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# Healthier Together

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ANNUAL REPORT 2023

## **29th ANNUAL** GENERAL MEETING



9.30 a.m

Broadcast Venue: Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd., 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia

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### **Healthier Together**

This year's cover design, with its theme, "Healthier Together", encapsulates Amway's efforts to enhance the lives and wellbeing of our diverse stakeholder groups through meaningful initiatives.

For the Malaysian public, Amway is delivering health solutions that mitigate immediate health needs and long-term preventative care. In support of the Malaysian Government's efforts to combat non-communicable diseases, we have introduced the novel Nutrilite Gut Reset Weight Management Programme. To empower our Amway Business Owners, we continue to invest in digital platforms, marketing campaigns, discretionary incentives as well as home delivery and back-end infrastructure.

As we set out to meet the evolving needs of our diverse stakeholders, we continue to draw from Amway's time-tested legacy, our wealth of resources, and our culture of innovation. Our journey of sustainable growth is fuelled by an unrelenting drive to nurture our communities, overcome challenges, seize growth opportunities, and ensure our relevance in a dynamic and highly competitive marketplace.

This year, we celebrate Nutrilite's 90<sup>th</sup> Anniversary, and prepare to commemorate Amway Malaysia's 50<sup>th</sup> Anniversary in 2026 and Amway Global's A70 Vision in 2029. As we do so, we are strategically shifting from a "Health and Wellness" positioning to a more holistic "Health + Wellbeing" paradigm. This transition will continue to position Amway as a leading Health and Wellbeing company in Malaysia that is well-primed to make a profound and positive impact on the lives and wellbeing of its diverse stakeholders.

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Scan here for the soft copy of our reports and contact information:

### www.amway.my



How We are Governed

## **Our Vision, Mission and Values**

## Vision

Amway's vision is clear: Amway and ABOs work together to help people live better and healthier lives. We aspire to empower millions of ABOs to realise their potential and achieve their dreams by providing quality products and opportunities that positively impact the lives of a billion people, ensuring they live healthier, happier, and more fulfilling lives.



## Mission

We partner with ABOs, Employees, and the Founding Families to foster success, retention, and growth within Amway by pivoting from a traditional business opportunity to a Health + Wellbeing opportunity.



## **Culture and Values**

At Amway, our culture is centered around profound respect for our people, guided by the principles of partnership, integrity, and personal responsibility, among others. This culture is underpinned by a commitment to continuous learning and compassionate leadership, inspired by our Founders' Growth Mindset. Our values, derived from the Founders' Fundamentals – Freedom, Family, Hope and Reward – serve as the cornerstone of our business, fostering an environment where everyone is encouraged to lead healthier and more fulfilling lives. Our six values, which are integral to the way we operate and interact within our communities, are as follows:



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### PARTNERSHIP

Amway is built on the concept of partnership between our founders. The partnership that exists among the Founding Families, Employees, and business owners is our most prized possession. The excellent entrepreneurial spirit of ABOs and the dedication of Amway Employees have resulted in Amway Malaysia being in the top-10 market among the over 100 countries and territories where Amway operates. The success is testimony to a truly matured partnership among the ABOs, Management and Employees.

### **PERSONAL WORTH**

Amway acknowledges the uniqueness of each individual. Every person is worthy of respect and deserves an equal opportunity to succeed to the fullest extent of their potential. Countless ABOs have achieved success since they started their Amway business. They have found their place in society where their contributions are respected, and they in turn seek to help others in need to improve their personal worth.



### ACHIEVEMENT

Amway is in the business of continuous improvement, progress and achievement of individual and group goals. Amway anticipates changes, responds swiftly with well thought through actions and learns from experiences. Creativity and innovation are the pillars that support the achievement of the goals and success of Amway and its ABOs.



### INTEGRITY

Integrity is doing what is right, not just whatever "works". Success in Amway is not measured by economic wealth but by the trust, respect and credibility the business and its ABOs earn. Integrity puts the concern of others ahead of one's own interest to ensure equity and fairness, the very basic principles for developing lasting relationships for building business and making friends.

### PERSONAL RESPONSIBILITY

Each individual is accountable and responsible for achieving their personal goals. With the principle of helping others to help themselves, Amway maximises the potential of the individual and shared success. Amway provides the environment and opportunity for ABOs to give back to communities in ways that enhance their self-worth and personal responsibility as good citizens.

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### FREE ENTERPRISE

Amway advocates freedom and free enterprise. Amway offers equal opportunity to every individual to enjoy the uncommon freedom to build a business of their own, while at the same time build their integrity and personal worth, and maximise their achievements and personal responsibility.

## **Full Year and Quarterly Performance**



**Sales Revenue** 

**RM1,408.3 mil** 2022: RM1,514.8 million



Profit Before Tax

**RM152.6 mil** 2022: RM103.1 million



**Net Profit** 

**RM115.9 mil** 2022: RM76.9 million

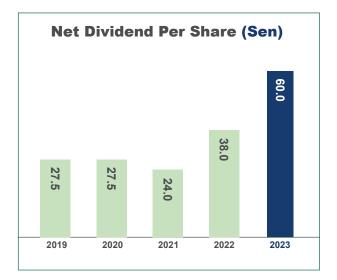
2023	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Full Year
Sales Revenue (RM' Million)	372.8	343.7	333.5	358.3	1,408.3
Profit Before Tax (RM' Million)	25.8	23.7	60.3	42.8	152.6
Net Profit (RM' Million)	19.6	17.7	46.2	32.4	115.9
Net Earnings Per Share (Sen)	11.9	10.8	28.1	19.7	70.5
Net Dividend Per Share (Sen)	5.0	5.0	5.0	45.0	60.0

2022	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Full Year
Sales Revenue (RM' Million)	391.2	354.6	371.8	397.2	1,514.8
Profit Before Tax (RM' Million)	26.7	20.0	24.5	31.9	103.1
Net Profit (RM' Million)	20.2	15.0	18.8	22.9	76.9
Net Earnings Per Share (Sen)	12.3	9.1	11.4	14.0	46.8
Net Dividend Per Share (Sen)	5.0	5.0	5.0	23.0	38.0

## **5-Year Financial Highlights**













How We are Governed

## **Chairman's Statement**

## Towards a Robust Future



**Dear Valued Shareholders,** 

I am deeply honoured and privileged to address you in my role as the new Chairman of the Board of Amway (Malaysia) Holdings Berhad ("Amway" or "the Company") and to present the Annual Report and Audited Financial Statements for the financial year ended 31 December 2023 ("FY2023").



Having served on Amway's Board and Board Committees since 2019, I have gained tremendous insights into the Company's strategy and operations. Succeeding my predecessor, Tan Sri Faizah Binti Mohd Tahir, who set a high standard in Board leadership during her exemplary nine-year tenure, I am honoured to continue this legacy of excellence. Since becoming Chairman after our 28<sup>th</sup> Annual General Meeting ("AGM") on 24 May 2023, I am grateful for the steadfast support from my Board colleagues, Senior Management, and all our employees. Together, we are firmly committed to steering Amway and its subsidiaries (collectively known as "the Group") to greater heights, ensuring continued growth and positive shareholder value creation.

> ABD MALIK BIN A RAHMAN Chairman and Senior Independent Non-Executive Director



## ADAPTING TO CHANGE, REMAINING RESILIENT

The year in review was a pivotal one for Amway, demonstrating the Group's ability to adapt and stand firm amidst challenging market dynamics. In FY2023, we pursued our goals with a blend of optimism and prudence, navigating various macroeconomic challenges to deliver a resilient performance. These headwinds included a global economic slowdown, supply chain disruptions, rising inflation, a stronger US Dollar, and a depreciating Malaysian Ringgit. These factors affected our costs and consumer purchasing power, thus adversely impacting the retail industry.

In response, we strategically broadened our product range, moving beyond immunity-boosting products to encompass a wider array of health and wellness solutions, thereby aligning seamlessly with evolving consumer preferences and the Malaysian Government's efforts to address critical health issues. One of our key initiatives was the introduction of the Nutrilite Gut Reset Weight Management Programme, a holistic approach to health encompassing both physical and mental wellbeing. This programme supports the Government's efforts to combat some of the major non-communicable

diseases in Malaysia, underscoring Amway's dedication to innovative health management.

We enhanced our eCommerce platform by improving the user experience, transitioning to advanced eCommerce infrastructure, and augmenting our chatbot capabilities to elevate operational efficiency and customer satisfaction. This seamless integration of online and offline customer touchpoints ensured an exceptional home delivery service experience.

Furthermore, our commitment to good governance, sustainability, and social responsibility was evident in our strengthened governance framework, enhanced sustainability endeavours and expanded community outreach efforts, all of which resonated with our stakeholders and helped us navigate a complex year.

I am pleased to say that despite the year's challenges, Team Amway continued to uphold an entrepreneurialfocused growth mindset and effectively leverage ongoing initiatives. This enabled us to deliver sustainable value to our stakeholders and strengthen our position as a leading health and wellness company committed to empowering business owners and contributing positively to their sustained success. Sales Revenue RM1,408.3 million FY2022: RM1,514.8 million



Profit Before Tax RM152.6 million FY2022: RM103.1 millior

Total Dividend 60.0 sen

How We are Governed

## Chairman's Statement (cont'd)

Amway paid out a total dividend of 60.0 sen net per share or RM98.6 million in respect of FY2023, surpassing the 38.0 sen net per share or RM62.5 million paid in FY2022.

### FY2023 PERFORMANCE OVERVIEW

Following two years of exceptional growth, the Group's sales growth rate underwent a rebalancing phase in FY2023. We registered a 7% decline in sales revenue to RM1,408.3 million compared to the record-high sales revenue of RM1,514.8 million in FY2022. This was primarily due to the softer demand for health and wellness products as well as home appliances, resulting from significantly dampened consumer sentiment and spending capacity owing to inflationary pressures.

Nevertheless, there was a silver lining: the Group's profit before tax rose by a stellar 48% to RM152.6 million from RM103.1 million previously. This was largely the result of lower ABO incentives in line with the lower sales volume. FY2023's financial performance, while humbling, stands as a testament to Amway's ability to remain resilient and agile in the face of challenging market conditions.

The Board remains focused on safeguarding shareholders' interests and enhancing shareholder value. In line with this commitment, we have been consistently distributing at least 80% of our annual net earnings as dividends. In respect of FY2023, we paid out four interim dividends of 5.0 sen net per share each and a special dividend of 40 sen net per share, leading to a total payout of RM98.6 million.

Altogether, Amway paid out a total dividend of 60 sen net per share or RM98.6 million in respect of FY2023, surpassing the 38.0 sen net per share or RM62.5 million paid in FY2022. Representing a payout ratio of 85% for FY2023, this underscores our dedication to delivering sustained value and rewarding our shareholders, even amidst tough times.

### THE YEAR IN REVIEW: RESPONDING STRATEGICALLY TO EVOLVING MARKETPLACE NEEDS

In FY2023, we responded to evolving consumer and marketplace needs by implementing a series of proven strategic initiatives aimed at enhancing our market relevance and fortifying our competitive edge.

## Firmly Aligning with the National Health Agenda

In keeping true to our mission of "Helping People Live Better, Healthier Lives", we continued to innovate and promote our "Big Health" solutions, offering a holistic approach to both health and wellness, while also shifting our attention to the root causes of long-term health issues rather than just short- to mid-term healthcare needs.





In response to the Malaysian Government's call for increased private sector involvement in reducing the prevalence of non-communicable diseases among the *rakyat*, we launched the Nutrilite Gut Reset Weight Management Programme. Aimed at revitalising the populace's overall health and mitigating longterm health risks, this programme, which emphasises physical fitness, mental health, and social connectivity, was well-received throughout Malaysia.

I am proud to say that Malaysia was the first Amway affiliate to pioneer this significant gut health programme - this is all the more noteworthy as it aligns with our national health goals. This initiative underscores Amway's intention to shift from our "Health and Wellness" offering to a more encompassing "Health and Wellbeing" approach. By meeting holistic health and wellbeing needs, Amway is reinforcing its position as a key player in addressing the national health crisis. This initiative also reaffirms Amway's 50th anniversary vision of firmly cementing our position as a leading provider of health and wellbeing products in Malaysia by 2026.

### Ensuring the Sustainable Growth of Our ABO Family

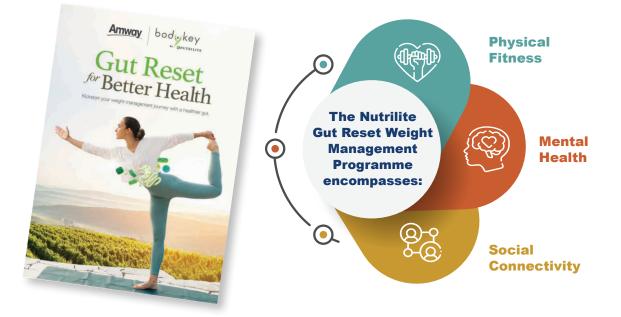
To ensure the long-term sustainability and growth of our entrepreneurial ABOs in a post-pandemic era, we continue to nurture their entrepreneurial-focused growth mindset, as well as upskill and incentivise them. To ensure that their businesses are firmly built on solid, healthy frameworks capable of delivering sustainable returns, we are helping them transition towards the health and wellbeing space.

In FY2023, among the key activities that kept our leaders and ABOs busy were product launches and campaigns revolving around the Nutrilite Gut Reset Weight Management Programme. Introduced in March 2023, this series of events, which sought to guide consumers along a sustainable weight management pathway, achieved positive increases in gut health and weight management product sales.

We also enhanced our Core+ Plus incentive programme to better reward our ABOs and align with global strategies. Additionally, we continued to gather our leaders and ABOs in annual face-to-face events and activities culminating in the launch of Nutrilite's 90<sup>th</sup> anniversary celebrations in November 2023. The immersive and interactive Nutrilite Experience Day, which served to kick-start Nutrilite's 90<sup>th</sup> anniversary celebrations, drew some 8,000 participants to the Malaysia International Trade and Exhibition Centre ("MITEC"). It was further enlivened by the attendance of Amway Global's key leadership and two of Malaysia's national athletes, Goh Sze Fei and Nur Dhabitah Sabri, in support of the programme and the nation.



## Chairman's Statement (cont'd)



Additionally, we introduced a variety of sales and marketing programmes to cater to evolving consumer dynamics. As we continue to embrace the health and wellbeing space in a more dynamic and comprehensive manner, we have done away with product categories that do not fit into this space.

### Lending Continuous Support to Our Employees

Here at Amway, we are dedicated to supporting our employees' wellbeing and work-life balance. Inspired by the success of the Nutrilite Gut Reset Weight Management Programme among our ABOs, we introduced the same programme to our employees, which was embraced by 150 of our team members.

Recognising that the issue of mental wellbeing continues to gain prominence worldwide, we augmented our support for our employees' mental health by introducing the Employee Assistance Programme Online Resource Page. This one-stop platform, which offers various psychological assessments, is helping our people better understand and improve their psychological and emotional wellbeing.

### Bolstering Our eCommerce Capabilities and the Customer Experience

In FY2023, we continued to make improvements to our eCommerce platform to ensure a satisfactory, frictionless experience for our ABOs. We introduced almost 90 key enhancements throughout the year, encompassing both technical and experiential improvements, aimed at elevating the user experience on our website. Responding to the evolving needs for safety and convenience, we also strengthened our contactless omnichannel delivery systems to provide a seamless and reassuring experience for our customers. This initiative is particularly relevant in the context of post-pandemic consumer behaviour, where there is an increased emphasis on health, safety, and efficiency in product delivery today.

The strategic efforts undertaken throughout FY2023 played a pivotal role in solidifying Amway's position in the competitive marketplace. By continuously adapting to market needs and consumer trends, we are not only maintaining our relevance but also enhancing our competitive edge, ensuring Amway's continued success and leadership in the health and wellbeing arena.



### COMMITTED TO UPHOLDING RESPONSIBLE CORPORATE PRACTICES

### Strengthening Our Governance Framework

In an era where consumers and stakeholders increasingly value ethical business practices, Amway continues to strengthen its governance framework. Acknowledging the indispensable role that good governance and sustainable practices play in our long-term viability, the Board is deeply committed to ensuring that Amway continually upholds strong internal controls as well as robust corporate governance and risk management best practices. This commitment is not only helping build trust and credibility with our diverse stakeholders, but also safeguarding Amway's corporate reputation, ensuring continued shareholder value creation, and demonstrating our dedication to sustainable business practices.

Amway's board governance policies are guided principally by the Malaysian Code on Corporate





Governance 2021 ("MCCG"). The Board continues to regularly review Amway's governance framework in line with ever-changing regulatory requirements and the Group's evolving requirements. Tasked with oversight for the application of the best practices set out in the MCCG, the Board is also responsible for ensuring that good governance policies are cascaded down from above and throughout the Group in a transparent and clear-cut manner.

As of 31 December 2023, the Group had complied with 40 out of the 42 recommended practices applicable for non-large Companies under the MCCG. The two practices we are not in compliance with are the recommendations as per Practices 4.4 and 8.2. The finer details of these two departures can be found in the Corporate Governance Overview Statement within this Annual Report and the standalone 2023 Corporate Governance Report on the Group's website.

To align with Bursa Malaysia Securities Berhad's ("Bursa Securities") new requirements relating to Conflicts of Interest ("COI") disclosures, we updated the Audit Committee's ("AC") Terms of Reference and Code of Conduct and Ethics. Today, the AC is also tasked with reviewing any actual COI or potential COI situation and the measures taken to resolve, eliminate, or mitigate any COI. By continuously adapting to market needs and consumer trends, we are not only maintaining our relevance but also enhancing our competitive edge, ensuring Amway's continued success and leadership in the health and wellbeing arena.

There were several Board and Board Committees movements in the early part of FY2024. On 1 January 2024, Puan Aida Binti Md Daud, a Nominee Director of Permodalan Nasional Berhad ("PNB", an institutional shareholder of the Company), resigned as a Non-Independent Non-Executive Director ("Non-INED"). In her place, Puan Norhanifah Binti A.Jalil, from PNB, was appointed on the same day. Our Strategy and Performance Review Sustainability Statement

## Chairman's Statement (cont'd)

We are actively integrating EESG considerations into our decisionmaking and business processes. This approach also involves addressing material sustainability risks and opportunities, ensuring that our operations are not only profitable but also responsible and sustainable.

As per the recommendation under Practice 5.3 of the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine years. As such, Dato' Abdullah Thalith Bin Md Thani, who will reach his ninth consecutive year of service as an INED in May 2024, has indicated that he will not be seeking re-election and will retire at the Company's 29th AGM to be held on 23 May 2024. Upon the conclusion of the 29th AGM, Dato' Abdullah will step down as a member of the Board and AC as well as the Chairman of the Nominating Committee ("NC"). In his stead, Datin Seri Azreen Binti Abu Noh, an INED and member of the NC, will be re-designated as the Chairperson of the NC.

Given Dato' Abdullah's imminent retirement, a new INED will be appointed as a member of the Board, AC and NC. In February 2024, the Board recommended that Datuk Harjeet Singh A/L Hardev Singh succeed Dato' Abdullah upon the conclusion of the 29<sup>th</sup> AGM. This is subject to shareholders' approval at the 29<sup>th</sup> AGM.

Amway continues to demonstrate its ongoing commitment to having a high level of female representation at the highest decision-making



levels within the Group. In line with Practice 5.9 of the MCCG which recommends that the Board comprise at least 30% women Directors, Amway continues to exceed this standard. As of FY2023, with three out of the eight Board members being women Directors, we achieved the equivalent of 38% representation on the Board, thereby exceeding the MCCG requirements. Further highlighting the influential roles women hold within our governance structure, Ms. Ho Kim Poi has been serving as the Chairperson of the AC since the 28<sup>th</sup> AGM. Moreover, Datin Seri Azreen is scheduled to be re-designated as the Chairperson of the NC following the 29<sup>th</sup> AGM. These appointments underscore the pivotal positions women occupy in shaping our governance and strategic direction. This consistent level of female engagement in our Board composition is a sustained practice, reflecting Amway's enduring commitment to gender diversity and inclusion in the highest echelons.

### Augmenting Amway's Robust Risk Management System

As we advance in our journey of value creation, we are committed to striking a balance between exploring new opportunities in the industry and protecting our current resources and operations. This commitment involves managing risks effectively and conducting business with solid ethical standards. As such, we continue to strengthen our risk management system, ensuring the Company is well-protected against threats. Our robust system is designed to identify and manage both existing and potential risks to safeguard the Group's interests.

Central to our approach is a stringent no-tolerance policy towards bribery and corruption throughout our organisation. In FY2023, we made key enhancements to our existing Anti-Bribery and Corruption ("ABAC") measures. These included:



The implementation of a corruption risk assessment framework for the onboarding of new vendors;

The development of new ABAC e-Learning modules to elevate staff awareness about the Group's ABAC Policy,



The rollout of an employee awareness survey on the Group's ABAC Policy and Whistleblower Policy by our internal auditors.

### Leveraging the Agenda of Sustainability for Value Creation



Amway's commitment to delivering long-term value and growth to our stakeholders is deeply rooted in sustainable practices and solutions. Our goal is to achieve positive performances that are bolstered by a strong culture of sustainability. To this end, we are actively integrating Economic, Environmental, Social, and Governance ("EESG") considerations into our decisionmaking and business processes. This approach also involves addressing material sustainability risks and opportunities, ensuring that our operations are not only profitable but also responsible and sustainable.

Understanding the critical role of sustainability in our long-term growth, our Senior Management guided by the Board have been vigorously working to revamp and enhance Amway's sustainability practices. These proactive efforts are in line with the recommended practices under the MCCG and the enhanced sustainability requirements of Bursa Securities.

At the heart of our sustainability journey is the enhanced Sustainability Strategic Framework, encompassing three key pillars and structured initiatives. These initiatives are steered by our Board and supported by the Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC"). We continuously monitor our impact on the EESG fronts, ensuring our practices are in line with the latest sustainability reporting standards.

In FY2023, we achieved notable progress on the environmental sustainability and renewable energy fronts by installing solar panels and EV chargers at the parking lots within the premises of our Headquarters in Petaling Jaya. Furthermore, we strengthened our waste reduction measures by eliminating single-use plastic bags as well as making the transition from physical to digital welcome pack and product catalogue.

Moreover, we streamlined our Sustainability Strategic Framework and our materiality matters to align with Bursa Securities' enhanced sustainability reporting framework. The specifics are detailed in our Sustainability Statement, reflecting our unwavering commitment to driving value creation through sustainable practices.

I am pleased to say that Amway's commitment to upholding product excellence and sustainability was recognised via several prestigious awards that we received in FY2023.



### FY2023 Product Excellence Awards

### **k**nutrilite<sup>\*</sup>

Gold Award in the Vitamins/Supplements Category at the Reader's Digest Trusted Brand Awards for the 19<sup>th</sup> year.

Nutrilite Brazil Farm received its 7<sup>th</sup> Sustainable Farm Award from Globo Rural in recognition of its outstanding agricultural practices.

### ເຊຍ eSpring™

Gold Award in the Water Purifiers Category at the Reader's Digest Trusted Brand Awards for the 18<sup>th</sup> consecutive year.

Frost & Sullivan Asia-Pacific Home Water Treatment Competitive Strategy Leadership Award for the 14<sup>th</sup> year.

These accolades underscore Amway's standing as a leader in product quality, environmental stewardship, and sustainable practices.

Our Strategy and Performance Review How We are Governed

## Chairman's Statement (cont'd)

**Our strategy** to sustain growth includes investing wisely in ABO-centric incentive programmes, new product launches. health-centric communities. and digital platforms, along with the necessary delivery infrastructure.

### **OUTLOOK AND PROSPECTS**

In the face of a mixed economic forecast, Amway is committed to navigating challenging market conditions and fortifying its business framework. This includes a deep commitment to integrating sustainability within our business and reinforcing our reputation as a trusted source of health and wellbeing products, aligning with the Malaysian Government's focus on promoting healthier living among the *rakyat*.

Given FY2024's challenging market outlook, the Board is adopting a cautiously optimistic stance and anticipates some continued downward pressure on sales and compression on profits. Our strategy to sustain growth includes investing wisely in ABO-centric incentive programmes, new product launches, healthcentric communities, and digital platforms, along with the necessary delivery infrastructure. While these investments, alongside the challenges of rising costs due to inflation will impact our operating margin for FY2024, we remain somewhat confident in our ability to continue delivering value to our shareholders.

