independent Non-Executive Director of the Company.

5. Ordinary Resolution 11

This Resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with ABGIL, ABSAP, Alticor, Amway (A), 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.

Please refer to the Circular to Shareholders dated 20 April 2016 for further details.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Directors who are standing for re-appointment:

- 1. Dato' Ab. Halim Bin Mohyiddin
- 2. Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham

The details of the Directors who are standing for re-appointment pursuant to Section 129 of the Companies Act 1965 are disclosed on pages 12 to 16 of the Annual Report.



ANALYSIS OF SHAREHOLDINGS

AS AT 11 MARCH 2016

Authorised Share Capital	1	RM250,000,000
Issued and Paid-Up Share Capital	:	RM164,385,645
Class of Shares	:	Ordinary Shares 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	289	6.32	7,377	0.00		
100 - 1,000	1,885	41.21	1,338,547	0.81		
1,001 - 10,000	2,145	46.89	6,977,687	4.25		
10,001 - 100,000	224	4.90	5,547,618	3.38		
100,001 - 8,219,281	27	0.59	19,561,800	11.90		
8,219,282 and above	4	0.09	130,952,616	79.66		
Total	4,574	100.00	164,385,645	100.00		

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholder

	Dire	ect	Indi	irect
Name of Shareholders	No. of Shares Held	%	No. of Shares Held	%
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")	-	-	^{*iv} 84,990,283	51.70
Alticor Global Holdings Inc. ("AGH") ^{*vi}	-	-	*v84,990,283	51.70
AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	21,699,600	13.20	-	-
Kumpulan Wang Persaraan (Diperbadankan)	14,493,700	8.82	568,100	0.35
Employees Provident Fund Board	9,958,433	6.06	-	-



ANALYSIS OF SHAREHOLDINGS

As at 11 March 2016

Notes:

- ^{*i} Deemed interest by virtue of its interest in GDA pursuant to Section 6A of the Companies Act, 1965.
- *ii Deemed interest by virtue of its interest in Amway Nederland pursuant to Section 6A of the Companies Act, 1965.
- *iii Deemed interest by virtue of its interest in Amway International pursuant to Section 6A of the Companies Act, 1965.
- ^{*iv} Deemed interest by virtue of its interest in Alticor pursuant to Section 6A of the Companies Act, 1965.
- ^{*v} Deemed interest by virtue of its 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. Yee Kee Bing	-	-	
3. Low Han Kee	20,000	0.01	
4. Scott Russell Balfour	-	-	
5. Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham	-	-	
6. Mohammad Bin Hussin	-	-	
7. Tan Sri Faizah Binti Mohd Tahir	-	-	
8. Dato' Abdullah Thalith Bin Md Thani	-	-	
9. Liu, Ming-Hsiung @ Martin Liou	-	-	

** Negligible



ANALYSIS OF SHAREHOLDINGS As at 11 March 2016

THI	THIRTY LARGEST SHAREHOLDERS			
		No. of	% of	
	ne of Shareholders	Shares Held	Issued Capital	
1.	GDA B.V.	84,990,283	51.70	
2.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	21,699,600	13.20	
3.	Kumpulan Wang Persaraan (Diperbadankan)	14,504,300	8.82 5.94	
4.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	9,758,433	5.94	
5.	AmanahRaya Trustees Berhad - Amanah Saham Malaysia	8,000,000	4.87	
6.	AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 2	3,150,000	1.92	
7.	AmanahRaya Trustees Berhad - Public Dividend Select Fund	1,560,000	0.95	
8.	CIMB Commerce Trustee Berhad - Public Focus Select Fund	940,000	0.57	
9.	AmanahRaya Trustees Berhad - Amanah Saham Nasional 2	922,800	0.56	
10.	AmanahRaya Trustees Berhad - Amanah Saham Gemilang for Amanah Saham Kesihatan	758,900	0.46	
11.	AmanahRaya Trustees Berhad	666,600	0.41	
	- Amanah Saham Gemilang for Amanah Saham Pendidikan			
12.	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	543,400	0.33	
13.	Citigroup Nominees (Asing) Sdn Bhd	399,300	0.24	
	- CBNY for DFA Emerging Markets Small Cap Series			
14.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Sey Liang (KLC/KEN)	302,700	0.18	
15.	CIMB Group Nominees (Tempatan) Sdn Bhd - CIMB Commerce Trustee Berhad - Kenanga Premier Fund	243,400	0.15	
16.	Lembaga Tabung Haji	204,000	0.12	
17.	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (KIB)	200,000	0.12	
18.	AmanahRaya Trustees Berhad - Amanah Saham Nasional 3 Imbang	177,800	0.11	
19.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chew Er Hong (E-KPG)	140,000	0.09	
20.	Ajeet Kaur A/P Inder Singh	128,700	0.08	
21.	Mehar Singh @ Mehar Singh Gill	127,000	0.08	
22.	AmanahRaya Trustees Berhad	119,000	0.07	
	- ARB for Yayasan Tun Ismail Mohamed Ali (Berdaftar)			
23.	Teo Chiang Hong	116,000	0.07	
24.	Public Invest Nominees (Tempatan) Sdn Bhd - Exempt An for Phillip Securities Pte Ltd (Clients)	115,800	0.07	
25.	Yeoh Saik Khoo Sendirian Berhad	114,500	0.07	
26.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	109,600	0.07	
27.	Malacca Equity Nominees (Tempatan) Sdn Bhd - Exempt An for Phillip Capital Management Sdn Bhd (EPF)	108,400	0.07	
28.	AmanahRaya Trustees Berhad - Public Strategic SmallCap Fund	106,100	0.06	
29.	Malacca Equity Nominees (Tempatan) Sdn Bhd - Exempt An for Phillip Capital Management Sdn Bhd	104,000	0.06	
30.	CIMB Group Nominees (Tempatan) Sdn Bhd - Exempt An for Kenanga Investors Berhad (KUTN (T) S/B)	102,800	0.06	
		150,413,416	91.50	