Moving forward, Amway will transition from its current focus on "Health and Wellness" to a more encompassing "Health and Wellbeing" approach, reflecting the Group's commitment to delivering holistic solutions that cater to the targeted needs of our consumers. As part of this strategy, we will target health and wellbeing solutions, weight management products, and ABO-led healthy living communities. We will also strengthen our support of the Government's efforts to mitigate non-communicable diseases, particularly through initiatives like the Nutrilite Gut Reset Weight Management Programme.

As social commerce grows, traditional business models continue to evolve. Amway for one is committed to adapting to this new normal, changing how we operate and engage with our ABOs and other stakeholders. We also remain committed to making the journey for our entrepreneurial ABOs rewarding and seamless as they navigate the new market landscape with all its opportunities and challenges. Amway is looking forward to the exciting times ahead as we intensify our efforts in the Health and Wellbeing sector and strategically position ourselves to meet the market's needs. While we remain cautious about our outlook, Amway's resolve to adapt and thrive remains unwavering.

### **IN APPRECIATION**

On behalf of Amway's Board of Directors, I would like to express my sincere appreciation to all those who have supported Amway and helped us remain resilient in the face of another challenging year.

Our deepest gratitude goes to our valued shareholders whose continued faith in and support of Amway spurs us on to propel forward. As we focus our efforts on building upon the momentum achieved to date, we will remain focused on delivering resilient results and creating sustainable shareholder value.

To our passionate ABO family who continues to deliver steadfast performances despite a tough operating environment, please accept our heartfelt gratitude – your dedication, diligence and tenacity inspire us. As you continue to entrust Amway to guide you in your entrepreneurial journey, rest assured that we are here to support you. Together, let us continue to aim high and accomplish the seemingly impossible.

To our loyal suppliers and service partners who continue to faithfully support us, thank you so much for your worthy efforts. With your earnest backing, we have been able to steer through tough market conditions. We certainly look forward to your continued collaboration as we work together for our mutual benefit.

We also wish to applaud Amway's loyal employees, whether they are on the frontlines of our shops and delivery lines, behind the desks of our operations, or in work-fromhome mode – your hard work and unrelenting commitment to excellence have enabled us to deliver as promised – and we are truly grateful.



We wish to acknowledge the astute leadership of our diligent and dedicated Senior Management team. Thank you for your profound insights, wise leadership and responsible stewardship that ensured the Group held a steady course amidst the year's headwinds.

My sincere thanks go to my colleagues on the Board for their wise counsel and judicious insights that were crucial in helping the Group navigate to safe shores amidst stormy seas. I am grateful for the abundance of diverse perspectives, solid business acumen and skills, as well as distinctive leadership styles that all our Directors bring to the fore.

I am especially grateful to my predecessor Tan Sri Faizah who retired as the Board Chairperson after having served Amway for nine years. We thank her for her dedicated service and contributions to Amway and wish her every success.

We also extend a warm welcome to Ms. Ho Kim Poi who was appointed as an INED as well as a member of the AC and Remuneration Committee ("RC") on 15 March 2023. Upon the conclusion of the 28<sup>th</sup> AGM in May 2023, she was redesignated the new AC Chairperson in my stead.

We also wish to thank Puan Aida, our Non-INED and nominee director of PNB, for her contributions to Amway and wish her well in her future undertakings. In her place, we warmly welcome Puan Norhanifah who will serve as PNB's representative to the Amway Board. Puan Norhanifah brings to the table almost three decades of experience on the credit, finance, human capital and organisational development fronts. We look forward to the fresh insights and invaluable knowledge that she brings to strengthen Board discussions and Amway as a whole.

We also wish to bid farewell to Dato' Abdullah who has faithfully served Amway the last nine years and is due for retirement as an INED at the upcoming 29<sup>th</sup> AGM. We thank him for his dedicated service to Amway and wish him the very best.

We are pleased to announce the recent addition of Mr. Jason Leng Kek Mun as the General Manager of Amway Malaysia & Brunei effective 1 March 2024. With over two decades of experience in the direct selling industry, Jason brings on board a wealth of expertise in sales strategy, customer engagement, digital innovation, and business development. We have full confidence in his leadership and strategic insights as we journey towards our 50<sup>th</sup> anniversary milestone and anticipate achieving greater success together.

As we move forward, I call upon our valued stakeholders to lend us your staunch support. Amway has undeniably evolved, fortifying its stature as a premier Health and Wellbeing company. My commitment Amway is looking forward to the exciting times ahead as we intensify our efforts in the Health and Wellbeing sector and strategically position ourselves to meet the market's needs.

as your new Chairman is to uphold and strengthen this legacy, ensuring that our dedication to empowering entrepreneurial business owners and enhancing their success and wellbeing stands stronger than ever. With your steadfast and continued support, I am confident that we can deliver another resilient performance in the new financial year. Thank you.

#### **ABD MALIK BIN A RAHMAN**

Chairman and Senior Independent Non-Executive Director Sustainability Statement

Our Significant Events and Achievements

How We are Governed Financial Statements

## **Management Discussion & Analysis**

# *"Let "Walkin*

## Ensuring a Stronger Future

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For the financial year ended 31 December 2023 ("FY2023"), Amway and its subsidiaries ("the **Group**") demonstrated unwavering determination and adaptability amidst a challenging operating environment. Following two years of extraordinary hypergrowth and record-high revenue in the preceding year, Amway's sales growth rate declined by 7% due to softer demand amidst diverse global and domestic headwinds. **Nevertheless, the Group's** profitability remained robust, rising by a stellar 48% year on year.

In the face of these headwinds, the Group continued to strengthen its strategic pillars delivering innovative health and wellness solutions, enhanced digital and operational capabilities, and robust support for entrepreneurial business owner success. Furthermore, Amway's unwavering commitment to strengthen its governance framework, improve its environmental sustainability efforts, and engage in community outreach, resonated strongly with stakeholders.

### NAVIGATING A CHALLENGING ECONOMIC LANDSCAPE

The year 2023 was marked by deteriorating global economic conditions and continued supply chain disruptions, compounded by rising inflation, a strong US Dollar, and a weaker Malaysian Ringgit. All these adversely impacted import costs, raw materials costs as well as transportation and logistics expenses. These challenges had a ripple effect, leading to a decline in consumer purchasing power and impacting the performance of retail industry players. All in all, global growth declined to 3.1% from 3.5% previously<sup>1</sup> while Malaysia's growth moderated to 3.7% in comparison to 8.7% in the preceding year.<sup>2</sup>

Extracted from the International Monetary Fund's "World Economic Outlook Update, January 2024" publication – refer https://www.imf.org/en/Publications/ WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024

<sup>2</sup> Extracted from Bank Negara Malaysia's Annual Report 2023 dated March 2024 – refer https://www.bnm.gov.my/documents/20124/12142010/ar2023\_en\_ book.pdf

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**MIKE DUONG** 

Managing Director of Amway Malaysia & Brunei, Indonesia, and Singapore

89% (FY2022: 86%) eCommerce User Satisfaction



QQ% (FY2022: **99%**) On Time Deliverv



91% (FY2022: **89%**) **Enquiries Resolved** on 1st Contact

In 2023, the retail industry experienced a growth rate of 2.2%, falling short of Retail Group Malaysia Sdn Bhd's ("RGM") initial projection of 2.8%. The final quarter saw a slight contraction of 0.2%, amidst rising retail and food prices. Despite RGM revising the 2024 retail sales growth forecast to 4.0% from 3.5%, the escalating cost of living presents a significant challenge, suggesting a potentially difficult year ahead for retailers.3

Hippocra

Adapting quickly to the dynamic marketplace, the Group continued to pursue long-term health and wellness opportunities, operational improvements, and stronger governance and sustainability imperatives, all of which positioned the Group strongly to capitalise on evolving market needs.

Recognising the shift in public sentiment away from COVID-19 pandemic reactive measures and the declining demand for immunity-boosting products, Amway seized the opportunity to pivot the focus of its entrepreneurial Amway Business Owners ("ABOs") and Malaysian consumers

to the long-term global health crisis of obesity, high cholesterol, high blood pressure, and high blood sugar, among other non-communicable diseases ("NCDs").

Emerging scientific research has revealed that the gut microbiome plays an essential role in our health, not just for digestion, but also impacting our immune system and many other aspects of health. Furthermore, an imbalance of good and bad microbes in the gut can lead to weight gain, high blood sugar, high cholesterol, and other NCDs. Leveraging on these findings, the Group rolled out the Nutrilite Gut Reset Weight Management Programme, a holistic health solution that includes health assessment testing, nutritional products to stimulate healthier gut microbiota and healthier eating practices, as well as encourages more physical activity and supportive community-based social connections.

Read about the programme in the section titled "Nutrilite Gut Reset Weight Management Programme: Our Key To Unlocking Holistic Health And Wellbeing Potential" on pages 25 to 27

<sup>&</sup>lt;sup>3</sup> Extracted from an article in the Malay Mail dated 11 March 2024 titled "Group says cost of living remains biggest challenge for Malaysia's retail industry, projects annual growth rate of 4pc for 2024" - refer https://www.malaymail.com/news/malaysia/2024/03/11/group-says-cost-of-living-remains-biggestchallenge-for-malaysias-retail-industry-projects-annual-growth-rate-of-4pc-for-2024/122735

How We are Governed

## Management Discussion & Analysis (cont'd)

With all these fundamentals in place, Amway has cemented its position among the top health and wellbeing companies, and we continue to create and deliver value to entrepreneurial business owners, consumers and the wider community in Malaysia.

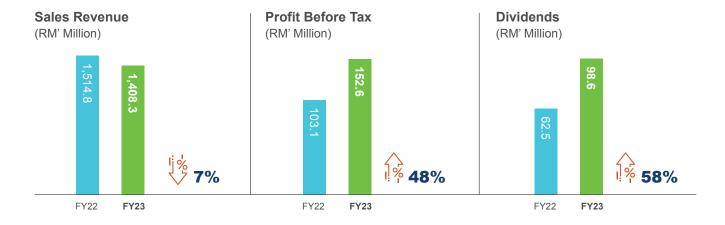
FY2023 also saw the Group enhancing its digital and omnichannel capabilities, improving its eCommerce platform, and ensuring the seamless integration of online and offline customer touchpoints. To strengthen our eCommerce capability, we integrated advanced technologies, enhanced chatbot capabilities, launched 8 to 12 website enhancements monthly, and improved our mobile dashboard to better support business owners. As a result, our eCommerce user satisfaction, home delivery service levels, and after-sales repair service metrics reached all-time highs.

To ensure Amway's management and employee force remained resilient and productive, we provided support for their physical and mental wellbeing as well as work-life balance. The Group continued its hybrid work model which allows flexibility for employees, including work-fromhome options and adjusted work schedules for retail and customerfacing staff. We also supported employee wellbeing through initiatives like the Nutrilite Gut Reset Weight Management Programme for 150 Amway employees based in Malaysia, and the Employee Assistance Programme Online Resource Page for mental health support.

Amway encouraged our entrepreneurial ABOs to pivot towards the health and wellbeing sector, with events and activities centred on Nutrilite's 90<sup>th</sup> anniversary. This milestone celebration also underscored the Group's commitment to promoting better and healthier lifestyles. The Group continues to successfully capitalise on several related megatrends to ensure Amway remains relevant and future-ready to compete effectively in the dynamic and challenging marketplace. With all these fundamentals in place, Amway has cemented its position among the top health and wellbeing companies, and we continue to create and deliver value to entrepreneurial business owners, consumers and the wider community in Malaysia.

In summary, despite registering lower sales revenue after two years of hypergrowth, Amway has proven its mettle via higher profitability and remained resilient in the face of tough challenges. The Group's strategic focus on health and wellbeing, operational improvements, and commitment to governance and sustainability positions it well for the future.





### DELIVERING A RESILIENT PERFORMANCE

### **Sales Revenue**

FY2023's economic climate was marked by rising living costs and reduced disposable incomes due to inflation. This led to a notable change in consumer behaviour, with a greater emphasis on essential purchases affecting various sectors, including ours. While Amway had registered two years of extraordinary growth and record high revenue in the preceding year, the Group's sales underwent a rebalancing phase in FY2023.

Amway's sales revenue decreased by 7% to RM1,408.3 million, down from the record-breaking RM1,514.8 million in FY2022. This reduction was mainly due to decreased demand for health and wellness products, and home appliances, compounded by inflationary pressures that dampened consumer sentiment and spending ability.

During this phase of revenue rebalancing, the Group focused on long-term growth by strengthening our infrastructure, enhancing support for our entrepreneurial ABOs, and focusing on Amway Global's A70 Vision.

### Earnings

On a brighter note, the Group's profit before tax ("PBT") in FY2023 grew by an impressive 48% to RM152.6 million, up from RM103.1 million previously. The year's PBT was mainly underpinned by the lower ABO incentives which aligned with the reduced sales volume. During the pandemic years of FY2020/2021, Amway's investment into ABO incentives was significantly higher given two years of extraordinary sales growth.

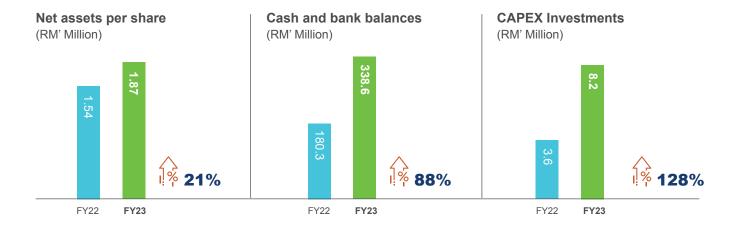
#### **Dividends**

Amway remains committed to preserving shareholders' interests and creating long-term sustainable value. As per the Company's dividend policy, we are committed to distributing a gross dividend of not less than 80% of the annual net earnings to equity holders of the Company. This is ultimately reliant on the Company's level of cash and retained earnings, business operations, financial performance, prospects, capital expenditure, and current and expected obligations.

In respect of FY2023, Amway paid out three single-tier interim dividends of 5.0 sen net per share each amounting to RM24.6 million. On 28 February 2024, the Board declared a fourth single-tier interim dividend of 5.0 sen net per share and a special single-tier interim dividend of 40 sen net per share amounting to RM74.0 million. Shareholders' entitlement to the fourth single-tier interim dividend and the special single-tier interim dividend was determined based on shareholders registered in the Record of Depositors as of 15 March 2024. The corresponding payment was made on 27 March 2024.

For FY2023, Amway made a total dividend payout of 60 sen net per share, amounting to a total of RM98.6 million. This total payout was higher than the total dividend payout of 38.0 sen, amounting to RM62.5 million paid out in FY2022. It represents a dividend payout ratio of 85% of net earnings for FY2023, above FY2022's ratio of 81%. We remain committed to delivering sustainable value to shareholders even amidst challenging times.

## Management Discussion & Analysis (cont'd)



### **Financial Position and Liquidity**

Amway continues to maintain a healthy balance sheet and our financial liquidity remains solid. This ensures that the Group has the essential resources to sustain business operations over both the short- and long-term, as well as the capacity to fund future capital expenditure and growth initiatives when such opportunities arise.

As of 31 December 2023, the Group's net assets per share stood at RM1.87 compared with net assets per share of RM1.54 at the end of FY2022. The improvement came on the back of higher profit achieved for the year and was partially offset by dividend payments.

At the end of FY2023, the Group's liquidity remained strong with current assets exceeding current liabilities by RM212.0 million as compared to RM146.9 million at the end of FY2022. At the end of FY2023, Amway had strong cash and bank balances of RM338.6 million in comparison to RM180.3 million at the end of FY2022. The Group also had zero bank borrowings at the end of FY2023, matching its borrowings position at the end of FY2022.

### Capital Expenditure, Requirements, Structure and Resources

Amway made capital expenditure ("CAPEX") investments of RM8.2 million in FY2023, in comparison to CAPEX investments totalling RM3.6 million in FY2022. The year's CAPEX investments were made mainly in respect of shop relocation and renovation activities, a new solar panel system at our Office Block in line with our sustainability endeavours, as well as office facilities improvements to the Amway Headquarters Petaling Jaya ("HQ PJ").

Moving forward into FY2024, Amway will consolidate three separate warehouse facilities and set up a new single warehouse facility for better efficiency and future growth.





### SETTING THE STAGE FOR OUR 50<sup>TH</sup> ANNIVERSARY

Since its establishment in 1976, Amway (Malaysia) Holdings Berhad has consistently pursued its vision of "Helping People Live Better, Healthier Lives". From its modest beginnings as a single storefront supplier of consumer goods, Amway has evolved into an industry-leading player in Malaysia and one of Amway Global's top-10 performing affiliate markets.

Over the past few years, Amway has streamlined its product solutions to deliver a more holistic approach that caters to targeted health needs. With over 450 high-quality products, a 47-year-old legacy and 23 stores nationwide, Amway's deep market presence has forged strong consumer connections and continues to address diverse consumer needs.

Central to Amway's success in this competitive landscape is the Company's inclusive entrepreneurial platform for its ABOs. This platform not only fosters community engagement and individual development, but also positions Amway at the forefront of innovation and strategic growth. By investing in infrastructure and partnerships, Amway is adeptly adapting to evolving market trends and consumer needs, thereby solidifying its role in enhancing Malaysia's health and wellbeing landscape. With over 450 high-quality products, a 47-year-old legacy and 23 stores nationwide, Amway's deep market presence has forged strong consumer connections and continues to address diverse consumer needs.

In FY2023, Amway pivoted from immediate pandemic-related solutions to addressing the root causes of long-term health issues. This transition aligns with the Group's deep commitment to providing holistic health and wellbeing solutions that encompass not just supplements, but also positive lifestyle changes, regular exercise, balanced nutrition, and effective stress management. All these elements are crucial for overall wellbeing and building resilience against various health challenges in the long term. This philosophy drives our efforts to provide high-quality products as well as promote a lifestyle conducive to comprehensive health and wellbeing.

Aligning with the Malaysian Government's fight against NCDs, which has placed an increased strain on the country's health system with an annual healthcare cost exceeding RM9.65 billion, Amway answered the call with the Nutrilite Gut Reset Weight Management Programme which is aimed at promoting the *rakyat's* overall health and mitigating long-term health risks.

Recognising the importance of the gut microbiome on human health and the fact that 73% of deaths among Malaysian adults are caused by NCDs, Amway's gut reset programme integrates products like fibre and probiotics, as well as nutritional meals, exercise, stress management and mental wellbeing to help rebalance our gut microbiome. This move represents a broader vision of wellbeing, encompassing social ties and a sense of purpose – core values that Amway has always championed. The Nutrilite Gut Reset Weight Management Programme is also a testament to Amway's dedication to supporting lasting health improvements and enhancing the quality of life for the Malaysian people. Since its launch, the programme has been extended to a larger audience, including ABOs, APCs, as well as company employees.

## Management Discussion & Analysis (cont'd)

### AMWAY'S HEALTH + WELLBEING VALUE PROPOSITION

Today as we approach Amway Global's A70 Vision (2029) and Amway Malaysia's 50<sup>th</sup> Anniversary (2026), Amway is making a strategic prioritisation towards "Health and Wellbeing". This strategic focus not only draws from our legacy but also addresses the comprehensive needs of our consumers. Over the last few years, the Group has evolved from weight management to physical health, and now embraces the more inclusive "Health + Wellbeing" paradigm, with plans to introduce more elements of our all-encompassing solutions offering over time.

The "Health + Wellbeing" value proposition is aptly summed up in the diagram below.

At the core of our new Health + Wellbeing value proposition are several key components. These include:



The "Health + Wellbeing" strategy reinforces the Amway and Nutrilite legacy as well as positions the Group as a leading health and wellbeing company in Malaysia that is well-primed to deliver sustainable growth to its stakeholders.





## LEVERAGING MEGATRENDS, UNLEASHING POTENTIAL

Amway's commitment to staying at the forefront of market evolution involves a continuous analysis of past, present, and emerging transformative global trends. This has enabled us to identify disruptive megatrends shaped by technological innovation, demographic changes, globalisation, the COVID-19 pandemic, and climate change.

Recognising the profound impact these trends have on future markets and consumer behaviour, we have strategically aligned our business strategies with these forces, thereby enhancing our relevance to our stakeholders amidst evolving market conditions. As we do so, we are future-readying our employee workforce as well as empowering entrepreneurial ABOs to build sustainable businesses and communities to capitalise on these influential forces.

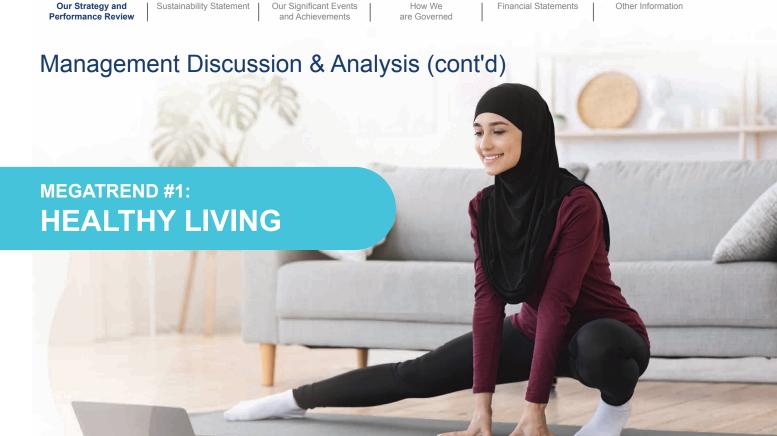
Although the number of universal megatrends continues to grow in number, Amway has locked in four megatrends most relevant to the Group's business – "Healthy Living", "Rise of Gig Economy Workers", "Connected Middle-Class Consumers" and the "Bricks and Clicks" megatrends – and is strategically aligning with these megatrends to strengthen our business. In FY2023, this strategic alignment was particularly evident in Amway's Nutrilite Gut Reset Weight Management Programme. This campaign harnessed key megatrends to connect with consumers and address their evolving health and wellbeing needs.

The "Healthy Living" trend in particular resonated with consumers' growing focus on holistic wellbeing. Additionally, the "Rise of Gig Economy Workers" megatrend aligned with Amway's direct selling model, empowering entrepreneurial ABOs to capitalise on flexible, health-oriented business opportunities. This was complemented by tapping into the "Connected Middle-Class Consumers" trend, reaching a broader, tech-savvy audience eager for health and wellbeing solutions, while we leveraged the "Bricks and Clicks" trend to create an omnichannel experience, thus enhancing customer engagement and access to the Nutrilite Gut Reset Weight Management Programme.

As Amway continues to adapt and grow, we are equipping our workforce and entrepreneurial ABOs to thrive amidst these influential trends. We have also tailored our programmes and campaigns to harness multiple megatrends, aiming for holistic and wide-reaching impact. This strategy ensures that our initiatives resonate broadly, meeting diverse consumer needs while aligning with the dynamic business landscape.

Megatrends We Are Harnessing					
Programmes and Campaigns We Are Leveraging	Megatrend #1: Healthy Living	Megatrend #2: The Rise of Gig Economy Workers	Megatrend #3: Connected Middle-Class Consumers	Megatrend #4: Bricks and Clicks	
Nutrilite Gut Reset Weight Management Programme	V	4	4	~	
Nutrilite 90 <sup>th</sup> Anniversary – Live Your Best Retailing Campaign	4	4	4	<b>v</b>	
Better Me Storytelling Training	V	<ul> <li>✓</li> </ul>	<ul> <li>✓</li> </ul>	<ul> <li>✓</li> </ul>	
APC Conversion Programme	V	V	V	<ul> <li>✓</li> </ul>	
Special Edition Amway Loyalty Programme	V	<b>v</b>	V	<ul> <li>✓</li> </ul>	
New Brand Experience Centre @ HQ PJ	V		V	<ul> <li>✓</li> </ul>	
Nutrilite Experience Day and Exclusive Leadership Rally	4	4	4		
Nutrilite Gut Reset Train the Trainer Programme	V	<b>v</b>	V		
National Leadership Conference and Dinner 2023	V	<ul> <li>✓</li> </ul>	<ul> <li>✓</li> </ul>		
ARTISTRY Beauty Camp 2023		<ul> <li>✓</li> </ul>	V		

The following sections delve deeper into how these megatrends influence Amway's operations and the strategic approach behind the successful implementation of the Nutrilite Gut Reset Weight Management Programme.



The Healthy Living megatrend, with wellness at its core, has experienced significant growth, becoming a US\$1.5 trillion market globally and expanding annually by 5% to 10%. A 2021 McKinsey and Company study highlights consumer interest in six key wellness categories: health, fitness, nutrition, appearance, sleep, and mindfulness.

This trend reflects a shift from treatment to prevention, with consumers becoming increasingly proactive about their health. Factors such as technological empowerment and rising healthcare costs are driving this evolution, leading consumers to seek cost-effective self-care options as well as pre-emptive measures to mitigate health risks.

Amway's Nutrilite Gut Reset Weight Management Programme strategically aligns with this megatrend. Focused on gut health as a fundamental aspect of overall wellbeing, the campaign taps into the growing demand for holistic health solutions that address the "3 Highs", namely high cholesterol, high blood pressure and high blood sugar. This is particularly relevant given the projected rise in the wellness market and the increasing emphasis on digital health and eCommerce in healthcare.

### For more details, refer to the section titled "Nutrilite Gut Reset Weight Management Programme: Our Key To Unlocking Holistic Health And Wellbeing Potential" in the following sections.

Looking ahead, notable changes in the healthcare landscape include Asia's emerging dominance in the healthcare market post-2025 and a significant increase in the ageing population. By 2032, the number of people aged 65-84 is forecast to rise by 39%. With this age group being particularly susceptible to the "3 Highs", the demand for health-related products and services is expected to increase. Furthermore, by 2025, around 80% of healthcare business models are anticipated to be driven by platform-based healthcare analytics and intelligence solutions.<sup>4</sup>

In this evolving context, Amway's focus on gut health and overall wellbeing places it at the forefront of meeting consumer needs in the health and wellbeing sector. The Group's Nutrilite Gut Reset Weight Management Programme aligns with current market trends and positions Amway to capitalise on opportunities in the evolving global healthcare and wellbeing landscape.

In this evolving context, Amway's focus on gut health and overall wellbeing places it at the forefront of meeting consumer needs in the health and wellbeing sector.

<sup>4</sup> Adapted from content on Frost & Sullivan's website titled "Healthcare 2020 - Business Model Transformation Guidebook" – refer https://store.frost.com/healthcare-2020-business-modeltransformation-guidebook.html#section1

## NUTRILITE GUT RESET WEIGHT MANAGEMENT PROGRAMME:

### OUR KEY TO UNLOCKING HOLISTIC HEALTH AND WELLBEING POTENTIAL



THE SCIENCE AND SUPPORT BEHIND THE PROGRAMME

THE MECHANICS OF THE PROGRAMME

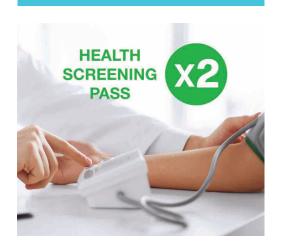
Based on the emerging science of gut health, Amway recognises the role of beneficial microbiomes in supporting a balanced diet and weight management. In March 2023, we launched the Nutrilite Gut Reset Weight Management Programme, a comprehensive programme that consists of high quality innovative and sustainable plant based supplements. Adopting a holistic lifestyle approach, the programme encompasses health assessment screening, dietary recommendations, physical activities, mental well-being, nutritional awareness training, and supportive social communities.

This innovative programme, underpinned by scientific insights and supported by Nutrilite supplements, aims to facilitate sustainable weight management by focusing on gut health. The impressive results from those who conscientiously followed the programme demonstrate our commitment to combating the rising prevalence of NCDs such as high cholesterol, high blood pressure, and high blood sugar.

Through a partnership with Innoquest Pathology, the programme

emphasises measurable improvements via individual screenings on several health parameters (including high cholesterol, high blood pressure and high blood sugar), promoting fat loss and muscle retention as a result of maintaining a healthy gut, rather than merely concentrating on weight loss figures.





The Nutrilite Gut Reset Weight Management Programme comprises several stages, including pre-health screening, the gut reset phase, weight management, and post-health screening, spanning either 30 or 60 days. The 14-day gut reset stage begins with smoothies that contain Nutrilite Botanical Beverage Mix Chicory Root Extract with Probiotics, and Nutrilite Mixed Fiber Powder to reset and rebalance gut health. The programme also incorporates lifestyle changes like healthy eating, increased physical activity, and stress management techniques. This holistic approach combines professional expertise, support, and supplements to rebalance the gut microbiota and promote overall wellbeing.



\*Partner with Innoquest Pathology

## Management Discussion & Analysis (cont'd)

### HEALTH TRANSFORMATION AND TANGIBLE OUTCOMES

The programme's efficacy was demonstrated in a pilot with 42 ABOs which showed significant improvements in weight loss, fat loss, cholesterol levels, blood pressure, and blood sugar levels. Rigorous third-party testing by certified laboratories under Innoquest Pathology validated the programme's effectiveness. Over 2.5 months, 98% of participants reported weight loss; over 70% lost more than 3 kg; and upwards of 62% experienced a reduction of more than 2 kg of body fat; as confirmed by health screenings, the details of which are provided in the table below.

After the initial 2.5 months of the bootcamp, 35 out of the 42 ABOs elected to continue their participation for an additional 3.5 months, altogether chalking up a six-month journey of substantial improvements in overall cholesterol, blood pressure, and blood sugar levels. Beyond these quantifiable improvements, participants also reported meaningful subjective health benefits, such as diminished food cravings, heightened energy levels, a sensation of lightness, better-managed blood pressure, and improved stress management capabilities.

Encouraged by the successes of the initial cohort, the Group organised two more events that drew over 1,000 ABOs and employees. In mid-March, we launched the programme to our ABOs and APCs who eagerly purchased the solutions prior to commencing their own gut reset journey.

	Nutrilite Health Warriors Pilot Group (42 Pax)	Nutrilite Gut Reset Train The Trainer Programme (543 Pax)	Nutrilite Gut Reset Employees Programme (150 Pax)	
₩eight Loss	98% lost 4.4 kg	77% lost 4.4 kg	80% lost 2.12 kg	
Fat Loss	88% lost <b>4.5%</b> body fat	<b>72%</b> lost <b>3.9%</b> body fat	67% lost 2.9% body fat	
Cholesterol		62-72% showed improvement		
Glucose	78-83% showed improvement			
<b>Blood Pressure</b>		54-63% showed improvement		



In July 2023, Amway took it to the next level by launching the Nutrilite Gut Reset Train the Trainer Programme. Targeting ABO Leaders, this programme aimed to create a community of knowledgeable trainers in the Nutrilite Gut Reset Weight Management Programme with over 500 participants. The conclusion of each event was marked by significant weight loss and health benefits among the majority. The outcomes are provided in the table on page 26.

Amway also offered the programme to 150 of its employees based in Malaysia to support their health and wellbeing journey. Forming teams of 5, the top performing team (Fats To Remember) recorded a notable weight and body fat loss of over 35.4kg and 16.3% collectively. The results of the programme's third cohort can be seen on page 26.



Nutrilite Healthy Warriors Pilot Group



### ENHANCING BUSINESS, CULTIVATING COMMUNITY

The success of the Nutrilite Gut Reset Weight Management Programme has significantly impacted the Group's business growth in the Nutrition category. The increased focus on gut health as the starting point for weight management has led to a 342% rise in sales of gut health products and a 32% increase in weight management products.

Following the launch of the Nutrilite Gut Reset Weight Management Programme, the Nutrilite brand has seen a remarkable increase in customer loyalty, with 90% of first-time purchasers acquired through the programme continuing their health and weight management journey with Nutrilite. Furthermore, the Special Edition Amway Loyalty Programme, which allows ABOs and APCs to have an online standing order for selected products for six months, experienced a 10% surge in enrolment in September 2023 compared to the average of other months.

A central element of the Nutrilite Gut Reset Weight Management Programme's success is its community aspect. The programme thrives on group interaction, as participants provide mutual encouragement and accountability, especially when adapting to new dietary changes and physical routines.



## Management Discussion & Analysis (cont'd)

### Leveraging the Demand for Holistic Health and Wellbeing Products

In 2023, Amway introduced a range of innovative products as part of its Healthy Living portfolio, aimed at enhancing the health and wellbeing of Malaysians. These launches align with Amway's commitment to providing solutions for healthier and better lives.

The following were launched in the year under review:



Annual Report 2023

The Group also expanded its beauty and personal care range with the following launches:



### Broadening our Health and Wellbeing Offering through Smart Partnerships

In our aim to offer a more comprehensive range of health and wellbeing products, Amway continues to partner with affiliate brands to present non-Amway brand offerings. The following affiliate products offer diverse ways for Malaysians to enhance their daily health and wellbeing routines:



## Management Discussion & Analysis (cont'd)

## MEGATREND #2: THE RISE OF GIG ECONOMY WORKERS

The rise of the gig economy, a trend that gained significant momentum during the COVID-19 pandemic, became even more pronounced in 2023. In Malaysia, this shift was catalysed by the economic downturn and spike in unemployment rates in 2021 and 2022, which led many to seek alternative employment in gig work.

A report by Mastercard projected that by 2023, global gig economy transactions would reach approximately US\$455 billion, with Malaysia witnessing a significant portion of its workforce, about four million people or 26%, joining the gig economy. This trend was further underscored by a 2020 study from Zurich Insurance Group and the University of Oxford, revealing that 38% of Malaysians employed full-time were considering gig work, a rate much higher than the global average at that time.<sup>5</sup>

With the advancement of Fourth Industrial Revolution technologies and digital platforms, the gig economy is expected to become a key contributor to Malaysia's GDP and has even been recognised in the nation's 12<sup>th</sup> Malaysia Plan for 2021-2025. The Government's efforts to regulate this sector aim to ensure the welfare of gig workers while acknowledging the gig economy's potential for sustainable and inclusive economic growth.<sup>6</sup>

Amidst this evolving landscape, Amway has been offering a pathway for its entrepreneurial ABOs to thrive in the gig economy. By equipping ABOs with the necessary tools and flexibility, Amway has been enabling them to operate independently and effectively promote their businesses. This approach capitalises on the growing influence of the gig economy, while also aligning with the trend of people seeking flexible, alternative work arrangements.

The 2023 Amway Global Entrepreneurship Report ("AGER") has highlighted this trend, indicating that 70% of Malaysians view business ownership as a desirable opportunity. This percentage marks an increase from 55% in 2018. The report also noted a growing interest in freelancing, eCommerce, and social selling as preferred business ventures. This change in mindset toward financial stability and earning extra income presents new opportunities for Amway and its ABOs, as it allows us to tap into the burgeoning gig economy and support our people's entrepreneurial ambitions.

Throughout the year, Amway initiated a series of programmes, campaigns, and activities to bolster the sustainable growth of its entrepreneurial ABOs. These initiatives were designed to enhance product knowledge, sales skills, and overall business acumen.

## Nutrilite Gut Reset Train the Trainer Programme

Targeting ABO Leaders, this programme aimed to create a community of knowledgeable trainers in the Nutrilite Gut Reset Weight Management Programme. The training was successful, with the majority of the 543 participants experiencing significant improvements in weight, fat loss, and health parameters like cholesterol, blood pressure, and blood sugar.

### Amway Home Tech Sales Pitch Battle

This event saw ABOs demonstrating effective sales techniques to their peers for eSpring and Atmosphere products.

### Nutrilite 90<sup>th</sup> Anniversary "Live Your Best"

Leaders who achieve specific sales targets, when retailing Nutrilite, ARTISTRY and other Amway products throughout the campaign period, qualify for an exclusive trip to the Amway Botanical Research Centre in Wuxi, China.

### **ARTISTRY Beauty Camp**

This event focused on elevating business confidence and expanding beauty knowledge, crucial for growing the ARTISTRY business.

### National Leadership Conference and Dinner 2023

Organised exclusively for Leaders, this event which carried the theme "Live Your Best", was held at the Malaysia International Trade and Exhibition Centre ("MITEC").



### Nutrilite Experience Day and Exclusive Leadership Rally

This event comprised a Nutrilite expo that was open to all ABOs and APCs, along with an exclusive session for Diamond Leaders and an exciting leadership rally.



### Grow-Q Programme

Open to first level ABO Leaders, this programme offered cash incentives for achieving specific growth targets.

### Go Founders Platinum Programme

This programme aimed to support Platinums to achieve the Founders Platinum rank. Participants who attended the Breakthrough Camp demonstrated a higher success rate with 54% achieving Founders Platinum.

### Better Me Storytelling Training

This training initiative is designed to elevate the storytelling skills of Amway Leaders by empowering them to share their Amway journey and business opportunities more effectively and engagingly.

### Sales Programmes

These programmes included the APC Conversion Programme, New ABO Reward Programme, and New APC Reward Programme – each designed to drive sales and recruit new members.

## Management Discussion & Analysis (cont'd)

Since introducing the APC programme in January 2021, Amway has attracted a substantial consumer base, with many showing interest in becoming ABOs. To facilitate this transition, the APC Conversion Programme was launched in September 2023.

We also set out to strengthen our Core+ Plus incentive programme to better reward our ABOs and align with Amway Global's strategies. The enhanced programme serves to increase ABO rewards and provide earlier incentives for sustainable income and sales growth.

These diverse initiatives reflect Amway's dedication to empowering its ABOs with the necessary tools and skills for sustainable business growth, aligning with its vision of supporting entrepreneurial success.

As a result of these measures, we achieved these results in FY2023:



In FY2023, we observed a marginal 3% decrease in the overall number of new ABO and APC signups. It is worth noting that despite the decline, the current signup rate was still 3.4 times higher than our prepandemic rate. The APC Conversion Programme also played a key role in contributing to the increase in new ABO signups. Most importantly, we have maintained a robust total force size exceeding 800,000.

### Lending Continuous Support to Our Employees

At Amway, we are committed to enhancing the wellbeing and work-life balance of our employees. Following the success of the Nutrilite Gut Reset Weight Management Programme among our ABOs, we have implemented the same programme for our staff. A total of 150 Malaysiabased Amway employees have embraced this initiative. Seeing that the issue of mental wellbeing continues to gain importance worldwide, we continue to support our employees by leveraging professional support to help them maintain good mental health and work-life balance. In support of mental health, we introduced the Employee Assistance Programme ("EAP") Online Resource Page, a one-stop platform offering various psychological assessments for our employees, and conducted sessions on vital mental health topics.

The A70 journey celebrates Amway Global's 70<sup>th</sup> anniversary in 2029, marking a significant milestone with strategic initiatives and events that highlight our enduring legacy and future commitment to innovation and growth. Additionally, we introduced the "Leading with Founders' Growth Mindset" course for new managers and first-time leaders to embed our cultural principles into our organisation.

For more details on our employee-based initiatives, please refer to "Pillar 2: Nurturing People and Community" in our Sustainability Statement within this Annual Report.



<sup>5.6</sup> Adapted from an article in The Sun Daily dated 17 September 2022 titled "Impact of gig economy"- refer https://thesun.my/home\_news/impact-of-gigeconomy-CH9823136

### MEGATREND #3: CONNECTED MIDDLE-CLASS CONSUMERS



In recent years, the convergence of the "Connected Consumer" and "Middle-Class Retreat" megatrends has reshaped consumer behaviour significantly. The "Connected Consumer" trend, fuelled by advancements brought about by the Internet, Internet of Things ("IoT"), machine learning, big data, and blockchain technology, has dramatically transformed accessibility to information and options. By 2025, it is predicted that there will be over seven connected devices per person, more than 5 billion mobile Internet users, and around 1.2 billion 5G subscribers, accompanied by a tenfold increase in data generation. This highly connected world is revolutionising the way we live, communicate, and conduct business.7

Conversely, the "Middle-Class Retreat" megatrend reflects a shift in consumer behaviour towards thriftier lifestyles and waste reduction. Stemming from the increased cost of living and stagnant middle-class wealth since the 2008-2009 global financial crisis, this trend has given rise to a subculture of "glorified frugality". The amalgamation of these trends has created "super consumers" – connected middle-class individuals who seek maximum value at minimal cost, prioritising retailers who deliver quality without compromise.

In response to these evolving trends, Amway has strategically tailored its initiatives to cater to these informed, value-seeking consumers. In the year under review, Amway's commitment to its ABOs and customers manifested through the introduction of awardwinning products and innovative campaigns. These initiatives, delivered engagingly via a mobile-first approach to maximise participation, were part of Amway's strategy to guide more entrepreneurial ABOs, their customers, and the Malaysian population towards healthier lifestyles.

Specifically, the Nutrilite Gut Reset Weight Management Programme was a prime example of Amway's adaptation to the Connected Middle-Class Consumers trend. In its understanding of the growing aspirations and health priorities of this demographic, Amway employed targeted marketing strategies and effectively leveraged social media platforms. This approach ensured that the Nutrilite Gut Reset Weight Management Programme resonated with and engaged this increasingly connected and discerning audience, aligning with their desire for quality health solutions that offer sustainable results as well as value for money.

Throughout 2023, Amway rolled out a series of dynamic campaigns under its Nutrilite brand, reinforcing its mission of empowering individuals to live fuller, healthier lives. These campaigns were designed to enhance brand awareness and bolster the confidence of our entrepreneurial ABOs in promoting Nutrilite products.



7 Adapted from Frost & Sullivan's insights on Mega Trends – refer https://www.frost.com/analytics/visionary-innovation/megatrends/connectivity-andconvergence-connected-living/

How We are Governed

## Management Discussion & Analysis (cont'd)



The Nutrilite 90th Anniversary "Live Your Best" Campaign, which ran from May to December, encapsulated Nutrilite's commitment to supporting vibrant, active lifestyles. The initiative also focused on the broader contributions of Nutrilite beyond products and supplements, offering long-term health solutions and embodying the belief that "health is wealth". This campaign featured national athletes, Goh Sze Fei, Nur Dhabitah Sabri, and Shahrul Saad as brand ambassadors. Already avid consumers of Nutrilite supplements even before they were named ambassadors, these athletes were selected for their alignment with Nutrilite's ethos and public-friendly image.

The month of November 2023 saw Amway celebrating the 90<sup>th</sup> anniversary of its Nutrilite brand, a global leader in vitamins and dietary supplements, with the Nutrilite Experience Day expo held in Kuala Lumpur, Malaysia. This event marked the beginning of a year-long series of activities commemorating Nutrilite's long-standing commitment to health, wellbeing, and nutrition.

Hosted at MITEC, the interactive Nutrilite Experience Day expo attracted over 8,000 attendees. Providing an immersive experience in health and wellbeing, it featured personal testimonials about the Nutrilite Gut Reset Weight Management Programme and a journey through Nutrilite's history. Among the event's notable attendees were several of Amway Global's top leadership and Nutrilite ambassadors-cum-national athletes.

Nutrilite's commitment to purity, safety, and effectiveness is evident in its exclusive 9-Step Traceability process, from organic farming practices to quality assurance. As Nutrilite enters its 90<sup>th</sup> year, this event underscores Amway's dedication to its founding vision of helping people live better, healthier lives, a mission it continues to uphold as it approaches its own 50<sup>th</sup> anniversary in Malaysia in 2026.

Through these diverse campaigns, Amway succeeded in fostering a community around Nutrilite, which is characterised by engagement, wellness, and creativity.



# MEGATREND #4: BRICKS AND CLICKS



The "Bricks and Clicks" megatrend, a blend of online and offline retail experiences, has become increasingly relevant in the evolving retail landscape. With China poised to lead global eCommerce sales by 2025 and digital personal assistants becoming more adept at tailoring product recommendations based on individual preferences and buying behaviour, the retail world is undergoing a significant transformation.

In 2024, the distinction between online and offline retail spaces will continue to diminish, driven by Artificial Intelligence ("AI") and technological advancements in traditional shopping environments. Augmented Reality ("AR") fitting rooms, interactive displays, and in-store robots have transitioned from futuristic concepts to present-day realities, enhancing customer engagement and personalisation.<sup>8</sup>

Simultaneously, eCommerce platforms are recognising the value of physical experiences. Through pop-up shops, experiential events, and collaborations with brick-and-mortar stores, online brands are forging direct customer connections and gaining immediate feedback. This shift towards a seamless, omnichannel shopping experience aligns with modern shoppers' preferences, who seek both convenience and tangible interactions.<sup>9</sup>

Physical stores, while evolving, remain vital in the retail ecosystem. The brick-and-mortar experience of 2024 is not just about purchasing, but also about offering an immersive, experiential hub. Retailers are reimagining their physical spaces with AR, interactive and educational displays, and community-centric designs, focusing on locations that resonate with their brand and target audience.<sup>10</sup>

Amway, in embracing the "Bricks and Clicks" trend, has skilfully combined its dynamic physical presence with the power of digital platforms. This approach has enabled Amway to provide customers with comprehensive experiences, which include virtual and physical consultations, as well as online purchases. By offering these integrated, omnichannel experiences, Amway caters to the contemporary consumer's needs, making information accessible, engaging, and immersive.

- <sup>8. 9, 10</sup> Adapted from an article dated 18 October 2023 titled "Retail Trends for 2024" on the American Management Services, Inc LinkedIn page – https://www.linkedin.com/pulse/retail-trends-2024-american-management-services-inc/?trk=organization\_ guest\_main-feed-card\_feed-article-content
- <sup>11</sup> Extracted from an article on the Commission Factory website dated 11 January 2023, titled "Malaysia eCommerce Statistics and Trends in 2024" refer https://blog.commissionfactory.com/ecommerce-marketing/malaysia-ecommerce-statistics
- Refer to the Shopee Malaysia press release dated 22 November 2022 titled "Shopee Celebrates the Heart of Malaysia on E-Commerce" refer https://sites.google.com/shopee.com/prnewsroom/trends-and-studies/2022-thought-leadership/celebrating-the-heart-of-malaysia-on-e-commerce/ shopee-celebrates-the-heart-of-malaysia-on-e-commerce?authuser=0

# Augmenting Amway's eCommerce Capacity and Digital Capabilities

FY2023 saw Amway embrace the country's digitalisation momentum by capitalising on the healthy growth of the Malaysian eCommerce market. With online buyers in Malaysia increasing by 8.3% year-over-year and over 60% of Internet users purchasing online weekly, the Malaysian eCommerce sector was projected to grow by 10.1% to RM39.4 billion by the end of 2023.<sup>11</sup> This trend aligns with the increasing preference for online shopping, as evidenced by a Shopee Survey indicating that 90% of Malaysians prefer online to traditional retail.12

Responding to consumer preferences, Amway Malaysia intensified its digital efforts. The focus for 2023 was on enhancing the user experience of the website, aiming to provide a delightful and frictionless experience for its entrepreneurial ABOs. We introduced around 90 key enhancements, encompassing technical and experiential improvements throughout the year. As a result, over 50% of the Group's sales came from our eCommerce website.



Our Strategy and Performance Review Sustainability Statement

How We are Governed Other Information

# Management Discussion & Analysis (cont'd)

The following list features the key enhancements that we implemented in FY2023 that helped elevate the user experience on our eCommerce platform by offering greater accessibility and efficiency:

# NUTRILITE GUT RESET WEIGHT MANAGEMENT PROGRAMME

A dedicated landing page for the programme was launched and regularly updated with more interactive features. Serving as a hub for inspiring testimonials, programme expectations and essential resources for success, the landing page garnered more than 218,700 pageviews.

# AMWAY LOYALTY PROGRAMME ("ALP") REVAMP

A complete overhaul of the ALP landing page and profiles was undertaken in alignment with the relaunch of our ALP programmes;

# EASY PAYMENT PLAN ("EPP") UPDATES

EPP instalment dates were aligned to help ABOs manage payments efficiently;

# PICK-UP POINT DELIVERY OPTION

This option allows ABOs and APCs to choose convenient collection points for their orders. (This led to record-high delivery rates in FY2023 i.e., 99% on-time delivery, and 65% next-day delivery);



This initiative has led to the inclusion of "New Sign-Up Coupon Reminder" and "Convert APC to ABO" reports on the Business Dashboard; and

# ABO TAX INFORMATION

This enables ABOs to easily update their Withholding Tax information in compliance with income tax requirements.