INFORMATION FOR SHAREHOLDERS ON 21st **ANNUAL GENERAL MEETING**

DATE

TIME Tuesday, 17 May 2016

9.30 a.m.

VENUE

Van Andel & DeVos Training Centre Amway (Malaysia) Sdn. Bhd. 1st Floor, 28, Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan, Malaysia

REGISTRATION

- 1. Registration will start at 8.30 a.m.
- 2. Please produce your original Identity Card (IC) or Passport (applicable for foreigners) for verification. No photocopy of IC or Passport will be accepted.
- 3. You are not allowed to register on behalf of another person, even with the original IC or Passport of that other person.
- 4. Upon verification, kindly sign on the Attendance List.
- 5. Upon registration, you will be given one (1) wristband to enter the meeting venue.
- 6. Only beverages will be provided.
- 7. If you are attending the meeting as Shareholder as well as Proxy, you will be registered once and will be given only one (1) wristband.
- 8. There will be no replacement in the event that you lose or misplace the wristband.

HELP DESK

- 1. Please proceed to the Help Desk for any clarification or queries.
- 2. The Help Desk will also handle revocation of Proxy's appointment.

PARKING

- 1. Parking is complimentary. Please park your car at parking bays marked in YELLOW.
- 2. Please take the staircase marked in **BLUE** to the Annual General Meeting venue.
- 3. Signage will be placed at appropriate locations.





AMWAY (MALAYSIA) HOLDINGS BERHAD (340354-U)

Incorporated in Malaysia

PROXY FORM	No. of Shares Held	CDS Account No.	
*I/We NRIC/Passport/Company No			
Tel/Hp No	of		
being member(s) of Amway (Malaysia) Holo	lings Berhad, hereby appoint:-		
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%

and/or (delete as appropriate)

Address

Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on *my/our behalf at the 21st Annual General Meeting of the Company to be held at Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd., 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Tuesday, 17 May 2016 at 9.30 a.m. or at any adjournment thereof, and to vote as indicated below:-

	RESOLUTIONS		FOR	AGAINST
1.	Re-election of Mr. Scott Russell Balfour as Director	Ordinary Resolution 1		
2.	Re-election of En. Mohammad Bin Hussin as Director	Ordinary Resolution 2		
3.	Re-election of Dato' Abdullah Thalith Bin Md Thani as Director	Ordinary Resolution 3		
4.	Re-election of Mr. Liu, Ming-Hsiung @ Martin Liou as Director	Ordinary Resolution 4		
5.	Approval of Directors' Fees for the financial year ending 31 December 2016	Ordinary Resolution 5		
6.	Re-appointment of Messrs Ernst & Young as Auditors of the Company and authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7.	Re-appointment of Dato' Ab. Halim Bin Mohyiddin as Director	Ordinary Resolution 7		
8.	Re-appointment of Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham as Director	Ordinary Resolution 8		
9.	Authority for Dato' Ab. Halim Bin Mohyiddin to continue in office as Independent Non Executive Director	Ordinary Resolution 9		
10.	Authority for Tan Sri Dato' Cecil Wilbert Mohanaraj Abraham to continue in office as Independent Non-Executive Director	Ordinary Resolution 10		
11.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC, Amway Business Services Asia Pacific Sdn. Bhd., Alticor Inc., Amway of Australia, Amway International Inc., P.T. Amway Indonesia, Amway Philippines, LLC, Amway (Singapore) Pte. Ltd., Amway (Thailand) Limited and Amway Vietnam Co., Ltd.	Ordinary Resolution 11		

[Please indicate with an "X" in the spaces provided on how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this _____ day of _____ 2016

Signature of Shareholder/Common Seal

Notes :

- 1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, vote and speak in his/her 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. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her 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 Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur 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 9 May 2016 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, vote and speak on his/her behalf.

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The Share Registrar TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD (11324-H) Unit 32-01, Level 32, Tower A, Vertical Business Suite

Avenue 3, Bangsar South, No.8, Jalan Kerinchi 59200 Kuala Lumpur

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AMWAY (MALAYSIA) HOLDINGS BERHAD

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

www.amway.my