Throughout FY2023, as Amway strategically focused on transitioning to digital resources, we struck a crucial balance between enhancing our eCommerce platform and reinforcing our commitment to sustainability. March 2023 saw us adopting digital submissions for registration and bonus forms, significantly reducing paper consumption and enhancing operational efficiency. By July 2023, we had deepened our digital integration, replacing traditional physical welcome packs for new ABOs with digital alternatives. At the same time, we introduced digital customer receipts, and offered eCoupons to those who wanted to redeem printed versions of the product catalogue and price list.

Despite a slight shift in sales channel composition post-pandemic, with online sales contributing 51% in 2023 compared to 55% in 2022, Amway's online platform remained robust with stable website visits and unique visitors. The various enhancements resonated with users, as reflected in the Website Satisfaction Score reaching a record 95% in November 2023 in comparison to 89% in 2022. These improvements not only retained user satisfaction, but also broadened the platform's appeal, reinforcing the success of Amway's digital infrastructure and eCommerce initiatives in adapting to and flourishing in the dynamic digital landscape of Malaysia.

8.3% YoY 10 increase in Malaysian online buyers gro

10.1% to RM39.4 billion Malaysian eCommerce sector's projected growth by the end of FY2023 Over 50% of the Group's Sales came from our eCommerce website







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## Improving the Customer Experience with Digital Tools

In FY2023, Amway also made advances on the customer service front by leveraging digital enhancements. These were among the year's achievements:

SALISFACTION ("CSAL")		SATISFACTION ("CSAT")	Through our digital initiatives, we boosted our CSAT rate by 2.7%, achieving a remarkable score of 94%.
	A ĘĘ	IMPROVED FIRST CALL RESOLUTION ("FCR") RATE	Our digital strategies led to a 1.8% increase in our FCR rate from the previous year, with 91% of enquiries resolved on the first contact.
STRONGER CHATBOT CAPABILITIES			We streamlined customer enquiry management by expanding our chatbot capabilities. In FY2023, some 62% of enquiry volumes were handed by the chatbot, marking a 19% increase from FY2022.
IMPROVED AFTER-SALES SERVICE LEVELS			<ul> <li>The introduction of the Zuper software in the fourth quarter of 2022 brought about the following improvements in after-sales service efficiency:</li> <li>Reduced the average time for repairs from 17 days to less than 2 days.</li> <li>Achieved up to 90% same-day service completion for the eSpring Water Treatment System.</li> <li>Cut down queue waiting and serving times from 14 minutes to 3 minutes, thus significantly enhancing the customer experience.</li> </ul>

# Elevating the Customer Experience at Our Physical Stores

The Group also focused on improving customer experience in our physical stores. The refurbishment of the Amway Brand Experience Centre at the HQ PJ and the relocation of the Amway Ipoh Shop have done much to enhance customer engagement and brand image. The Brand Experience Centre's new interactive displays and setups, alongside the ongoing enhancements in the centre's Home Tech, Personal Care, and Home Care areas, are designed to provide an immersive, educational experience, attracting a broader customer base and showcasing Amway's commitment to innovation. We have also added a Sustainability Wall that showcases our commitments to sustainability and the initiatives we carry out locally in Malaysia in an engaging and informative manner.



Similarly, the relocation of the Amway Ipoh Shop aims to revitalise the retail experience, ensuring brand consistency and strengthening local market engagement. These initiatives reflect Amway's strategic focus on aligning with evolving consumer trends, enhancing the customer experience, and reinforcing its market position. As the world moves beyond the pandemic, Amway is leveraging its physical presence, with our stores playing a crucial role in providing venues for business activities.

How We are Governed

# Management Discussion & Analysis (cont'd)

The aforementioned strategic efforts undertaken throughout FY2023 played a pivotal role in solidifying Amway's position in the competitive marketplace. By continuously adapting to market needs and consumer trends, we are not only maintaining our relevance but also enhancing our competitive edge, ensuring Amway's continued success and leadership in the omnichannel commerce arena.

# TOWARDS SUSTAINABLE, LONG-TERM BUSINESS GROWTH

Amway is dedicated to managing its business comprehensively, taking into account a wide range of Economic, Environmental, Social, and Governance ("EESG") initiatives. By carefully evaluating these EESG factors alongside our financial responsibilities, we strive to maintain business continuity and secure our ability to generate longterm value. This approach reflects our commitment to holistic business management, ensuring that all aspects of our operations contribute to sustainable growth and success.

For a detailed account of Amway's sustainable development strategy, please refer to the "Sustainability Statement" within this Annual Report.

# Upholding Robust Risk Management

In addition to our sustainability strategies, our resilient risk management framework underscores the Group's efforts to safeguard and promote our agenda for sustainable business growth and value creation. The Group actively identifies and addresses potential risks to its operations, performance, financial health, and liquidity. This vigilance is reflected in Amway's standard operating procedures and processes, which are underpinned by strong internal controls and clear authority limits. Currently, the most significant risks to Amway's business are: (1) the unauthorised selling of Amway products on third-party online platforms; and (2) threats to the Group's information security from potential cyberattacks.

## **Curtailing Unauthorised Online Sales**

Amway continues to combat the sale of its products on unauthorised thirdparty eCommerce platforms, a practice that poses risks to its business and the direct selling industry. Recognising the adverse effects on entrepreneurial business owners and concerns over product authenticity and satisfaction, Amway maintains its commitment to safeguarding its long-term revenue potential.

The Group's efforts in FY2023 included ongoing engagement with eCommerce platform representatives to eliminate the presence of Amway products on these sites. Amway also collaborated closely with the Malaysian Government, legal entities, and the Direct Selling Association of Malaysia, to take legal action against unauthorised sellers and platforms infringing on its intellectual property rights.

Amway also enhanced its use of sophisticated tracking technology to identify and take action against involved parties, issuing sanctions ranging from warning letters to suspension, or termination of business relations for offending business owners. Educational and awareness campaigns were also a key part of Amway's strategy in FY2023. These campaigns, aimed at informing the public, customers, and business owners about the risks associated with purchases from unauthorised sources, helped reinforce the integrity of Amway's direct selling model.

#### **Mitigating Information Security and Cybersecurity Risks**

Amway's operations face significant risks from information security breaches and cyberattacks. These risks could disrupt business operations, damage reputation, incur financial losses, and lead to non-compliance with laws and regulations. To mitigate these risks, Amway's Information Security Risk ("ISR") Team oversees the management of information security and cyber risks, operating under comprehensive policies, standards, and procedures established by Amway Global. These are regularly updated to counter threats like cyberattacks, fraud, and information loss.





Key mitigation measures include vulnerability assessments, 24/7 real-time threat monitoring, and vendor risk assessments. Amway places a strong emphasis on continuous employee training to build awareness of information security risks. This training includes mandatory online sessions covering various aspects of information security, offboarding best practices, and physical Security Day events.

To further strengthen its defences, Amway has a cyber liability insurance policy and has established privacy policies and procedures in compliance with the Personal Data Protection Act 2010. These comprehensive measures ensure Amway's resilience against information security and cybersecurity risks.

For the finer details of our risk mitigation efforts, refer to the "Statement on Risk Management and Internal Control" within this Annual Report.

# LOOKING AHEAD

The United Nations' latest World Economic Situation and Prospects Report for 2024 paints a sobering picture of the global economic landscape. The world economy continues to face multiple crises, jeopardising progress towards the Sustainable Development Goals ("SDGs"). Despite better-than-expected growth in 2023, driven by resilience in major economies, geopolitical tensions and more frequent extreme weather events add to existing risks. Tight financial conditions threaten global trade and production. The report predicts a slowdown in global GDP growth from 2.7% in 2023 to 2.4% in 2024, with developing economies, in particular, hard hit by pandemic-induced losses, high debt and investment gaps.<sup>13</sup>

On the domestic front, however, Bank Negara Malaysia is projecting Malaysia's growth to expand between 4% and 5% in 2024, driven mainly by resilient domestic expenditure, with additional support emanating from the expected recovery in exports.<sup>14</sup>

# Aligning with the National Health Agenda and Remaining Agile

As we move into 2024, Amway acknowledges the impact of market and economic headwinds as we intensify our focus and initiatives in the health and wellbeing sector. Aligned with the *Agenda Nasional Malaysia Sihat* ("ANMS"), Amway understands the critical role we play in addressing the national health crisis. The alarming rates of non-communicable diseases in Malaysia have spurred the Government's ANMS to focus on promoting a culture of healthy living, while enhancing access to health and wellbeing services, empowering self-health control, and fostering environmental hygiene. Similarly, Amway is committed to supporting these objectives by delivering solutions that contribute to a healthier lifestyle through our Nutrilite health and wellbeing products and engaging social communities.

Furthermore, with the AGER 2023 publication highlighting that 70% of Malaysians perceive business ownership as an attractive prospect, this presents a significant opportunity for us to grow our network and influence by capitalising on this trend to attract and support more entrepreneurial ABOs. By leveraging this insight, we can strategically enhance our market presence and foster a stronger community of motivated and successful entrepreneurs.

Moving forward, Amway plans to ramp up its efforts to promote long-term health and wellbeing solutions. This supports the Government's call for private sector involvement as well as aligns with our vision of helping entrepreneurial business owners to develop sustainable health and wellbeing businesses and communities. By harnessing societal trends and leveraging our new value proposition, namely Health + Wellbeing, and focusing on areas like the Nutrilite Gut Reset Weight Management Programme and entrepreneurship, we aim to empower individuals not only in their health journeys but also in achieving financial stability and pursuing their passions.

<sup>&</sup>lt;sup>13</sup> Extracted from a United Nations' publication titled "World Economic Situation and Prospects 2024" dated January 2024 – refer https://desapublications.un.org/publications/world-economic-situation-and-prospects-2024

<sup>&</sup>lt;sup>14</sup> Extracted from an article in the Edge Malaysia dated 20 March 2024, titled "BNM sees economy expanding 4%-5% in 2024 amid resilient domestic expenditure, improved external demand" – refer https://theedgemalaysia.com/node/705230

Our Strategy and Performance Review Sustainability Statement

Our Significant Events and Achievements How We are Governed

# **Sustainability Statement**

# Chairman's Message on

# SUSTAINABILITY

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# **Dear Valued Shareholders,**

As the new Chairman of Amway, I am honoured to play a part in leading the teams who are integrating sustainability into every facet of the Group's operations. Since joining the Board in 2019, I have seen the growing emphasis on sustainability within our corporate culture. Amway's commitment to "Helping People Live Better, Healthier Lives" truly extends beyond our product offerings; it guides how we run our business, manage our resources, and engage with society and the environment.

> ABD MALIK BIN A RAHMAN Chairman and Senior Independent Non-Executive Director





In FY2023, we strengthened our sustainability agenda by aligning with Bursa Malaysia Securities Berhad's ("Bursa Securities") enhanced sustainability framework, consolidating our 14 Material Matters into 10, and enhancing our Sustainability Strategic Framework.

In line with our strategies for sustainable growth, we focused on practical but effective measures. To improve the customer experience and our operational efficiencies, we enhanced our eCommerce platform and digital capabilities. To bolster our governance and risk management framework, we introduced refinements to our Anti-Bribery and Corruption Policy. To reduce the impact of our environmental footprint, we went on to implement solar panels and electric vehicle ("EV") charging stations at our headquarters in Petaling Jaya and eliminate single-use plastic bags from our stores.

Our 2023 Sustainability Statement, which spells out these among our other efforts, outlines our journey towards creating sustainable, responsible, and ethical value for all our stakeholders. The strategic decisions made by the Board to evolve our sustainability practices and sustainability governance framework underscore our belief that healthier lives begin with a healthier planet, and our actions reflect this conviction.

As the Group moves forward steadfastly on a path of sustainable growth and value creation, I am confident that our strengthened sustainability efforts, coupled with our all-encompassing focus on health and wellbeing, will help propel us forward. I ask all our stakeholders to continue lending us their firm support as we work to ensure Amway maintains its position as a leader in providing holistic health and wellbeing solutions, as well as stands out as a role model for responsible corporate behaviour.

Thank you.

#### **ABD MALIK BIN A RAHMAN**

Chairman and Senior Independent Non-Executive Director

How We are Governed

# Sustainability Statement (cont'd)

# AMWAY'S COMMITMENT TO SUSTAINABILITY

As Amway strides forward to positively impact economies, society, and businesses, we acknowledge the importance of embedding a strong culture of sustainability within our organisation to create lasting stakeholder value and business success. To this end, we continue to integrate responsible and sustainable Economic, Environmental, Social and Governance ("EESG") practices into our decision-making processes and business operations.

With solid business foundations and a wealth of resources in hand, Amway has been steadily preparing itself for the future and is now strategically positioned for long-term sustainable growth as well as to reinforce its role as a premier health and wellbeing company for entrepreneurial business owners in Malaysia.

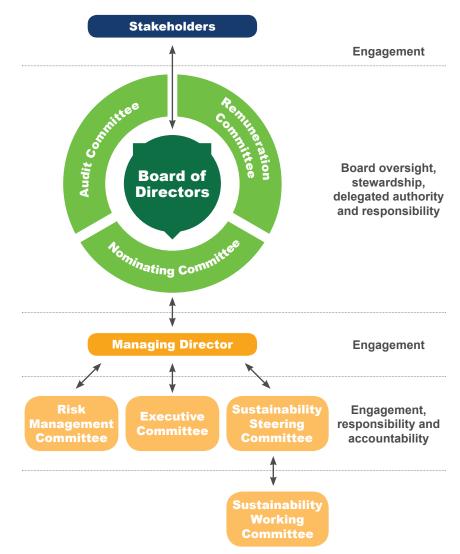
# **SCOPE AND BOUNDARIES**

This Sustainability Statement ("Statement") for the financial year ended 31 December 2023 ("FY2023") provides a formal account of the Group's sustainability strategies, actions, and accomplishments and their impact on our business operations, the environment, and the communities in which we are active.

The scope and boundaries of this Statement are consistent with the content of Amway's 2023 Annual Report which focuses primarily on Amway's activities within Malaysia. Spanning the period 1 January to 31 December 2023, this annual statement draws data from various sources, including internal surveys and workshops, among other collection methods. Back in FY2021, we enhanced our sustainability practices and governance framework so that they aligned with the revised Malaysian Code on Corporate Governance 2021 ("MCCG"). Building on this foundation, in FY2023, we further refined our material matters to closely align with Bursa Securities' Common Materiality Matters, consolidating our focus from 14 key matters into 10 key ones. This strategic refinement has empowered us to streamline our reporting, emphasising initiatives and indicators that most significantly contribute to Amway's sustainability and value creation efforts.

#### SUSTAINABILITY LEADERSHIP AND GOVERNANCE

The Board of Directors and Senior Management at Amway play a crucial role in overseeing the Group's Sustainability agenda, demonstrating leadership and governance oversight. Acknowledging that a robust sustainability strategy is essential to Amway's success, the Group's leadership, guided by the Chairman of the Board, is deeply dedicated to integrating sustainable practices and initiatives within the Group's business framework. This commitment is vital for Amway's long-term value-creation efforts and strengthening stakeholder confidence.



In line with the MCCG recommendations, Amway's leadership is tasked with oversight of the Group's sustainability governance. This entails setting sustainability strategies, priorities, and targets, with a commitment to organisational adherence. Our leadership is also responsible for ensuring the transparent and timely communication of these aspects to both internal and external stakeholders. As part of their broader obligations, our leaders ensure they stay informed and are well-versed with material sustainability issues, including the management of climate-related risks and opportunities pertinent to Amway.

# In Support of the Board's Sustainability Mandate

To reinforce the Board's commitment to sustainability, Amway has established dedicated committees with a specific focus on implementing the Board's sustainability directives effectively.

<u>၉၉၉</u> The Group's Sustainability Steering Committee ("SSC")	↑음↑ The Group's Sustainability Working 효혼 Committee ("SWC")
<ul><li>The SSC plays a pivotal role in guiding the Group's sustainability initiatives. Its key responsibilities include:</li><li>Reviewing and proposing material sustainability matters</li></ul>	The SWC focuses on operationalising sustainability throughout the Group, with responsibilities that encompass:
<ul> <li>Allocating necessary resources for the execution of</li> </ul>	<ul> <li>Facilitating effective stakeholder engagement and identifying key material matters;</li> </ul>
these strategies;	Conducting assessments to determine materiality;
<ul> <li>Overseeing the implementation and progress of sustainability strategies across the Group;</li> </ul>	Formulating and executing sustainability strategies;
<ul> <li>Reporting to the Board on the management of material matters; and</li> </ul>	<ul> <li>Establishing targets and performance indicators for SSC and Board consideration;</li> <li>Monitoring the relieve of quetainshility strategies; and</li> </ul>
<ul> <li>Selecting members for the Sustainability Working Committee.</li> </ul>	<ul> <li>Monitoring the rollout of sustainability strategies; and</li> <li>Reporting to the SSC on the advancements and performance of sustainability initiatives.</li> </ul>

The expertise and experience of the members in these committees span the full spectrum of the Group's material sustainability matters, ensuring comprehensive and informed oversight.



# Sustainability Statement (cont'd)

#### STAKEHOLDER ENGAGEMENT

Amway's stakeholders comprise individuals or groups impacted by our business operations and activities, as well as those who exert influence on us. Our diverse stakeholder groups include our entrepreneurial Amway Business Owners ("ABOs"), Amway Privileged Customers ("APCs"), employees, the investment community, regulatory bodies, and the communities in which we operate. We regard these stakeholders as crucial contributors, guiding us in identifying the most material aspects across the Economic, Environmental, and Social ("EES") dimensions.

Amway is committed to being an inclusive organisation that attentively addresses the needs of our stakeholders. We achieve this through active engagement, utilising various online communication channels and platforms. The following provides an overview of Amway's stakeholder categories, detailing the Group's specific needs and expectations, along with our strategies for engagement:

STAKEHOLDER CATEGORIES	RELEVANT NEEDS AND EXPECTATIONS	ENGAGEMENT APPROACH
Amway Business Owners (ABOs) / Amway Privileged Customers (APCs)	<ul> <li>Timely and responsive communication and actions, support, and grievance mechanisms</li> <li>Timely product delivery</li> <li>Clear and fair procedures/rules</li> <li>Product training</li> <li>Marketing and promotion of products</li> <li>Honouring contractual agreement</li> <li>Fair pricing</li> <li>Products and services meet expectations</li> <li>Product safety and quality</li> <li>Product innovation</li> <li>Sustainable products, packaging, ingredients</li> </ul>	<ul> <li>Marketing and promotions</li> <li>Leader Growth Solutions Team</li> <li>Customer Careline</li> <li>Social media</li> <li>Events, forums/seminars, roadshows and rallies, Amway Diamond Advisory Council (ADAC)</li> </ul>
°°°°° Employees	<ul> <li>Safe and healthy workplace</li> <li>Fair treatment according to legal requirements and labour standards (mandatory and voluntary)</li> <li>Competitive remuneration and other benefits</li> <li>Training, guidance and support</li> <li>Equal opportunity and career development</li> <li>Diversity, equity and inclusiveness at the workplace</li> <li>Secure employment</li> <li>Work-life balance</li> <li>Consistent and transparent communication</li> </ul>	<ul> <li>Townhalls</li> <li>Intranet/newsletters</li> <li>Employee engagement surveys</li> <li>Engagement events (in-house talks, training sessions, development programmes, and social events)</li> </ul>

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STAKEHOLDER CATEGORIES	RELEVANT NEEDS AND EXPECTATIONS	ENGAGEMENT APPROACH
<ul> <li>Government / Regulatory</li> <li>Authorities e.g.,</li> <li>Bursa Malaysia Securities Berhad</li> <li>Securities Commission Malaysia</li> <li>Companies Commission of Malaysia</li> <li>Department of Occupational Safety and Health (DOSH)</li> <li>National Pharmaceutical Regulatory Agency, Ministry of Health Malaysia (NPRA-MOH)</li> <li>Food Safety and Quality Division, MOH (FSQD-MOH)</li> <li>Ministry of Domestic Trade and Cost of Living (KPDN)</li> <li>Ministry of Communications (MOC)</li> <li>Ministry of Women, Family and Community Development (MWFCD)</li> </ul>	<ul> <li>Demonstration of compliance with respective authorities' requirements</li> <li>Timely and responsive communication and actions</li> <li>Support for government policies and objectives</li> </ul>	<ul> <li>Participation in government and regulator events</li> <li>Regulatory and technical associations</li> </ul>
Amway Global Head Office	<ul> <li>Amway's good image and reputation</li> <li>Continued profitability and growth</li> <li>Timely and responsive communication and actions</li> <li>Compliance with local regulations</li> <li>Adherence to Amway Global's strategic direction</li> </ul>	<ul> <li>Townhalls</li> <li>Intranet/newsletters</li> <li>Engagement events (in-house talks, training, development programmes and social events)</li> <li>Employee engagement surveys</li> </ul>
External Goods and Service Providers (Suppliers)	<ul> <li>Clear contract specifications</li> <li>Honouring contractual agreements, e.g., prompt payments</li> <li>Fair treatment of workers according to legal requirements and labour standards (mandatory and voluntary)</li> <li>Fair pricing – remuneration</li> <li>Responsive and timely communication</li> <li>Continued business support for enhancing resource capacity</li> </ul>	<ul> <li>Supplier surveys on corporate responsibility</li> <li>Supplier audits</li> <li>Industry conferences and road shows</li> <li>Partnering programmes, site visits and seminars</li> </ul>
<ul> <li>Industrial Affiliates (Industry and Trade Associations) e.g.,</li> <li>Direct Selling Association of Malaysia (DSAM)</li> <li>Malaysian Dietary Supplement Association (MADSA)</li> <li>ASEAN Alliance of Health Supplement Associations (AAHSA)</li> <li>Cosmetic, Toiletry and Fragrance Association of Malaysia (CTFAM)</li> <li>American Malaysian Chamber of Commerce (AMCHAM)</li> </ul>	<ul> <li>Demonstration of compliance obligations</li> <li>Knowledge sharing</li> <li>Adherence to affiliates' charter/ code</li> <li>Timely and responsive communication and actions</li> <li>Participation in affiliate activities</li> </ul>	<ul> <li>Key conferences and industry events</li> <li>Board meetings</li> </ul>

# Sustainability Statement (cont'd)

STAKEHOLDER CATEGORIES	RELEVANT NEEDS AND EXPECTATIONS	ENGAGEMENT APPROACH
Investors / Shareholders	<ul> <li>Focused on profitability and growth</li> <li>Ongoing product innovation to meet changing market demand</li> <li>Safeguarding Amway's good image and reputation</li> <li>Demonstration of sound EES performance</li> </ul>	<ul> <li>Electronic Annual Report</li> <li>Annual General Meeting (AGM)</li> <li>Financial reports</li> <li>Analyst briefings</li> <li>Media releases</li> <li>Investor relations page on Amway's website</li> </ul>
Financial Institutions, e.g., Banks, Insurance Providers	<ul> <li>Manage risks to ensure financial soundness (physical and reputational risks)</li> <li>Honouring borrowing terms and conditions</li> <li>Timely and responsive communication</li> </ul>	<ul> <li>Results briefings, presentations and meetings</li> <li>Financial reports</li> <li>Stock exchange announcements</li> </ul>
Consumers	<ul> <li>Compliance with product specifications and other deliverables, e.g., quality, safety, Halal</li> <li>Fair product pricing</li> <li>Product innovation</li> <li>Products that meet consumer's needs, e.g., innovative, sustainable</li> <li>Timely and responsive communication and actions - good customer service</li> </ul>	<ul> <li>Sales, marketing and promotions</li> <li>Corporate Social Responsibility activities</li> <li>Social media</li> <li>Direct selling industry engagement</li> </ul>
Community and General Public	<ul> <li>Avoid negative impacts from the Group's operations on the environment, public safety and security, livelihood, etc.</li> <li>Participation in community programmes</li> <li>Timely and responsive communication and actions</li> <li>Potential job opportunities</li> </ul>	<ul> <li>Sales, marketing and promotions</li> <li>Corporate Social Responsibility activities</li> <li>Social media</li> <li>Direct selling industry engagement</li> </ul>
Media	<ul><li>Timely and accurate communication</li><li>Responsive to queries</li></ul>	<ul><li>Social media engagement</li><li>Media monitoring</li></ul>
Non-Governmental Organisations (NGOs) / Civil Society Organisations (CSOs)	<ul> <li>Support NGOs objectives, e.g., upholding of human rights, consumer protection, environmental protection, etc.</li> <li>Participate in NGOs' programmes</li> </ul>	Corporate Social Responsibility activities

# DETERMINING OUR MATERIALITY MATTERS

Striking a balance between short- to long-term objectives and the best interests of stakeholders, our actions are shaped by the Group's materiality matters, which encompass the significant topics, aspects, and disclosures we consider essential to manage and report. These matters are crucial in influencing Amway's process of value creation. The determination of our materiality topics is conducted through a comprehensive assessment that incorporates impacts on the EES aspects of our business, as well as market dynamics, and insights derived from stakeholder interactions.

The Group's materiality assessment, which comes under the ambit of the Board, SWC, and SSC, consists of the following steps:

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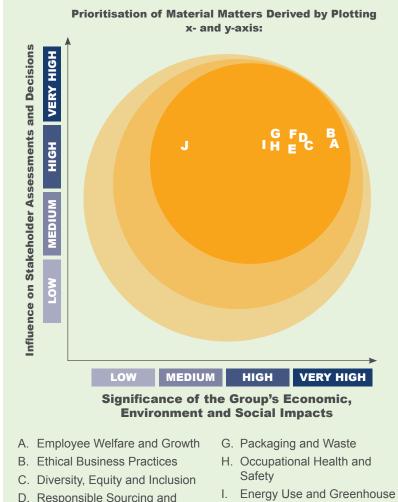
Determining and assessing the significance of the Group's EES impacts using specific criteria.

Grouping significant EES impacts into "topics" based on the Global Reporting Initiative ("GRI") Standards, Bursa Securities' Sustainability Reporting Guide and Enhanced Sustainability Reporting Framework, and other peer-reviewed sources.

Identifying and prioritising the Group's stakeholders and their relevant needs and expectations.

Conducting an online survey to gauge stakeholders' views on the importance of managing each identified topic.

Creating a materiality matrix to gauge our stakeholders' perception against the Group's internal evaluation.



- D. Responsible Sourcing and Supply Chain
- E. Engaged Communities
- F. Data Privacy and Protection
- Energy Use and Greenhouse Gas Emissions
- J. Water Use

This matrix magnifies the scores of 'Medium' to 'Very High', to better reflect the placement of the material matters.

The materiality assessment conducted in FY2021 resulted in the identification of 14 key matters, deemed crucial for management and reporting by the Group. In FY2023, we streamlined these 14 materials matters into 10 key ones that aligned with Bursa Securities' requirements. The four material matters that were deferred included "ABO Relationship and Empowerment", "Modernisation and Digitisation", "Consumer Health, Safety and Satisfaction", and "Contribution to the Economy". While these matters will not be prioritised in our current statements, they will be considered in future reporting. As such, the Group will continue to monitor these matters as well as their associated risks, opportunities and commitments closely.

# Sustainability Statement (cont'd)

In our latest materiality matrix, we have combined "Employee Interest and Welfare" with "Learning and Growth" to form the "Employee Welfare and Growth" category. We also added "Water Use". While "Water Use" was initially recognised as a material matter in our FY2021 assessment, it was not prioritised for reporting at that time as our EES impacts related to this matter were not considered particularly significant. For FY2023, we have included "Water Use" as a material matter to align with Bursa Securities' prescribed common sustainability matters.

NEW MATERIAL MATTERS	CORRESPONDING BURSA SECURITIES' COMMON SUSTAINABILITY MATTERS
1. Ethical Business Practices	1. Anti-corruption
2. Engaged Communities	2. Community / Society
3. Diversity, Equity and Inclusion	3. Diversity
4. Energy Use and Greenhouse Gas	4. Energy management
Emissions	5. Emissions management
5. Occupational Health and Safety	6. Health and safety
6. Employee Welfare and Growth	7. Labour practices and standards
7. Responsible Sourcing and Supply Chain	8. Supply chain management
8. Data Privacy and Protection	9. Data privacy and security
9. Packaging and Waste	10. Waste management
10. Water Use	11. Water

By adopting this approach, we are aligning our operations and sustainability agenda with industry best practices. At the same time, we are setting in place a more streamlined focus to ensure the sustainability of our value-creation efforts for the long-term. Our latest material matters, endorsed by the Board, along with their objectives and relevance, are detailed in the following table:

# Amway's 10 Material Matters and Their Relevance



# **Ethical Business Practices**

We are to conduct business in an ethical manner across all our operations and supply chains. This includes addressing ethical concerns like corruption (including accounting and tax fraud, bribery, etc.), ensuring fair competition among ABOs, and implementing robust procurement practices within the Group. It also entails demonstrating how we keep to our integrity, governance, and compliance commitments.

# **Engaged Communities**

We are to ensure that our operations do not adversely impact the surrounding communities and the general public. Potential negative effects include harming the livelihoods of individuals or local businesses and causing public disturbances, e.g., via traffic congestion or local pollution. We will aim to positively contribute to society by amplifying the beneficial impact of our community engagement initiatives and collaborative efforts.



# **Diversity, Equality and Inclusion**

We seek to promote diversity, equity, and inclusion ("DE&I") across all aspects of our operations including product selection, ABO management, employee recruitment, welfare, and procurement practices. This includes tackling DE&I challenges like gender inequality, age, racial, and religious discrimination, and actively supporting and providing opportunities for differently-abled individuals and marginalised communities.

# **Amway's 10 Material Matters and Their Relevance**

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#### Energy Use and Greenhouse Gas Emissions

Being a responsible corporate citizen, we are to reduce the impact of our energy consumption (including fuel and electricity) and Greenhouse Gas ("GHG") emissions across our operations, thereby contributing to climate change mitigation. This involves enhancing our processes and practices, such as incorporating renewable energy for electricity and optimising transportation activities, to not only lessen our contribution to climate change but also to effectively manage its impact on our business.



# **Occupational Health and Safety**

We are to ensure a healthy and safe workplace for our employees and all individuals working on our behalf. This commitment extends to preventing both physical and mental harm. It encompasses actively consulting with employees and involving them in Occupational Health and Safety ("OHS") management processes. Additionally, we will offer health-oriented programmes, including regular medical check-ups and campaigns promoting healthier lifestyles, to further safeguard the wellbeing of our workforce.



# **Employee Welfare and Growth**

We are to cultivate a sense of belonging among our employees by promoting personal growth and enhancing job satisfaction. This includes ensuring fair remuneration and benefits, job security, fulfilment, and respecting employee rights. We are to create a work environment that encourages employee involvement in decision-making processes. Additionally, we will offer opportunities for career and skill development through ongoing training and education, aiming to enhance long-term career prospects and job stability.



#### **Responsible Sourcing and Supply Chain**

We aim to prevent or reduce the environmental and social impacts associated with the lifecycle and supply chain of our products. We implement criteria and processes for selecting products and suppliers/ service providers, considering the Group's sphere of influence over these activities. Effective supply chain management for us involves maintaining ethical business practices, respecting human rights, adhering to environmental standards, and consistently enhancing the skills and capabilities of our suppliers to boost their performance.



#### **Data Privacy and Protection**

We are to responsibly handle the personal data of our stakeholders in our possession. This entails adhering to best practices in the collection, utilisation, and security of personal data to prevent data loss and privacy breaches that could negatively impact those involved.



#### **Packaging and Waste**

We are to mitigate pollution stemming from our operations. This effort involves managing the environmental impact caused by the usage and disposal of packaging materials and waste, both solid and liquid, produced in daily activities. This also encompasses the handling of returned and expired products that require disposal.

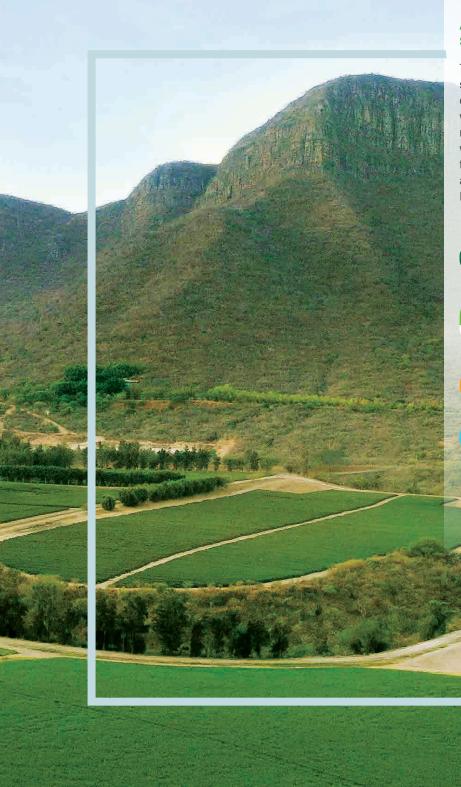
# Water Use

We commit to responsible water stewardship, emphasising efficient use, waste reduction, and sustainable practices in our operations and supply chain. We will invest in water-efficient technologies and promote conservation efforts, aiming to minimise our water footprint and lead by example in sustainable water management.

Moving forward, we are committed to regularly reviewing our 10 material matters, conducting assessments whenever organisational changes or new stakeholder requirements emerge. These frequent reviews and revisions are integral to maintaining transparency and driving continuous improvements in our sustainability efforts.

How We are Governed

# Sustainability Statement (cont'd)



# AN ENHANCED SUSTAINABILITY STRATEGIC FRAMEWORK

The Group's Sustainability Strategic Framework strategically guides our sustainability efforts, evaluates our progress and aligns our actions with our goals. Following the realignment of our materiality matters during the year in review, we conducted a systematic assessment of the Group's sustainability journey to finetune and strengthen our Sustainability Strategic Framework.

# STAKEHOLDER ENGAGEMENT



This exercise saw the Group review various factors, including our business context, direction, activities, products, services, and our EES impacts. These comprehensive efforts culminated in the creation of the following enhanced Sustainability Strategic Framework in FY2023:



At the forefront of our Sustainability Strategic Framework are our six timeless Amway Values – Personal Worth, Partnership, Integrity, Achievement, Personal Responsibility, and Free Enterprise. These core values persist as guiding principles for the Group and will continue to steer our progress and actions as we move forward.



Our revised Sustainability Strategic Framework aligns with 14 out of the 17 SDGs that are most pertinent to our Group. This targeted alignment with the SDGs enhances our capacity to contribute effectively to the global sustainability agenda. By adopting this focused strategy, Amway ensures that our collaborative engagements with various stakeholders are directed towards achieving precise and sustainable outcomes.

# Sustainability Statement (cont'd)

# 3

# Sustainability Pillars and Strategic Approaches

P Pillar 1: Building Entrepreneurs

- Provide Income Generating
   Opportunities
- Develop Business Acumen to Cultivate Growth

Amway plays a crucial role in fostering entrepreneurship which is essential for the Group's growth as well as aiding in income generating activities that are aligned with national economic objectives.

# A Pillar 2: Nurturing People and Community

- Focus on Ethically Gained Growth Benefiting All Stakeholders
- Pay It Forward
- Promote Workplace Wellbeing

Our people-centric approach emphasises the importance of our employees and the community even as we forge ahead in our mission to improve society through health and nutrition.

# Pillar 3: Wellbeing-Focused Responsible Products

- Provide Trusted Products
- Environmental Stewardship
- Source Responsibly

The Group is at the forefront of offering wellbeing products that are beneficial to society and which minimise social and environmental impacts across their lifecycle.

# **10 Material Matters**



Each Pillar encompasses strategic approaches for managing the Group's material matters. These strategies include defined goals, action plans, initiatives, targets, and performance indicators.

For every material matter identified by the Group, we have formulated comprehensive goals and a series of supportive actions. Implementing these actions is crucial for managing our EES impacts and steering the Group towards enhanced sustainability in our business operations.

# Elements to Guide and Support the Framework

# Policies Commitments and Initiatives Disclosure Indicators

Governance

At the foundation of the framework lie the essential policies, commitments, and initiatives, alongside disclosure indicators and governance measures. These elements are critical in guiding and facilitating the effective implementation of the Sustainability Strategic Framework.

In the ensuing sections, specifically under Our Sustainability Commitments, we delve into the sustainability commitments, strategies, and achievements for the year. In February 2023, Amway introduced a comprehensive Sustainability Policy that will be used internally to further guide the Group in our pursuit of sustainable growth and profitability by integrating EES considerations into our business. This is part of our commitment to integrate sustainability into all aspects of our operations, culture, and ecosystem, fostering long-term value creation and delivery.

#### AMWAY'S SUSTAINABILITY COMMITMENTS



#### **Pillar 1: Building Entrepreneurs**

One of the most significant components of our business model is the fostering of entrepreneurship within our ABOs. Our commitment to nurturing entrepreneurs not only propels the Group's growth and secures a sustainable income stream but also aligns with the national economic objectives. Our ABO initiatives are structured around two core themes:

#### **Providing Income Generating Opportunities**

This theme focuses on creating avenues for individuals to earn and grow financially through entrepreneurial ventures. By supporting ABOs in this manner, Amway actively contributes to economic development and individual empowerment.

## **Developing Business Acumen to Cultivate Growth**

Under this theme, Amway places an emphasis on equipping entrepreneurs with the necessary skills and knowledge to successfully grow their businesses. This involves training and mentorship programmes, aiming not only for business success but also for the personal development of each entrepreneur.

By adhering to these themes, we are ensuring that our approach to entrepreneurship development is comprehensive, sustainable, and beneficial, both to the individuals involved and to the broader economic landscape. Additionally, these themes encapsulate key material matters and are in harmony with the SDGs:



# **Providing Income Generating Opportunities**

For over 47 years, Amway has been driven by the vision of "Helping People Live Better, Healthier Lives". Rooted in our Founders' Fundamentals of Freedom, Family, Hope, and Reward, our mission is to empower individuals from diverse backgrounds to realise their utmost potential and fulfil their aspirations. Our approach involves assisting our entrepreneurial ABOs in generating income and fostering value through mutually rewarding partnerships. We are constantly seeking innovative ways to open up new income avenues for our ABOs, supporting them in their journey towards achieving their personal and professional goals.

Amway's efforts are also driven by our aspiration to develop value-creation opportunities for entrepreneurs on an equal playing field, regardless of their background, age or race, among other things. These goals, along with Amway's expanded focus on gut reset and holistic health initiatives, played a pivotal role in attracting a diverse range of ABOs and APCs to join the Amway family in FY2023.

Numbe	er of Core A	BOs & APC	s
	FY2021	FY2022	FY2023
Total Core ABO Force Size	296,000	326,000	317,000
Total Core APC Force Size	Launched	128,000	87,000

The decrease in our core ABO force numbers in FY2023 was attributable to improved economic conditions, which led to more full-time job opportunities with greater security for the populace. Additionally, the lower unemployment rate of 3.4% increased the competition for gig work, impacting the year's core ABO force numbers. Despite these challenges in the direct selling industry, we remain committed to maintaining our core ABO force.



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Our Strategy and Performance Review How We are Governed

# Sustainability Statement (cont'd)



Meanwhile, our lower core APC numbers can be attributed to our APC Conversion Programme in which we encourage APCs to convert to ABOs. This initiative was our intentional response to the soft market conditions in which we chose to prioritise community strengthening and "building entrepreneurs".

We take great pride in our diverse force, which serves as a testament to Amway's commitment to inclusivity and equal opportunity for all. Within our dynamic force, women find a supportive environment where their talents and leadership skills are nurtured, enabling them to take on prominent roles within the organisation. Additionally, Amway provides a unique platform for young entrepreneurs, offering them the guidance, resources, and mentorship needed to thrive in the business world.

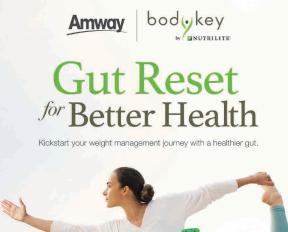
Force Statistics	in FY2023	
	Female	Male
Total Core ABO Force by Gender (%)	70%	30%
Total Core APC Force by Gender (%)	74%	26%
	Under-35	Above-35
Total Core ABO Force by Age (%)	37%	63%
Total Core APC Force by Age (%)	46%	54%

# **Developing Business Acumen to Cultivate Growth**

At Amway, we recognise the crucial role of a knowledgeable, up-to-date, and well-educated ABO force in driving the Group's growth. Maintaining a wellinformed ABO community is essential for fostering a dynamic and progressive business environment. To ensure the sustainability of income opportunities, we are dedicated to continuously enhancing the skills and capabilities of our ABOs. This commitment is actualised through various training and educational opportunities designed to support their professional development. By providing these resources, we aim to equip our ABOs with the tools and knowledge necessary for success, ensuring they are well-prepared to meet the evolving demands of the market and to capitalise on emerging business opportunities.

To this end, FY2023 saw us conducting 89 training programmes and equipping courses. These included Nutrilite workshops specifically dedicated to implementing the Nutrilite Gut Reset Weight Management Programme. These initiatives were in line with the Company's transformative journey towards Big Health.

For more details, refer to the section titled "Nutrilite Gut Reset Weight Management Programme: Our Key To Unlocking Holistic Health And Wellbeing Potential" on pages 25 to 27.





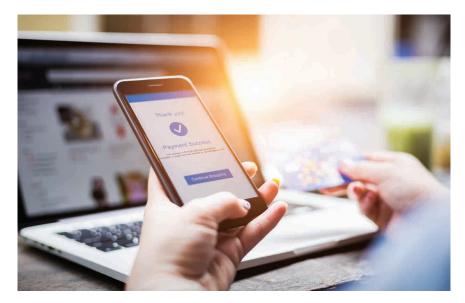


In addition to our brand-specific workshops, Amway also conducted Sales Training Programmes which were designed to enhance the sales and delivery methods of our entrepreneurial ABOs. These included the Go Founders Platinum Programme and the Better Me Storytelling Training for Leaders.

As part of our aim to champion peer-to-peer learning and to inspire success through building connections, we organised several rallies, meetings and forums as well as various events. The key highlights of these events were the highly anticipated National Leadership Conference and Dinner, at the Malaysia International Trade and Exhibition Centre ("MITEC"), as well as the Nutrilite Experience Day and Exclusive Leadership Rally.



For more details on these programmes and events, please refer to the Management Discussion and Analysis section of this Annual Report.



#### **Enhancing Our eCommerce Proficiencies**

As the business environment began stabilising after the pandemic, Amway observed a subtle shift in sales channel dynamics. In 2023, the proportion of online sales slightly decreased to 51% from 55% in 2022. However, our online platform's performance remained robust, evidenced by a steady stream of returning users and online purchasers, keeping the total website visits and unique visitor numbers consistent with the previous year's figures.

Capitalising on this stable engagement from our ABOs and APCs, we focused on improving the user experience. This resulted in a record-high Website Satisfaction Score of 95% in November 2023, showcasing our commitment to user satisfaction and expanding our audience.

Our eCommerce platform serves as an invaluable tool for our ABOs and APCs, offering them a seamless means to efficiently manage their businesses, place product orders, and engage with customers through online channels. This platform empowers them to expand their reach, enhance productivity, and achieve greater success in their endeavours.





# Sustainability Statement (cont'd)

# **Pillar 2: Nurturing People And Community**

The Second Pillar of our Sustainability Strategic Framework focuses on the Group's efforts that are dedicated to enhancing the lives of our people and the broader community. Whether it is all about nurturing our people-centric culture or offering health and wellbeing products, our priority is to impact individuals in a holistic and positive manner.

Diversity, Equity and InclusionEmployee Welfare and GrowthEthical Business PracticesData Privacy and ProtectionOccupational Health and SafetyEngaged Communities
Data Privacy and Protection Occupational Health and Safety Engaged Communities

# Championing Diversity, Equity and Inclusivity ("DE&I")

Amway values the diverse backgrounds, ethnicities, cultures, and talents of our employees, and we are dedicated to creating an inclusive environment that mirrors our core values. We recognise diversity as a catalyst for innovation and a crucial element in our journey towards our A70 vision. As part of our commitment to the Global Family, we are actively engaged in a multi-year DE&I initiative aimed at transforming our organisation. Understanding that a diverse workforce enriches discussions, enhances decision-making, and strengthens our company, we have established global aspirational goals across three tiers, to ensure accountability as we progress towards our A70 vision which will mark Amway Global's 70<sup>th</sup> anniversary in 2029.

Our latest Culture & Engagement Survey reveals that 76% of our employees acknowledge Amway's commitment to providing equal opportunities for everyone, regardless of age, race, gender identity, ability or disability, sexual orientation, gender expression, or religion.

The composition of Amway's workforce reflects a diversity of gender and roles, with 33% comprising temporary or contract workers. This diversity within our team is a testament to our ongoing efforts to build an environment where every individual's unique contribution is valued and respected.



Percentage of Employees by Gender for FY2023				
	Female	Male		
Executives	62%	38%		
Non-Executives	54%	46%		

Percentage of Employees by Age Group for FY2023				
	Under-30	31-40	41-50	Above-50
Executives	15%	43%	33%	9%
Non- Executives	28%	37%	26%	9%

As can be seen in the table above, Amway demonstrates a strong commitment to inclusive talent practices. The Company proudly employs 345 individuals, with women constituting 61.5% of executive roles and some 54% of non-executive roles.

#### Percentage of Board of Directors by Gender:



Amway's active support for female leadership is evident in its board composition where 3 out of 8 Directors, or 38%, are women - surpassing the recommended minimum 30% under Practice 5.9 of the MCCG. Additionally, two women are poised to hold committee chair positions within our governance structure, highlighting their influential roles in shaping our direction.



For more details on our commitment to female representation within our governance structure, please refer to the Chairman's Statement section of this Annual Report.

Percentage of Amway's Board of Directors by Age for FY2023 50-59 Above-60 38% 62%

Furthermore, the Group does not discriminate against age, with both our staff and Board of Directors proudly comprising individuals at various stages of life.

Number of Contract Workers	
FY2022	FY2023
24%	33%

In FY2023, we had 10% more contract workers than we did in the preceding year. This increase in contract workers was primarily driven by two factors. Firstly, the introduction of a new Employment Act earlier in the year, which reduced the maximum working hours from 48 to 45 hours, necessitated additional staffing to meet operational requirements. Secondly, a shortage of available manpower compelled us to engage contractors to manage our shop operations.

Beyond our recruitment practices, we actively pursue a range of initiatives aimed at enhancing diversity and inclusion across the Group. To measure our effectiveness in this regard, we utilise the Employee Perception Survey. This internal tool is designed to capture our employees' views on the inclusivity of Amway's workplace.

As a frontrunner in the industry, we are committed to solidifying our status as a preferred employer. The number of employee turnover in FY2023 is as follows:



# SAFEGUARDING OUR VALUES, NURTURING GROWTH

At Amway, we are dedicated to fostering growth that is not only ambitious but also ethically and responsibly sourced. Our commitment extends beyond our internal operations, as we strive to instil a deep understanding of ethical behaviour and sustainability in our employees and relevant stakeholders. This is achieved through a comprehensive programme of training and eLearning opportunities that include our ethics, anti-corruption, health and safety, and privacy policies and practices. Our educational efforts, which are organised by theme, help us ensure that our workforce comprises individuals that understand the requirements for operating in a holistic, secure and dynamic workforce and who are equipped to carry Amway's vision.

#### Leaving a Legacy for the Future

We are not just committed to creating an inclusive environment but also to ensuring we leave behind a legacy for future generations of employees. In FY2023, to advance Amway's A70 vision and foster a culture of empowerment, innovation, and success, we initiated the Leadership Activation programme by introducing our "Lead with Heart" principles. This approach centres around three key habits: "Share Openly and Directly", "Include", and "Think We Before Me". The programme saw our leaders participate in an extensive training session in March, immersing themselves in the "Lead with Heart" principles and preparing to exemplify these behaviours. This session was complemented by eLearning modules to deepen our leaders' understanding and encourage discussions within their teams. Following these sessions, leaders engaged employees in Leadership Exchange conversations, bringing these principles and habits to life through active dialogue and leading by example.

# Sustainability Statement (cont'd)

# **Pillar 2: Nurturing People And Community**

To reinforce our Founders' Growth Mindset, which underpins our organisational culture, new managers and first-time leaders participated in the Leading with Founders' Growth Mindset ("LFGM") course. The LFGM course emphasised the three cultural pillars - "Lead with Heart", "Live to Serve", and "Love to Learn" - throughout the year, which equipped our leaders to champion this culture in their personal and professional spheres. We encourage our leaders to embody these values and inspire others, fostering a nurturing and supportive organisational culture.

# COMMITTED TO UPHOLDING ETHICAL BEHAVIOUR

Amway's commitment to upholding anti-bribery and corruption laws is unwavering. We maintain a strict zero-tolerance stance on bribery and corruption, championing integrity in every facet of our operations. Our comprehensive anti-bribery and corruption policies and rigorous compliance measures that safeguard every employee and partner adhere to the highest ethical standards. This commitment not only safeguards our reputation but also reinforces our dedication to fostering a business environment built on trust and transparency.

To reinforce this commitment, Amway has established comprehensive policies, including the Anti-Bribery and Corruption ("ABAC") Policy, Code of Conduct and Ethics, and Whistleblower Policy. All directors and employees are required to declare that they have read, understood and comply with the ABAC Policy, Code of Conduct and Ethics, and the Global Code of



Conduct on an annual basis. These policies and codes are easily accessible to the public via our website at <u>www.amway.my</u> and to our employees via our internal Intranet.

In terms of reporting, Amway provides multiple whistleblowing channels, including an online platform at <u>www.ethicspoint.com</u>, the Audit Committee Chairperson, Company Secretary, and Human Resource Department, ensuring confidentiality for both employees and external parties.

We conduct ABAC risk assessments for new vendors before onboarding them, and they are required to sign a declaration of compliance with Amway's ABAC Policy. Additionally, ABAC clauses are included in our contracts with vendors identified as higher risk and are incorporated into all Purchase Orders.

Moreover, we proactively identify corruption risks, establish preventive controls, and monitor them through our Corporate Risk Register, which is updated quarterly and presented to the Audit Committee. The Group's risk assessment covers the following key areas.



Number of Corruption Incidents

None

To uphold our commitment to integrity, all employees are required to complete the annual Global Code of Conduct training organised by the Amway Global Compliance Team. All Directors and certain department employees are mandated to attend the US Foreign Corrupt Practices Act 1977 ("FCPA") training and answer the related questionnaire once every two years. Furthermore, we conduct comprehensive eLearning modules on our ABAC Policy, Code of Conduct and Ethics and Whistleblower Policy for our Directors, employees and key affiliates team who support Amway's operations.



ABAC Tr	aining Attendance for	FY2023
Non-Executives	Executives	Directors
100%	100%	100%

For a summary of our commitment to ethical conduct in our vendor management and procurement practices, please turn to "Pillar 3: Wellbeing-Focused and Responsible Products in this Sustainability Statement".

# PROTECTING OUR STAKEHOLDERS' DATA AND PRIVACY

At Amway, safeguarding our customers' data and privacy are paramount. We adhere to stringent measures and protocols to ensure the security and confidentiality of customer information. Our commitment to data protection extends to comprehensive data security systems and employee training programmes such as cybersecurity training that emphasise the importance of data privacy and the need to stem data breaches. During the year in review, the Group conducted Amway's 2023 Annual Information Security Training programme which is a thorough computer-based training programme designed to educate employees on information security principles, best practices, and essential Payment Card Industry ("PCI") topics.

We also invest in cutting-edge technology and compliance with data protection regulations to prevent any breaches or losses of customer data. Our dedication to privacy and data security underscores our unwavering commitment to maintaining trust and integrity in all our customer relationships. Amway's Information Security Risk Team conducts vendor risk assessment to ensure service providers who handle data or systems on behalf of Amway have the capabilities to handle the data and information systems securely.

> For FY2023, we reported Zero substantiated complaints concerning breaches of customer privacy and losses of customer data.



Our Strategy and Performance Review Sustainability Statement

Our Significant Events and Achievements

How We are Governed

# Sustainability Statement (cont'd)



# STRENGTHENING WORKPLACE HEALTH AND SAFETY

Amway places the utmost importance on health and safety, prioritising it as a key consideration of its Sustainability Strategic Framework. The Group is dedicated to fostering a workplace environment that not only meets safety standards but also instils a sense of security and wellbeing among its employees and workers. This commitment to safety ensures that every team member can perform their duties in optimal conditions, thus contributing to the overall productivity and morale of the organisation.

Following detailed risk assessments in FY2022 and FY2023, Amway has committed to enhancing the Group's Occupational Health and Safety ("OHS") measures. On 6 October 2023, the Group's Managing Director officially endorsed and recognised the Amway Environmental, Safety and Health ("EHS") Policy. This initiative affirms Amway's commitment to compliance and provides clear EHS guidelines for our employees at all levels. To ensure comprehensive understanding and inclusivity, the policy was made available in both English and Bahasa Malaysia. The Group also implemented the following initiatives during the year in review:

**Monthly EHS Knowledge Series Sharing:** This initiative aims to regularly share information on diverse safety, health, and environmental topics within Amway. The goal of this initiative is to keep everyone updated with best practices and essential protocols for a safer work environment.

New First Aid Room at the Amway Headquarters, Petaling Jaya ("HQ PJ"): The new First Aid Room at our HQ PJ reflects our commitment to employee wellbeing. It serves as a temporary respite for unwell employees during work hours, equipped with essential supplies for immediate aid.

**Training Sessions:** A series of training sessions were provided to both employees and the EHS Committee, including:

- Incident Commander and Crisis Management Team Training
- Risk Management using HIRARC 2.0 for Accident
   Prevention
- SHO Engagement 2023 focused on ZERO Application Rejection
- · Managing Ergonomic Injuries at the Workplace
- Material Handling Equipment Training
- Chemical Safety Training
- Lockout Tagout ("LOTO") and Electrical Safety Training

These comprehensive initiatives have helped the Group to maintain its successful run of zero work-related fatalities and a lost-time incident rate of zero, thus underscoring Amway's unwavering commitment to maintaining the highest standards of workplace health and safety.

Health and Safety Statistics for FY2023	
Number of employees trained on health and safety standards	377
Number of work-related fatalities	None
Lost-time incident rate	0

# **Equipping Our Employees for Success**

Amway is dedicated to fostering the development and educational potential of its employees. By offering a diverse range of courses and training sessions, the Group aims to enhance employees' skills, technical expertise, and proficiency. This initiative aligns with the "Love to Learn" habit emphasised in the Amway Founders' Growth Mindset framework.

In addition to the various ethics, ABAC and EHS training sessions above, Amway also organised the following Employee Competency and Technical Training during the year in review:

Designing and Delivering Convincing Presentations Export and Import	Situational Leadership	Managing Business Relationships
Art of Managing Expectations	Working With Versatility	Writing Skills
High-Performance Intercom Communication	Industrial Relation Crucial	Continuous Improvement

For FY2023, we streamlined our training approach by introducing shorter, yet more intensive sessions, resulting in a reduction in training hours compared to the previous year.

Тс	otal Hours of Trainir	ng
FY2021	FY2022	FY2023
3,048	6,042	4,004

Total Training Hours by Employee Category:



## **Curbing Unauthorised Selling**

Amway's commitment to ethics extends beyond our educational efforts and encompasses our proactive measures to curb the unauthorised selling of our products on eCommerce platforms. Our collaboration with the Direct Selling Association of Malaysia ("DSAM") plays a crucial role in addressing these issues with the Ministry of Domestic Trade and Cost of Living ("KPDN"). We are dedicated to enhancing and continuously refining our strategies to prevent unauthorised online sales. Our initiatives include:

- Conducting monthly reviews and verifications of awards and rewards to promote Healthy Business Building among ABOs;
- Removing Amway products from eCommerce platforms via the Intellectual Property Rights ("IPR") portal and pursuing legal action when necessary;
- Holding regular meetings with ABO Leaders and sharing educational materials with ABOs;
- Regularly updating our rules, making enforcement and sanction statistics more visible to discourage non-compliance;
- Educating ABOs on maintaining a conducive business environment for longterm profitability;
- Developing and delivering social media content and training to emphasise the importance of adhering to Amway's rules, policies, standards, and guidelines; and
- Strengthening the awareness of Amway Values and Founders' Fundamentals through rules strategy initiatives.

These strategies are crucial for upholding the integrity of Amway's operations and fostering the success of our Amway Business Owners.

Our Strategy and Performance Review

# Sustainability Statement (cont'd)

# Cultivating A Holistic Work Environment

Amway is dedicated to creating a comprehensive work environment that supports a healthy balance between work and life for all our employees. In this spirit, Amway Malaysia upholds the Work by Design 2.0 initiative for employees of diverse ages and genders. This initiative is designed to align with our culture and values while ensuring employee wellbeing and meeting the needs of our ABOs and customers.

In FY2023, we intensified our support for mental health by advancing our Employee Assistance Programme ("EAP"). We introduced a new Online Resource Page for the EAP which provides all Amway employees with a central hub where they can access a variety of psychological assessments. These tools offer valuable perspectives on each individual's psychological and emotional wellbeing. Additionally, we have organised educational sessions on two critical mental health topics: "Self-Care and Love" and "The Power of Mind in Dealing with Stress", underscoring our dedication to the mental wellbeing of our team.

In ensuring the wellbeing of our employees, Amway upholds a strict no-tolerance stance for any kind of human violation and has established the necessary mechanics to ensure their rights are protected. To prioritise our employees' voices, we have implemented all the necessary channels for them to report grievances or violations.





Beyond the initiatives previously mentioned, Amway enhances its employees' retirement plans by contributing to the Employees Provident Fund ("EPF") at a rate surpassing the mandatory requirement. This gesture aims to aid our employees in securing a financially stable retirement. Furthermore, Amway offers an array of benefits to our employees, all of which fall under our FlexBen programme. This programme allows employees the flexibility to tailor their benefits according to their unique lifestyle and personal needs. Some of these benefits can be seen as follows:

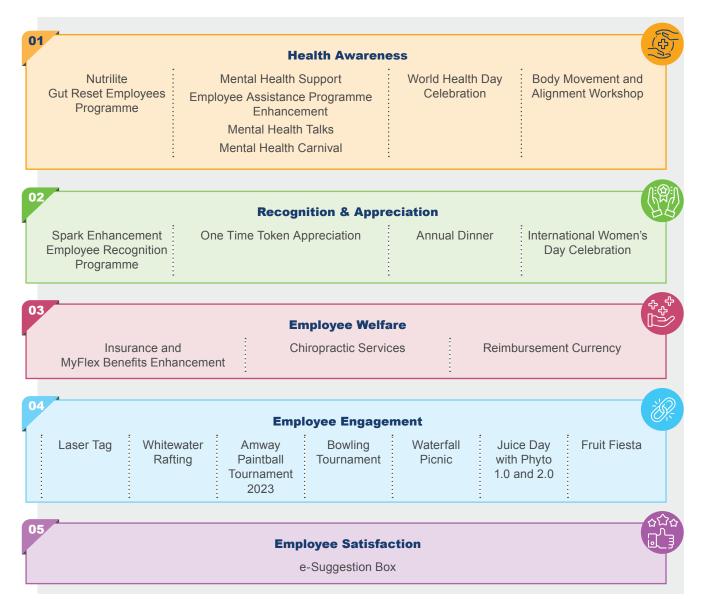


# Pillar 2: Nurturing People And Community

#### **Bolstering Employee Engagement Activities**

Employee engagement activities remain a key factor in nurturing the Group's team spirit and promoting effective internal communication at Amway. With this in mind, we prioritise organising events and activities for our employees. These initiatives are designed not only to boost positive employee engagement but also to inspire our team members to embrace healthy hobbies.

The following are among the activities we organised in FY2023:



How We are Governed

# Sustainability Statement (cont'd)

## **CARING FOR THE COMMUNITY**

Amway's dedication to promoting "better and healthier lives" stretches beyond our health and wellbeing products and is evident in our Corporate Social Responsibility ("CSR") endeavours. These include our volunteer activities which enables our employees to make a meaningful difference in communities. These initiatives are central to our mission, driving our workforce to contribute positively, and reinforcing Amway's role in societal development beyond our business operations.

#### Amway Volunteers @ RTH Sungai Buloh

One of our CSR highlights for FY2023 was the launch of our Amway Volunteers initiative, a study aid programme which saw our employees provide free tuition to students at *Rumah Tunas Harapan* ("RTH") Sungai Buloh. Hailing from various departments and locations, our 10 employees tutored the children, aged 7 to 17, in English, Mathematics and Science. Several dedicated volunteers have extended their support by engaging family members to offer supplementary lessons on weekends, both in-person and virtually. Since its commencement in June, these committed individuals have collectively dedicated an outstanding 83 hours to this impactful initiative.



#### **Blood Donation Drive**

In October 2023, the Group organised a Blood Donation Campaign. Held at the Amway Brand Experience Centre at HQ PJ, the event saw 162 employees, ABOs and APCs voluntarily donate blood. These donations will go a long way in helping those who are battling illnesses, undergoing surgeries, or facing emergencies where blood transfusions are essential.

#### Turkey Earthquake Disaster Relief

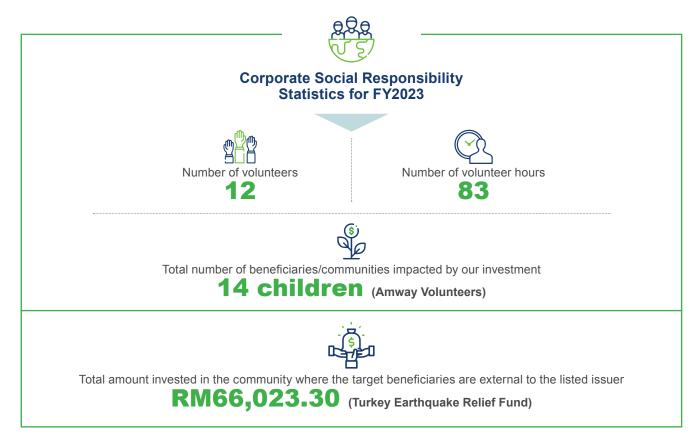
In response to the devastating earthquake in Turkey, Amway engaged in a global humanitarian relief effort. An initial donation of US\$200,000 was made by Amway Global to the Red Cross to support the local Red Crescent in Turkey. Complementing this, the Amway Malaysia team raised over RM66,000 through the Malaysian Red Crescent Society ("MRCS"), with Amway Global matching the contributions from Amway employees and ABOs worldwide. This contribution helped MRCS to send relief and basic aid items to victims of the devastating earthquake in the affected areas.



#### Projek HeadSTART

Beyond our volunteer efforts, Amway reinforces its dedication to offering underprivileged youths valuable internship experiences through Projek HeadSTART. This six-month programme is split evenly between hands-on technical training and administrative skill development. In FY2023, the initiative did not take-off due to a lack of suitable candidates even though the Group had reached out to the Department of Social Welfare to recruit apprentices.

In total, our CSR efforts for FY2023 saw Amway achieve the following results:





# Sustainability Statement (cont'd)

# Pillar 3: Wellbeing-Focused And Responsible Products

Amway places paramount importance on the quality, safety and environmental impact of our products, a commitment that guides our operational ethos. Our commitment extends from responsible sourcing and eco-friendly manufacturing to sustainable branding, all in line with the Amway promise of excellence. This approach ensures we maintain the highest health, safety, and environmental standards throughout our operations, a core aspect of our initiatives under Pillar 3.

Pillar 3: WELLBEING-FOCUSED A	Pillar 3: WELLBEING-FOCUSED AND RESPONSIBLE PRODUCT				
Responsible Sourcing and Supply Chain	Energy Use and GHG Emissions				
Packaging and Waste	Water Use				
6 GLEAN WAITE ALIS SANTIATEN TO EAN HEREY 12	2 CONSIDERTION AN PRODUCTION				

## SOURCING RESPONSIBLY

As environmental consciousness increases in significance, consumer preferences continue to pivot towards brands offering transparency in product origins. With more consumers desiring assurance in the safety and quality of the products they purchase, brands with a reputation for ethical and responsible practices are becoming increasingly favoured.

Amway prioritises transparency in its product marketing and branding efforts. Our commitment is evident from the traceability of our Nutrilite range to our steadfast Amway Promise and comprehensive after-sales support, ensuring our products meet the highest standards of quality and assurance.

# Vendor Management and Procurement Practices

In our operations, we are diligent in ensuring our sourcing and supply chain practices are aligned with the principles of responsibility and sustainability. To this end, Amway enhanced its procurement process by implementing a new Vendor Anti-Bribery and Corruption due diligence process in 2023. This process, which is implemented prior to onboarding a new vendor, is part of our enhanced anti-bribery and corruption measures. This step aligns with our strategic initiative to cultivate long-term partnerships with key suppliers through our comprehensive supplier management programme. This rigorous programme regularly evaluates our suppliers' performance and facilitates dialogue on fostering mutual growth. It also helps to optimise contributions and to ensure a steady supply from our contracted vendors. Furthermore, to ensure that our procurement expenditure remains above board, the Group closely monitors its proportion of spending on local suppliers. As we import our core products from Amway Global in the United States, our expenditure on local resources has a relatively minor impact. The Group's expenditure for FY2023 is as follows:



On our end, Amway mandates that every employee undergoes mandatory Code of Business Conduct training. This initiative, endorsed by our Senior Leadership and Board of Directors,

reinforces our commitment to responsible and accountable business practices in all interactions with our suppliers and partners.



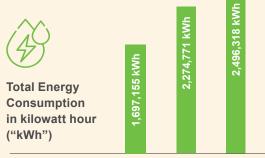


Pillar 3: Wellbeing-Focused And Responsible Products



# **Energy Management**

The Group's energy management strategy focuses on reducing our carbon footprint over time and achieving cost savings for the Group. We do this by raising awareness among our staff about energy conservation, using energy-efficient machinery, and incorporating energy-saving designs in our facilities. We also closely monitor our electricity consumption to ensure efficiency. For the year in review, we recorded total energy consumption of 2,496,318 kilowatt hour ("kWh") which marks an increase of 10% from 2,274,771 kWh in the preceding year. The uptick in energy consumption during FY2023 is primarily attributed to the heightened activities held at our HQ PJ, particularly in the Office Block, meeting rooms, and training halls.



FY2021 FY2022 FY2023

To mitigate our energy consumption, Amway's Go Green initiative, launched in July 2023, focuses on the implementation of solar panels and EV charging stations at our Office Block. This initiative, which emphasises our focus on environmental sustainability, aims to reduce non-renewable energy consumption by around 30%.

02

# Sustainability Statement (cont'd)

# Waste Management

In terms of waste management, Amway carries out an office-wide waste reduction programme that serves to separate general waste from disposal. This programme focuses mostly on waste generated by our employees as it is part of our larger initiative to reduce office waste at our HQ PJ. Additionally, the Group regularly encourages sustainability and recycling.

In our retail operations, we have taken decisive steps towards environmental conservation by eliminating single-use plastic bags. This initiative, which will potentially reduce the usage of around 400,000 plastic bags annually, was initially implemented at our Penang, Perai, and Seremban shops in August 2023 and was fully rolled out across all our stores by December. In place of singleuse options, we have introduced reusable bags made with postconsumer recycled material for sale. This initiative aims to encourage ABOs and APCs to adopt more sustainable practices by bringing their own bags or opting for these eco-friendly alternatives.

Similarly, we are opting for more sustainable packaging in our shipping operations by doing away with carbon ribbon and using recycled shrink wrap and thermal print labels for all shipments. We have also introduced recyclable air pillows as part of our delivery packaging. Both these initiatives are in line with our direction to transition to circular packaging for the long-term. Our "digital-first" operations philosophy, which we have been implementing for the past few years, is expected to reduce printed pages by more than 20 million pages annually.

The following graph illustrates the total weight of the waste that Amway generated in FY2023 in metric tonnes ("MT"), and a breakdown of this total by the composition of the waste.



For FY2023, the Group recycled approximately 74% or 238.86 MT of general waste. This included materials such as carton boxes, mixed paper, plastic bottles, aluminium cans, and plastic shrink wrap. All remaining general waste was properly disposed of in landfills. The 5% decrease in recycled items in FY2023 was attributable to our adoption of a digital-first approach which saw us transition from a physical to digital welcome pack and product catalogue. This shift has significantly reduced paper usage and minimised the volume of material that needs to be recycled with each update.

The Group maintains its commitment to environmentally responsible waste disposal, encompassing both non-hazardous and hazardous waste, in accordance with ethical and environmental standards. In FY2023, over 90% of the non-hazardous waste we disposed of consisted of carton boxes, plastic bottles and mixed paper. We also responsibly disposed of a total of 33.52 MT of hazardous waste, which originated primarily from e-Waste generated through our eSpring and Atmosphere Trade-In Programme by those who traded in their existing units for new units.

Amway prioritises environmental sustainability in our eCommerce operations by employing shipping materials that are sustainable, recyclable, or compostable to significantly minimise our landfill contributions. Moreover, we are committed to responsible waste disposal and prioritising recycling wherever feasible.



🔁 Total Recycling ເລິງ for FY2023

> Non-Hazardous Waste 205.34 MT

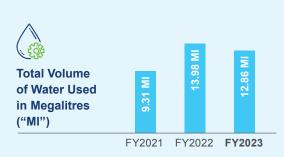
Hazardous Waste **33.52 MT** 

# **Pillar 3: Wellbeing-Focused And Responsible Products**

## **Water Management**

03

Amway actively seeks to minimise water usage at our HQ PJ, with our conservation efforts primarily focused on daily facility use by employees, ABOs, APCs, and visitors. In FY2022, we upgraded our restroom facilities, including the installation of self-closing faucets and low-flow dual flush WCs. This initiative has helped us to reduce water consumption by 50% and 25% respectively which resulted in a decrease in the total amount of water used in FY2023. Additionally, we transformed our facade fishpond into a fixed water feature, which requires water changes only quarterly instead of regularly. Completed in early FY2023, both of these upgrades underscore our commitment to responsible water management.





Our Strategy and Performance Review

# Sustainability Statement (cont'd)

# **The Way Forward**

As Amway continues its sustainability journey, the focus remains firmly on enhancing and adhering to the established Sustainability Strategic Framework, the three core Pillars, and the comprehensive initiatives which we introduced in FY2023.

Driven by a clear vision for sustainability, Amway's Board and Sustainability Committees are unwavering in their efforts to collaborate with all organisational tiers and relevant external bodies. By integrating sustainability into our strategic and operational fabric, Amway is poised to sustain its current trajectory of growth while reinforcing its capacity for sustainable value creation for the long run.



# Performance Data Table

PILLARS	MATERIALITY MATTERS	INDICATORS	UNIT	FY2021	FY2022	FY2023
Building	Diversity, Equity	Total Core ABO Force Size	Number	296,000	326,000	317,000
Entrepreneurs	and Inclusion	Total Core APC Force Size	Number	Launched	128,000	87,000
		Total Core ABO Force Size by Gender	Percentage			
		Male		-	-	30
		Female		-	-	70
		Total Core APC Force Size by Gender	Percentage			
		Male		-	-	26
		Female		-	-	74
		Total Core ABO Force Size by Age	Percentage			
		Under-35		-	-	37
		Above-35		-	-	63
		Total Core APC Force Size by Age	Percentage			
		Under-35		-	-	46
		Above-35		-	-	54
Nurturing People & Community		Percentage of employees that are contractors or temporary staff	Percentage	-	24	33
		Percentage of employees by gender for each employee category	Percentage			
		Executives - Male		_	_	38
		Executives - Female		-	-	62
		Non-Executives - Male		-	-	46
		Non-Executives - Female		-	-	54
		Percentage of employees by age group for each employee category	Percentage			
		Executives - Under 30		-	-	15
		Executives - Between 31-40		-	-	43
		Executives - Between 41-50		-	-	33
		Executives - Above 50		-	-	9
		Non-Executives - Under 30		-	-	28
		Non-Executives - Between 31-40		-	-	37
		Non-Executives - Between 41-50		-	-	26
		Non-Executives - Above 50		-	-	9
		Percentage of directors by gender group	Percentage			
		Male		62	62	62
		Female		38	38	38

# Sustainability Statement (cont'd)

PILLARS	MATERIALITY MATTERS	INDICATORS	UNIT	FY2021	FY2022	FY2023
Nurturing People & Community		Percentage of directors by age group Between 50-59 Above-60	Percentage	-	-	38 62
		Total number of employee turnover by employee category	Number	_	_	02
		Executives		-	-	20
		Non-Executives Percentage of operations assessed for corruption- related risks	Percentage	-	-	11 100
		Confirmed incidents of corruption and action taken	Number	-	-	0
		Percentage of employees who have received training on anti-corruption by employee category	Percentage			
		Directors		-	-	100
	Executives		-	-	100	
		Non-Executives	Hours	- 3,048	-	100
	Total hours of training Total hours of training by employee category Directors	Hours	3,040	6,042	4,004	
		Executives Non-Executives		-	-	3,422 580
		Ongoing advocacy efforts on unauthorised selling on third-party platforms	Narrative	<ul> <li>Business</li> <li>Removing eCommer Intellectua</li> <li>Regular m ABO Lead</li> <li>Updating enforceme</li> <li>Educating business</li> <li>Developin and trainin</li> <li>Strengthe</li> </ul>	Amway produce platforms to al Property Rig neetings and ed ders rules and visib ent statistics (ABOs for a co environment ig social media ang on rule adh ning awarenes alues and Fou	althy ucts from hrough hts portal education for ole onducive a content erence ss of nders'
		Number of substantiated complaints concerning human rights violations	Number	-	-	0
		Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	-	0

PILLARS	MATERIALITY MATTERS	INDICATORS	UNIT	FY2021	FY2022	FY2023
Nurturing People & Community	People &	Number of employees trained on health and safety standards	Number	-	-	377
		Number of work- related fatalities	Number	-	-	0
		Lost time incident rate	Number	-	-	0
		Number of volunteers	Number	—	-	12
		Number of volunteer hours	Number	-	-	83
	Total number of beneficiaries of the investment in communities	Number	-	-	14	
		Total amount invested in the community where the target beneficiaries are external to the listed issuer	Ringgit	-	-	RM66,023.30
		Number of internship opportunities	Number	-	-	Projek HeadSTART did not take-off due to a lack of suitable candidates
Wellbeing- Focused	Sourcing and ible Supply Chain	Proportion of spending on local suppliers	Percentage	_	_	39
Responsible Products		Total energy consumption	kilowatt hour	1,697,155	2,274,771	2,496,318
<ul> <li>Energy Use and GHG Emissions</li> <li>Water Use</li> </ul>	<ul> <li>Energy Use and GHG Emissions</li> </ul>	Total waste generated	Metric tonnes	302.60	328.17	318.84
	Water Use	Total waste directed to disposal	Metric tonnes	87.57	77.32	79.98
		Total waste diverted from disposal	Metric tonnes	215.03	250.85	238.86
		Total recycling (hazardous waste)	Metric tonnes	-	-	33.52
		Total recycling (non-hazardous waste)	Metric tonnes			205.34
		Total volume of water used	Megalitres	9.31	13.98	12.86

# **STATEMENT OF ASSURANCE**

This Sustainability Statement has not been subjected to any assurance process. This is largely due to the Group consolidating its efforts to focus on the current priority of realigning its Sustainability Strategic Framework with the new requirements outlined by Bursa Securities. We will look into conducting an assurance process for Amway's forthcoming reports.

# **2023 Event Highlights**

# Strengthening the Nutrilite Brand via the "Live Your Best" Campaign

February to December 2023 saw Amway strengthening Nutrilite's brand presence by launching the nationwide "Live Your Best" campaign. Underscoring Nutrilite's commitment to helping people live their best lives by providing them with long-term, holistic solutions for healthier and better living, the campaign elevated the Nutrilite brand association beyond mere product and supplement consumption to that of a holistic lifestyle that every household in Malaysia can adopt. The "Live Your Best" campaign did much to bolster Nutrilite brand awareness as well as enhance the credibility and confidence of Amway Business Owners ("ABOs") as they introduced the advantages of the brand and its offerings.

To amplify the Nutrilite brand image, three Malaysian national sporting heroes – Goh Sze Fei, the national badminton player; Nur Dhabitah Sabri, the national diver; and Shahrul Saad, the national footballer – were appointed as the brand's ambassadors. Given the many sporting accolades they have received in their respective fields, their determination and ambition for success, as well as their public-friendly personas, this "awesome threesome" perfectly encapsulated the Nutrilite brand spirit.

Nutrilite also made its presence felt in the digital landscape with a short brand video that featured all three national athletes on YouTube, Facebook and Instagram. The video garnered over 10 million views across social platforms, generating more than 41 million impressions and reaching over 17 million users nationwide. "Live Your Best" campaign videos were also made accessible on the Amway InfoHub, creating greater credibility and confidence for the ABOs to grow their Nutrilite businesses.

All in all, the "Live Your Best" campaign went a long way in helping strengthen the Nutrilite brand reputation, laying a solid foundation for Amway's ABOs, and helping more Malaysians live their best lives. While the campaign has proven very successful and made a resounding impact, efforts are underway to maintain the good momentum gained with Amway planning to roll out more of such initiatives in the future.







In March 2023, Amway celebrated the launch of the ARTISTRY STUDIO<sup>™</sup> SKIN product range, with the Teen Studio Carnival, ARTISTRY's first major beauty event of the year. ARTISTRY STUDIO<sup>™</sup> SKIN is an all-new range of skincare products consisting of seven products that are specially formulated for youthful skin. More than 2,000 Leaders and ABOs attended the event held at Plaza Arkadia, Kuala Lumpur, which featured exciting carnival attractions, enlightening sessions, and captivating stage performances to commemorate the release of the long-awaited skincare range.

Among the event's highlights was the ARTISTRY Pop-Up store where attendees could acquire the new ARTISTRY STUDIO™ SKIN products. A dedicated TikTok corner and numerous photo booths offered ample opportunities for user-generated content to strengthen ABOs' connections with the ARTISTRY brand. As twilight approached, the ARTISTRY STUDIO<sup>™</sup> SKIN range illuminated the stage with vibrant neon lights. Lanny from HITZ Sarawak, serving as the event's host, initiated the stage programmes while the audience were treated to the first public unveiling of the "I Am Gen Glow" Official Music Video.



Mike Duong, Managing Director of Amway Malaysia & Brunei, Indonesia and Singapore, kicked off the evening's programme with a rousing speech aimed at motivating ABOs to continue growing their business by introducing the new ARTISTRY STUDIO<sup>™</sup> SKIN range to a younger demographic. A testimonial video featuring seven teenage panellists was screened and the same panellists were invited on stage for a live Q&A session. Chief Marketing Officer Joanne Chong then delivered her address about the new range, along with a sneak peek of the forthcoming launch of ARTISTRY SKIN NUTRITION Multi-Defense UV Protect SPF50+/PA++++.

Popular teenage content creators, Nyokki and Alyssa, then took to the stage to perform the "I Am Gen Glow" theme song, followed by a meet-and-greet session with their fans. The evening concluded on a high note with renowned local DJ Ashley taking the stage, spinning remixes of popular viral songs as attendees danced the night away.





How We are Governed

# Event Highlights (cont'd)

# "Live Your Best": Inspiring Moments at the National Leadership Conference & Dinner 2023



In July 2023, Amway assembled its crème de la creme under one roof at the Malaysia International Trade and Exhibition Centre ("MITEC") for the highly anticipated National Leadership Conference & Dinner. The event kicked off with a grand entry by key Amway Leaders before shifting to the long-awaited theme reveal, "Live Your Best". Video messages from Co-Chairman of Amway Global, Steve Van Andel and Chief Executive Officer Milind Pant further expounded the importance of embracing one's best self.





Regional President, Asia & Chief Strategy & Corporate Development Officer Asha Gupta then took to the stage to deliver a compelling keynote address, followed by Mike Duong, Managing Director of Amway Malaysia & Brunei, Indonesia and Singapore, who unveiled Amway's revolutionary Big Health direction, emphasising the Company's commitment to promoting holistic wellbeing and healthy living.

An element of surprise was added when a "video call" was made to the President of Nutrilite Health Institute Dr. Sam Rehnborg, who then appeared in person to present an inspiring message. A touching Nutrilite Anniversary video followed recounting the Company's achievements, thanks to the collective efforts of its ABOs. The Amway Diamond Advisory Council ("ADAC") Chairman then introduced the 2023 ADAC members, past members and welcomed new ones.



Next, Joanne Chong, Chief Marketing Officer, shared the remarkable results of the Nutrilite Gut Reset Weight Management Programme, accompanied by testimonials from the ABOs who had pioneered the pilot initiative. Participants also had a sneak peek into the ARTISTRY LABS Retexturizing System, the Nutrilite 90<sup>th</sup> Anniversary Retailing Campaign, and the revamped Amway Loyalty Programme.

Jennifer Wang, Chief Sales and Experience Officer, then delivered crucial sales updates, particularly on the new PY24 Core Plus and the upgraded Non-Cash Award Programme, as well as unveiled the 2024 Amway Leadership Seminar destination in Osaka, Japan. The event skyrocketed when Mike Duong and Asha Gupta together unveiled the location of the highly coveted upcoming Diamond Invitational in Switzerland.

Attendees were also treated to product and photo booths, and a sumptuous dinner. Altogether, the memorable event was a celebration of unity, excellence, and personal growth.











How We are Governed

# Event Highlights (cont'd)

# Celebrating Amway Leaders at the 2021 Amway Leadership Seminar in Alaska

More than 1,300 qualifiers took part in the 2021 Amway Leadership Seminar ("ALS"), which involved an extraordinary cruise and trek across Alaska.

Mike Duong, Managing Director of Amway Malaysia & Brunei, Indonesia and Singapore, kickstarted the programme with his opening speech aboard the cruise ship Ovation of the Seas to qualifiers. ALS participants were then divided into two groups. The first group had the opportunity to visit Sitka, where they enjoyed kayaking, explored national parks, and experienced an authentic homestead setting. The second group journeyed to Ketchikan where they relished in a wildlife cruise, an amphibian boat tour, and a tour of native villages.

Both groups then met up in Skagway, a former gold-rush-era town. Qualifiers also had the choice of a scenic journey aboard the White Pass Scenic Railway or the Alaska White Pass and Yukon Alpine route by bus before trying their hand at gold panning at Alaska 360's Dredge Town. In Juneau, some Leaders visited the Mendenhall Glacier Visitor Centre and Nugget Falls, while others enjoyed whale watching and a wildlife cruise. Leaders were also treated to a buffet at the Gold Creek Salmon Bake, featuring freshly caught wild Alaskan salmon and Alaskan Dungeness Crabs.





Amway Day saw Leaders gathering at the Royal Theatre aboard the Ovation of the Seas. The event commenced with formal recognition of the achievements of the Leaders who had qualified for the 2021 ALS Alaska, the 2020 ALS Sydney and the newly qualified Diamonds. As the evening progressed, Leaders dressed up in their best to showcase their dance moves at the Gala Dinner and Dance event themed "Dancing Queens and Kings". The final leg of the journey brought our Leaders to Victoria, Canada, a fitting close to an unforgettable cruise and adventure across Alaska.



# Highlights of the ARTISTRY Beauty Camp 2023



In September 2023, Amway unveiled the ARTISTRY LABS Retexturizing System at the World Trade Centre in Kuala Lumpur during its annual ARTISTRY Beauty Camp.

The event commenced with an opening speech by Mike Duong, Managing Director of Amway Malaysia & Brunei, Indonesia and Singapore, followed by Founders Crown Ambassador Eva Wong and Founders Executive Diamond Norul Huda Musa sharing their secrets and strategies for building and nurturing a beauty community. Next, Dr. Rong Kong, Amway's Principal Research Scientist in Skin Science, revealed the science and technology behind the brand-new ARTISTRY LABS Retexturizing System. His insights proved valuable to ABOs looking to introduce the new ARTISTRY LABS product to potential prospects.

One of the event's attractions was the ARTISTRY LABS Experiential Corner. The booths provided ABOs with the opportunity to explore the new product range, participate in games and experiment with Instagram filters. Photo booths were set up to allow our ABOs to create engaging user-generated content to strengthen their connections with the ARTISTRY brand. An exclusive preview was offered to our Diamond Leaders at the ARTISTRY Beauty Bar for ARTISTRY Future Glow. This collection showcased a range of daily makeup essentials, including face and eye products that were launched in November 2023.

As a fitting close to Beauty Camp 2023, ABOs participated in an official graduation ceremony, providing them the opportunity to commemorate the event with group photographs alongside the event's speakers and leaders.







How We are Governed

Amway 90

USIVE LEADERSHIP RALLY

Rehnborg

ite Health Institute

# Event Highlights (cont'd)

# Commemorating 90 Years of Nutrilite: Nutrilite Experience Day and Exclusive Leadership Rally

October 2023 saw Amway marking another historic milestone as it celebrated Nutrilite Experience Day to commemorate the 90<sup>th</sup> anniversary of Nutrilite's commitment to health. Held at MITEC, the event drew nearly 7,000 attendees, ABO Leaders, ABOs and APCs from Malaysia, Singapore, Brunei and Indonesia.

The day consisted of two segments: the Nutrilite Experience Day Expo and the Exclusive Leadership Rally. At the expo, ABOs and APCs explored various offerings, one of which was the Nutrilite Time Tunnel, which showcased the brand's history. The interactive traceability wall highlighted Nutrilite's commitment to purity, while the gut reset booth offered gut reset smoothies. Nutrilite Ambassadors, and national athletes, Nur Dhabitah Sabri and Goh Sze Fei, joined the festivities. They shared their Nutrilite stories and engaged in a brief Q&A session about how Nutrilite supports their lifestyles and enhances their performances.

The Exclusive Leadership Rally was graced by distinguished guests which included the Co-Chairmen of Amway Global, Doug DeVos and Steve Van Andel; President of the Nutrilite Health Institute Dr. Sam Rehnborg; Chief Executive Officer Milind Pant; and Regional President, Asia & Chief Strategy & Corporate Development Officer Asha Gupta. They focused on Amway's global perspective and its dedication to Big Health.

Mike Duong, Managing Director of Amway Malaysia & Brunei, Indonesia and Singapore, also addressed participants, emphasising Amway and Nutrilite's role in supporting the Malaysian Government's efforts to combat noncommunicable diseases. Chief Sales and Experience Officer Jennifer Wang and Chief Marketing Officer Joanne Chong then highlighted the programme's significance in fostering a sense of community and ensuring sustainability. The day ended with participants of the Nutrilite Gut Reset Weight Management programme sharing their personal transformation stories that deeply resonated with the audience.

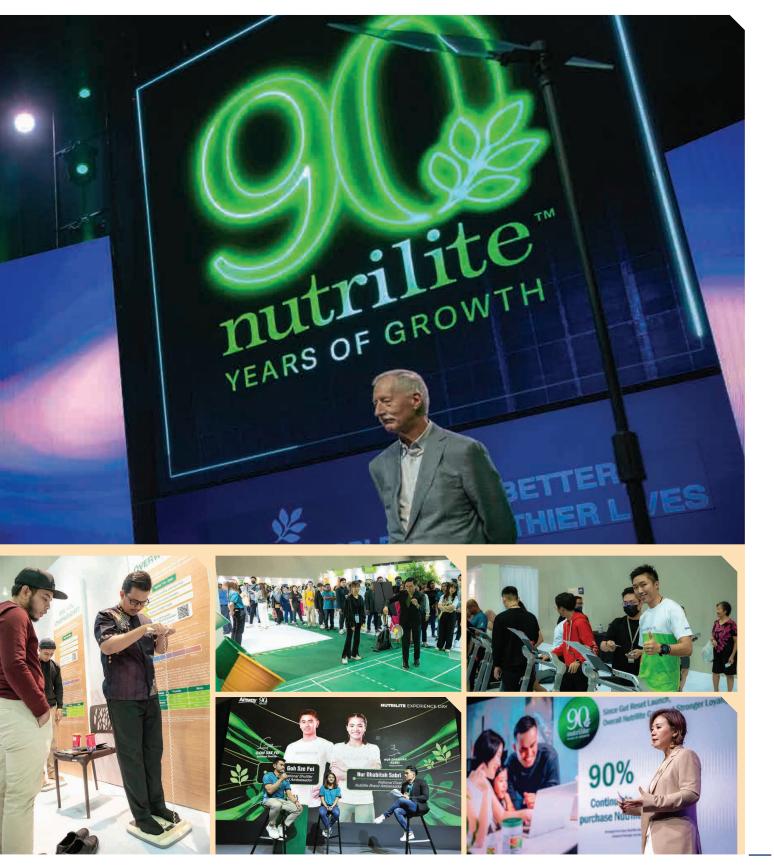
Nutrilite Experience Day was not only a celebration of Nutrilite's 90-year journey but also did much to ignite enthusiasm for the future. With compelling narratives and a commitment to healthy living, the event mark a pivotal chapter in Nutrilite legacy, inspiring the comm to engage in and promote and active lifestyles.











How We are Governed

# **2023 Awards & Achievements**

# **Recognised for Product Excellence**

In FY2023, Amway's commitment to product excellence was once again recognised through several prestigious awards.

These awards in 2023 honour Amway's product excellence and sustainable initiatives and reinforce the Group's position as a leader in the health and wellbeing industry, and environmental stewardship.

#### Series of consumption Reagens Digens Digens

#### 1. Reader's Digest Trusted Brand Awards 2023

At the Reader's Digest Trusted Brand Awards 2023, two of Amway's flagship products received accolades for their consistent quality and consumer trust. Renowned vitamin and supplement brand, Nutrilite, was awarded the Gold Award in the Vitamins/ Supplements Category for the 19<sup>th</sup> consecutive year. Additionally, eSpring, Amway's innovative water treatment system, received the Gold Award in the Water Purifiers category for the 18<sup>th</sup> year in a row, reflecting its superiority in providing safe and clean drinking water.

## 2. Frost & Sullivan Asia-Pacific Best Practices Award

For the 14<sup>th</sup> consecutive year, eSpring also won the Frost & Sullivan Asia-Pacific Home Water Treatment Competitive Strategy Leadership Award.

## 3. 7th Sustainable Farm Award

Amway's dedication to sustainability was celebrated with the Nutrilite Brazil Farm receiving its 7<sup>th</sup> Sustainable Farm Award. This accolade was presented by Globo Rural in recognition of the farm's exemplary agricultural practices. The Nutrilite Farm in Ubajara (CE) stood out among large rural properties for its sustainable practices, highlighting Amway's commitment to environmentally responsible and sustainable agriculture.

2

# **Corporate Information**

#### **COMPANY SECRETARIES**

Kuan Hui Fang (MIA 16876) SSM PC No. 202008001235

Joanne Toh Joo Ann (LS 0008574) SSM PC No. 202008001119

## **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 E-mail : info@my.tricorglobal.com

## 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 E-mail : is.enquiry@my.tricorglobal.com

## AUDITORS

Ernst & Young PLT 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 2800 E-mail : ir@amway.com

## **COMPANY WEBSITE**

www.amway.my

## STOCK EXCHANGE LISTING

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

# nutrilite™ YEARS OF GROWTH

# **Directors' Profiles**

# Abd Malik Bin A Rahman

Chairman, Senior Independent Non-Executive Director

Gender Male
Age <b>76</b>



Abd Malik Bin A Rahman (En. Abd Malik) was appointed a Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 1 January 2019. He was appointed as the Chairman and Senior Independent Non-Executive Director of AMHB on 24 May 2023.

He is a Chartered Accountant member of the Malaysian Institute of Accountants ("MIA"), a Fellow of the Association of Chartered Certified Accountants (UK) ("ACCA"), and a member of the Malaysian Institute of Certified Public Accountants ("MICPA").

Over the course of his career, En. Abd Malik held senior management positions at several companies in diverse industries including the Oil & Gas, Manufacturing, Fast Moving Consumer Goods, Multi-level Marketing and Port Logistics segments.

He was formerly the Chairman of Affin Hwang Investment Bank Berhad, and formerly served as an Independent Director of Affin Bank Berhad, Affin Hwang Asset Management Berhad, Boustead Heavy Industries Corporation Berhad, Innity Corporation Berhad and Lee Swee Kiat Group Berhad.

En. Abd Malik is currently an Independent Director of Mah Sing Group Berhad, AYS Ventures Berhad and CYL Corporation Berhad. He also serves on the board of a private limited company.

Save as disclosed, En. Abd Malik does not hold any directorship in other public companies and listed issuers.

En. Abd Malik 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

En. Abd Malik attended all four (4) Board meetings held during the financial year ended 31 December 2023.

# **Michael Jonathan Duong**

**Managing Director** 

Nationality	American
Gender	Male
Age	50

Michael Jonathan Duong (Mr. Mike Duong) was appointed a Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 1 January 2017. He was also appointed a Director of both Amway (Malaysia) Sdn. Bhd. ("AMSB") and Amway (B) Sdn. Bhd. ("ABSB") on 1 January 2017. On 1 May 2018, he went on to helm AMHB, AMSB, ABSB and Amway Singapore as Managing Director ("MD"). On 1 April 2023, he relinquished his role as MD of Amway Singapore and took on a new role as MD of Amway Indonesia. Subsequently, on 1 January 2024, he reassumed his role as MD of Amway Singapore.

Mr. Mike Duong began his career with Amway holding the positions of Director of Internal Audit, Director of Amway Business Services Asia Pacific, and Director of Strategy & Planning Asia Pacific between 2008 and 2015. Prior to his employment with Amway, he worked with Boeing from 1997 to 2008. His last post with Boeing was as its Senior Manager of Global Financial Services.

He graduated with a Bachelor of Science – Mechanical Engineering from Boston University College of Engineering, Boston, MA.

Mr. Mike Duong does not hold any directorship in other public companies and listed issuers.

Mr. Mike Duong 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

Mr. Mike Duong attended all four (4) Board meetings held during the financial year ended 31 December 2023.



# Directors' Profiles (cont'd)

# Low Han Kee

Non-Independent Non-Executive Director

Nationality Malaysian
Gender Male
Age 65



Low Han Kee (Mr. Low) was appointed a Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 6 June 1996. He was appointed as a member of the Audit Committee on 25 August 2021.

He joined AMSB in 1990 as the Divisional Manager of the Finance & Administration Division and was promoted to General Manager in 1993 before being appointed as the Managing Director in 1998, a position which he retired from on 31 January 2016. He also served as Managing Director of AMHB from 1998 until his retirement on 31 January 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 PLT), an international accounting firm. He brings to the table 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 Amway (Malaysia) Sdn. Bhd. ("AMSB").

Presently, he is a Board member of Leong Hup International Berhad.

Save as disclosed, Mr. Low does not hold any directorships in other public companies and listed issuers.

Mr. Low 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

Mr. Low attended all four (4) Board meetings held during the financial year ended 31 December 2023.

# **Scott Russell Balfour**

Non-Independent Non-Executive Director

Nationality	American
Gender	Male
Age	63

Scott Russell Balfour (Mr. Scott Balfour) was appointed a Director of Amway (Malaysia) Holdings Berhad on 15 January 2004 and a Director of Amway (Malaysia) Sdn. Bhd. on 26 July 2005. He is the Chairman of the Remuneration Committee and a member of both the Audit Committee and 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 titled "Korean Labor and Employment Laws".

Mr. Scott Balfour joined Alticor Inc in 1998 and retired on 8 October 2021 from the position of Vice President and Deputy General Counsel, International Legal and Business Conduct and Rules – Asia and Greater China. He is currently serving as a consultant for Alticor providing ongoing support to the Asia region. During his tenure as the Vice President and Deputy General Counsel, Mr. Scott Balfour coordinated and oversaw Alticor's diverse legal issues for all of Alticor's Asian affiliates, including those in Australia, China, Korea, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand and Vietnam. He also led several legal and business conduct and rules teams in the markets that were responsible for ensuring compliance with diverse laws, including direct selling and fair trade laws as well as compliance with Amway's Code of Conduct for the benefit of more than three million Amway Business Owners.

Prior to joining Alticor, he spent eight 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's, 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.

Mr. Scott Balfour does not hold any directorships in other public companies and listed issuers.

Mr. Scott 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

Mr. Scott Balfour attended all four (4) Board meetings held during the financial year ended 31 December 2023.



# Directors' Profiles (cont'd)

# Dato' Abdullah Thalith Bin Md Thani

Independent Non-Executive Director

Nationality	Malaysian
Gender	Male
Age	70



Dato' Abdullah Thalith Bin Md Thani (Dato' Abdullah) was appointed a Director of Amway (Malaysia) Holdings Berhad on 15 May 2015. He is the Chairman of the Nominating Committee and a member of the Audit Committee.

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

Dato' Abdullah started his career as a Valuation Officer in the Valuation and Property Services Department, Ministry of Finance, in 1978. His career in the Ministry saw him serve in various capacities including as District Valuer, State Director, Director of National Institute of Valuation, Director of National Property Information Centre ("NAPIC"), Deputy Director General and subsequently the Director General of the Department in 2006. He retired from public service in 2012.

Currently, he is a Board member of AmFIRST Real Estate Investment Trust.

Save as disclosed, Dato' Abdullah does not hold any directorships in other public companies and listed issuers.

Dato' Abdullah 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

Dato' Abdullah attended all four (4) Board meetings held during the financial year ended 31 December 2023.

# **Datin Seri Azreen Binti Abu Noh**

**Independent Non-Executive Director** 

Nationality	Malaysian
Gender	Female
Age	55

Datin Seri Azreen Binti Abu Noh (Datin Seri Azreen) was appointed a Director of Amway (Malaysia) Holdings Berhad on 26 February 2019. She is a member of both the Audit Committee and Remuneration Committee and was appointed a member of the Nominating Committee on 15 March 2023.

She graduated with a Bachelor Degree of Law ("LLB") from Universiti Kebangsaan Malaysia and was admitted as an Advocate and Solicitor of the High Court of Malaya in 1996. Her exposure in legal areas includes litigation and arbitration, particularly on the corporate, commercial and conveyancing fronts.

She is the Managing Director of Deluxe Merchant Sdn. Bhd., which is involved in the food and beverage business.

In addition, Datin Seri Azreen is also an advocate for empowering children with learning disabilities including dyslexia. In 2017, Datin Seri Azreen received the "Personaliti Industri dan Usahawan Malaysia" award from NiagaTimes for her contribution to the food and beverage sector.

In September 2020, Datin Seri Azreen conceptualised and created DMmart C-Store in Melaka which has been acknowledged by the State Government of Melaka as one of the state's 12 potential new domestic tourist attractions.

In 2022, she was appointed the Chairman of the Economic Bureau of the Malay and Islamic World ("DMDI"), an NGO affiliated with 23 countries around the world. In September 2023, she was conferred the "Tun Fatimah" Award by the Deputy Prime Minister of the Kingdom of Cambodia for her contributions to the DMDI.

Datin Seri Azreen is currently a Board member of Ta Win Holdings Berhad and Asia Poly Holdings Berhad.

Save as disclosed, Datin Seri Azreen does not hold any directorships in other public companies and listed issuers.

Datin Seri Azreen 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years, nor has she had any public sanction or penalty imposed upon her by the relevant regulatory bodies during the financial year.

Datin Seri Azreen attended all four (4) Board meetings held during the financial year ended 31 December 2023.



# Directors' Profiles (cont'd)

# Ho Kim Poi

Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Age	61



Ho Kim Poi (Ms. Ho) was appointed a Director of Amway (Malaysia) Holdings Berhad on 15 March 2023. She is the Chairperson of the Audit Committee and a member of the Remuneration Committee.

She obtained a Bachelor of Science from the Faculty of Mathematical Sciences at the University of Adelaide, Australia, and thereafter a Master in Business Administration from the University of Lincoln, United Kingdom. She is a member of the Malaysian Institute of Accountants ("MIA") and CPA Australia ("ASCPA"). Ms. Ho is also a member of the Institute of Corporate Directors Malaysia ("ICDM").

Ms. Ho has more than 30 years of experience in finance and human resources. She began her career at KPMG Malaysia as a tax consultant. She then went on to hold senior management roles within corporations in the manufacturing and pharmaceutical industries. Thereafter, she joined a multi-national direct selling corporation and held several senior management positions including that of Chief Financial Officer, Regional Chief Financial Officer and Strategic Planning Director.

Ms. Ho is currently an Independent Non-Executive Director of Mah Sing Group Berhad and Senheng New Retail Berhad.

Save as disclosed, she does not hold any directorships in other public companies and listed issuers. She 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years, nor has she had any public sanction or penalty imposed upon her by the relevant regulatory bodies during the financial year.

She attended all three (3) Board meetings held during the financial year ended 31 December 2023 since her appointment as Director of the Company.

# Norhanifah Binti A.Jalil

Non-Independent Non-Executive Director

Nationality	Malaysian
Gender	Female
Age	54

Norhanifah Binti A.Jalil (Pn. Norhanifah) was appointed a Director of Amway (Malaysia) Holdings Berhad on 1 January 2024.

She has almost three decades of experience in the banking, finance, energy transportation, and telecommunications sectors.

Pn. Norhanifah graduated with a Bachelor of Business Administration from the International Islamic University Malaysia. She commenced her career in credit supervision at Asia Commercial Finance and later evolved into process and project management roles within the banking industry. She then transitioned to the Human Capital domain in 2000 and led the Group Organisational Development at AmBank Group until 2011.

Since 2012, Pn. Norhanifah has held key senior management positions in several companies including that of Director of Human Capital & Communication at Danajamin Nasional Berhad, Head of Group Human Capital Strategy & Performance at Maybank, Head of Talent at Maxis, and Head of Human Resource Development at MISC Berhad. In January 2021, she assumed the role of Chief Human Resource Officer at Permodalan Nasional Berhad.

Pn. Norhanifah does not hold any directorships in other public companies and listed issuers.

Pn. Norhanifah 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 or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. She has not been convicted of any offence within the past five (5) years, nor has she had any public sanction or penalty imposed upon her by the relevant regulatory bodies during the financial year.

Pn. Norhanifah did not attend any Board meetings held during the financial year ended 31 December 2023 as she was only appointed to the Board on 1 January 2024.



Sustainability Statement

How We are Governed

# **Key Management Profiles**



# Leng Kek Mun General Manager

Mr. Leng Kek Mun ("Jason") joined Amway Malaysia as its General Manager on 1 March 2024. He is responsible for aligning sales and marketing strategies to support commercial growth and achieve the Company's top-line and bottomline goals. With 20 years of industry experience from having served other multinational direct selling companies in Malaysia, Jason brings to the table his expertise in sales strategy, customer engagement, digital innovation, and business development, among other things. He graduated from University Putra Malaysia with a major in Microbiology.

- > Nationality Malaysian
- > Gender Male
- > Age 44



- > Nationality Malaysian
- > Gender Female
- > Age **52**



- Nationality Chinese
- > Gender Female
- > Age 45

# Ng Ai Lee

**Chief Financial Officer** 

Ms. Ng Ai Lee was appointed as Amway Malaysia's Head of Finance in June 2014, and assumed her present position as Chief Financial Officer ("CFO") in May 2017. As CFO, Ms. Ng is responsible for all financial-related matters of the Group including financials, tax, treasury and risk management operations. She brings over 23 years of finance-related experience to the table having worked in similar capacities with various large and multinational companies in Malaysia and Singapore. These include companies involved in audit, pharmaceuticals, trading and manufacturing activities. Ms. Ng holds a Bachelor of Accounting from the University of Malaya. She is also a member of the Malaysian Institute of Accountants ("MICPA").

# Wang Yanwei

**Chief Sales & Experience Officer** 

Ms. Wang Yanwei joined Amway Malaysia as its Chief Sales & Experience Officer in April 2023. Her team is responsible for Amway Business Owner ("ABO") and customer matters, including strategising, designing, incentivising, modernising, and executing the ABO and customer experience as well as Amway's various touchpoints. Armed with a Master's Degree in Arts from the Communication University of China, Ms. Wang joined Amway China in 2004 where she spent 14 years in various sales roles including the last seven years as its North Area Sales Director. On top of this, she spent another five years accumulating a wealth of global experience from her time as the Build-Young-Leader strategy Director, her stints with Amway Brazil and Global Sales, as well as her work as Director of the Asia A70 Transformation Office. Altogether, Ms. Wang has faithfully served Amway for some 20 years to date.



- > Nationality Malaysian
- > Gender Female
- > Age 50



- > Nationality Malaysian
- > Gender Female
- > Age 54



- > Nationality Malaysian
- > Gender Male
- > Age 50

# **Chong Sew Peng**

Chief Marketing Officer

Ms. Chong Sew Peng was appointed as Amway Malaysia's Chief Marketing Officer in June 2020. She joined Amway in 1999 and has vast experience in both regional and local marketing. Ms. Chong oversees Amway Malaysia's brand/ category strategy development, portfolio strategy and commercial innovations portfolios and manages the overall day-to-day marketing and communication operations for Malaysia and Brunei. She also supports long-term strategic business development in the areas of both marketing and digital communication. She is a graduate of the University of Central Arkansas with a major in Business Administration (Marketing).

# Wong Choom Yee

Head of Human Resources

Ms. Wong Choom Yee joined Amway Malaysia as its Head of Human Resources in February 2017. She is in charge of implementing Amway's human resource strategies which include talent management and development, retention, facilities as well as other matters related to human capital which support the Group's overall strategic objectives. Ms. Wong brings with her more than 21 years of experience, having helmed the full spectrum of human resource functions leading organisations in the cement, power and telecommunications industries. She holds professional qualifications from the Institute of Chartered Secretaries and Administrators ("ICSA") and a Diploma in Human Resources Management from the Malaysian Institute of Human Resource Management.

# Mohamad Zaihan bin Mohamed Ariffin

Head of Corporate & Government Affairs

En. Mohamad Zaihan joined Amway Malaysia as its Head of Corporate & Government Affairs in December 2016. Leading this Division, he is the key liaison, coordinator and spokesperson on issues regarding Government affairs, the Company's contribution towards the Direct Selling industry and sustainability related matters. En. Mohamad Zaihan graduated from RMIT University, Melbourne, with a major in Interactive Media. He has more than 20 years of related industry experience from his time working in the advertising industry, financial institutions, Government Linked Companies and multinational organisations. At the time of writing, En. Mohamad Zaihan is representing Amway and the Direct Selling industry as the President of the Direct Selling Association of Malaysia ("DSAM").

Amway Malaysia's Senior Management do not hold any directorships in any public companies or listed issuers. None of the Senior Management mentioned above are shareholders of the Company. They do not have any familial ties with any Director and/or major shareholder of the Company nor any conflicts of interest with the Company. They have not been convicted of any offence in the past five years, nor have they had any public sanction or penalty imposed on them by the relevant regulatory bodies during the financial year.

# **Corporate Governance Overview Statement**

The Board of Directors ("Board") is committed to maintaining a high standard of corporate governance throughout Amway (Malaysia) Holdings Berhad ("Amway" or "the Company") and its subsidiaries (collectively "the Group") as part of its strategic approach towards ensuring the sustainability of the Group's business and operations while safeguarding stakeholders' interests and enhancing shareholders' value.

During the financial year ended 31 December 2023 ("FY2023"), the Board continued to provide oversight on corporate governance, and by working closely together with the Senior Management, further refined its corporate governance practices in line with the Malaysian Code on Corporate Governance 2021 ("MCCG").

This Corporate Governance Overview Statement ("CG Overview Statement") has been prepared in accordance with Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") and is intended to provide an overview of how the Group applied the following three (3) key principles as set out in the MCCG:

- (i) Board leadership and effectiveness;
- (ii) Effective audit and risk management; and
- (iii) Integrity in corporate reporting and meaningful relationships with stakeholders.

Comprehensive details of Amway's overall approach and the specific practices pertaining to corporate governance are disclosed in the Company's FY2023 standalone Corporate Governance ("CG") Report. The CG Report provides a detailed account of how Amway has applied each of the practices set out in the MCCG, and where there are departures, provides explanations for alternative practices or remedial plans. Hence, this CG Overview Statement should be read together with the standalone CG Report which is published at the same time as Amway's Annual Report 2023 and can be accessed via the Company's website at <u>www.amway.my</u>.

In FY2023, Amway complied with forty (40) out of the total forty-two (42) recommended practices applicable for non-large Companies under the MCCG. The remaining two (2) practices that Amway has departed from are highlighted in the table below. The reasons for the departure from these practices as well as the alternative practices or remedial plans are summarised underneath. For the finer details of the reasons and alternative practices for these departures, please refer to the standalone CG Report.

Practice	Description
Practice 4.4	Performance evaluations of the Board and Senior Management include a review of the performance of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities.
Practice 8.2	The Board discloses on a named basis the top five Senior Management's remuneration components including salary, bonuses, benefits-in-kind and other emoluments in bands of RM50,000.

#### Practice 4.4

During FY2023, the Group undertook a reassessment of its Sustainability Strategic Framework and initiatives to further align with the amendments to Bursa Securities' Listing Requirements pertaining to the enhanced sustainability reporting framework. The Group's enhanced Sustainability Strategic Framework was adopted by the Board in February 2024.

The Board will monitor closely the progress of the implementation of the Group's sustainability strategic plan before incorporating the performance evaluations of the Board and Key Senior Management ("KSM"). At the same time, it will identify the suitable Key Performance Indicators ("KPIs") to assess how well they have performed in relation to managing the material sustainability risks and opportunities. Please refer to the Sustainability Statement within Amway's Annual Report 2023 for further information.

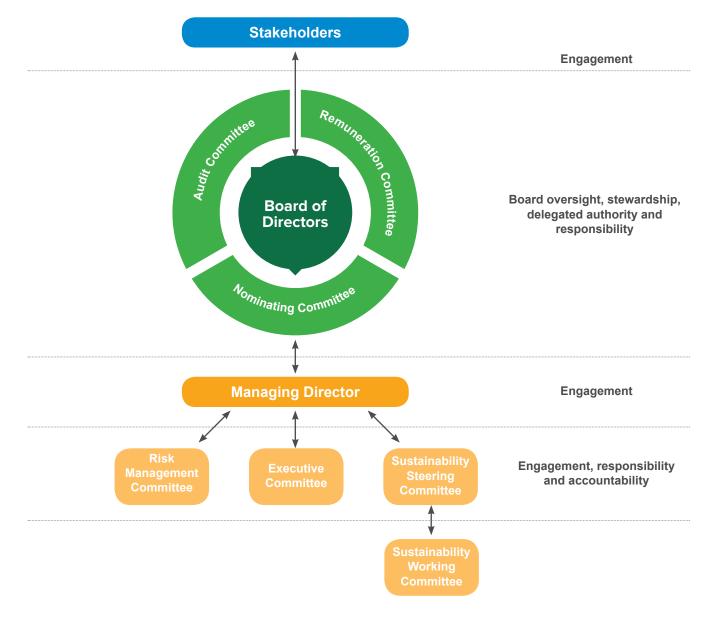
#### Practice 8.2

While the Board recognises the importance of transparency, due to the high competitiveness for professional talent as well as data privacy and personal security concerns, the Board believes that individual disclosures on a named basis relating to remuneration of the top five (5) Senior Management personnel or KSM positions are not in the Group's best interests. Amway will continue its current alternative practice of disclosing the total remuneration of its top five KSM on an aggregate basis.

# PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

# I. BOARD RESPONSIBILITIES

# **GOVERNANCE FRAMEWORK**



The Board has set in place a robust governance framework that encompasses all levels of the Group. The framework provides for strong oversight at the working, supervisory and management levels as well as at the Board level.

# Corporate Governance Overview Statement (cont'd)

The Board plays an active role in charting the strategic direction of the Group. The following are the key aspects of the Board's role in providing effective leadership, governance and oversight for Amway:

- Reviewing, evaluating, challenging and adopting the strategic plans for the Group proposed by the Management to ensure these plans support both short and long-term creation goals as well as include strategies on economic, environmental and social considerations underpinning sustainability;
- · Reviewing the Group's operating budget and capital expenditures proposed by the Senior Management;
- · Reviewing the Group's unaudited quarterly financial results and annual audited financial statements;
- · Ensuring all Directors are able to understand financial statements and form a view on the information presented;
- Evaluating the adequacy and effectiveness of the system of internal control and risk management processes as well as mitigating measures to address financial, operational, business, sustainability and corruption risks;
- Ensuring that the Board has capable and qualified members with diverse backgrounds and skills; as well as ensuring the establishment of appropriate roles for the Board and Board Committees, and the implementation of succession planning;
- Reviewing and determining the remuneration of the Board, Managing Director ("MD") and KSM to ensure that the compensation offered is competitive and aligned with the Group's remuneration packages;
- · Ensuring a collaborative and constructive relationship between the Board and Senior Management; and
- Overseeing the development and implementation of an investor relations programme for the Group.

Effective leadership and management are also established via Amway's set of guidelines, policies, procedures and the Group's corporate values. The following constitute key components of Amway's governance framework which guide the Board in the execution of its duties:

- Board Charter;
- Directors' Fit and Proper Policy;
- Board and Key Senior Management Diversity Policy;
- · Policy on Succession Planning for Board and Key Senior Management;
- · Remuneration Policy for Board and Key Senior Management;
- Sustainability Strategic Framework;
- Code of Conduct and Ethics, Whistleblower Policy, and Anti-Bribery and Corruption Policy;
- Enterprise Risk Management Policy, Internal Audit Charter, and Policy on External Auditors; and
- Investor Relations Policy.

The Board regularly reviews its governance framework in response to developments in the regulatory space as well as in tandem with the Group's evolving requirements. It is also cognisant of the key role it plays while discharging its fiduciary and leadership duties.

#### **Ethical Business Conduct**

The Board and Senior Management of Amway are committed to ensuring and maintaining the highest ethical standards and levels of integrity in carrying out our business. The Group is committed to conducting our business in an honest and ethical manner and adopting a zero-tolerance approach to any form of bribery or corruption. This type of conduct is absolutely prohibited whether committed by our employees or anyone else acting on behalf of Amway.

In this respect, the Board has put in place the Code of Conduct and Ethics, Whistleblower Policy, and Anti-Bribery and Corruption ("ABAC") Policy to enhance awareness and their adoption and compliance.

During FY2023, the Group updated its Code of Conduct and Ethics in tandem with the amendments to Bursa Securities' Listing Requirements revolving around (i) the enhancements to conflict-of-interest disclosures, and (ii) the expanded scope of the Audit Committee's oversight in relation to reviewing and reporting conflicts of interest situation to the Board. The ABAC Policy was also updated as part of the annual review.

To bolster the Group's efforts in combating bribery and corruption, an extensive eLearning module was introduced in FY2023. This module aims to increase awareness among the Directors, employees and key support service providers regarding the Group's ABAC Policy, Whistleblower Policy, and Code of Conduct and Ethics. Additionally, a corruption risk assessment process for evaluating new vendors before their onboarding was also implemented.

#### SUSTAINABILITY MANAGEMENT

The Board recognises the importance of sustainability in business and in creating long-term value for stakeholders. Ultimately, the Board, together with the Management, is responsible for the governance of sustainability in the Group, including the formulation of related strategies, priorities and targets, as well as for maintaining regular oversight of the Group's sustainability progress and achievements.

At the Board level, a Sustainability Strategic Framework ("the Framework") has been established to facilitate the Group's sustainability implementation which considers the Group's context, business direction, activities, products and services, environmental, economic and social impacts, as well as the resulting material matters. The Framework encapsulates the overarching pillars to address the Group's material matters namely, (i) Build Entrepreneurs, (ii) Nurturing People and Community, and (iii) Wellness-focused Responsible Products. It also considers the Group's overall direction towards sustainability while supporting the achievement of the United Nations' Sustainable Development Goals and Targets. In addition to the Framework, the Board has also adopted a Sustainability Policy which provides further guidance on how Amway is to conduct its business in a responsible manner while reaffirming its commitment towards sustainability.

Amway is committed to improving its business operations by incorporating environmental and social considerations into the business decisions and is seeking to deliver value to its stakeholders in the current rapidly shifting landscape in a 'right and good way'. In addition, the key risks associated with the Group's material sustainability matters have been incorporated into the Corporate Risk Register together with mitigation action plans and are reviewed quarterly by the Board through the Audit Committee.

In FY2023, the Group conducted a review of its Sustainability Strategic Framework and initiatives to further align with the changes to the Listing Requirements pertaining to the sustainability reporting framework. The Board then went on to approve the enhanced Sustainability Strategic Framework in February 2024.

At the management level, the Sustainability Steering Committee ("SSC") is responsible for driving sustainability initiatives across the Group's operations and overseeing the sustainability strategies and progress. The SSC is supported by the Sustainability Working Committee ("SWC") which is dedicated to implementing sustainability initiatives. The Head of Corporate and Government Affairs, who is a member of the SSC, reports regularly to the Board on the progress of the Group's sustainability initiatives and how the Group is addressing its material sustainability matters.

Details of the Group's sustainability management efforts and activities are disclosed in the Sustainability Statement in this Annual Report.

#### **BOARD CHARTER**

In executing its duties, the Board is guided by its Board Charter. The Board Charter clearly defines the Board's duties as well as that of its Board Committees, their limits of authority, as well as other related matters that are reserved for the Board. The duties of the Chairperson/Chairman, individual Directors in their capacities as Independent or Non-Independent Directors including the Senior Independent Non-Executive Director, and the role of the MD (which is separate and distinct from the role of the Chairperson/Chairman), are also clearly defined in the Board Charter.

The Board Charter is available on the Company's website at www.amway.my.

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# Corporate Governance Overview Statement (cont'd)

# **ROLES AND RESPONSIBILITIES OF KEY POSITIONS**

Chairperso	n/Chairman	Independent Directors
<ul> <li>corpora</li> <li>Maintai operatio Board r concerr</li> <li>Leads E as a fac no men domina discuss amongs Chairm logical a</li> <li>Encoura and allo</li> <li>Sets the receive manner</li> <li>Manage</li> <li>Ensures engage shareho</li> </ul>	Board meetings and discussions and acts cilitator at Board meetings to ensure that nber, whether executive or non-executive, tes discussions; that the appropriate ions take place; and that relevant opinions st members are forthcoming. The Chairperson/ an shall ensure that discussions result in and understandable outcomes; ages active participation at Board meetings ows dissenting views to be freely expressed; e Board agenda and ensures Board members complete and accurate information in a timely "; es the interface between the Board and the	<ul> <li>Safeguard the interests of all shareholders, not only the interests of a particular group, and ensure all relevant matters and issues are objectively and impartially considered by the Board in the decision- making process;</li> <li>Specifically look into matters of corporate governance within the Group while providing an independent perspective of the proposals and plans put forward by the MD and/or the Management; and</li> <li>Monitor the areas of discussion, notably those where potential conflicts of interest situations may arise.</li> </ul>
Non-Execu	tive Directors	Managing Director (MD)
<ul> <li>shareho</li> <li>Provide the inte while er</li> </ul>	a bridge between the Management, olders and other stakeholders; and the relevant checks and balances, focusing on rests of shareholders and other stakeholders, nsuring that high standards of corporate ance are applied.	<ul> <li>Develops and ensures the execution of day-to-day operational strategies together with the Management team;</li> <li>Develops business and sustainability strategies, plans, targets, annual operating plans and budgets to be adopted by the Board;</li> <li>Implements, monitors and provides effective leadership to the Management team with a view to achieving the approved plans, budgets, strategic objectives and direction set by the Board;</li> <li>Develops and maintains the Group's risk management systems, including internal control mechanisms and ensures that the Group is operating within the risk appetite set by the Board;</li> <li>Manages resources within budgets approved by the Board;</li> <li>Effectively represents the interests of the Group with major customers, regulatory bodies, and industries at large, to ensure general goodwill towards the Group and cooperation in planned development;</li> <li>Ensures that the Group's corporate identity, products and services are of a high standard and are reflective of the market environment;</li> <li>Provides accurate and timely information to the Board and Board Committees to enable them to carry out their responsibilities; and</li> <li>Acts within the specific authority delegated by the Board and ensures that the limits of authority accorded by the Board are observed.</li> </ul>

## SCHEDULE OF MATTERS RESERVED FOR THE BOARD

There is a formal schedule of matters reserved for the Board's purview except if the Board chooses to delegate determination and/or approval of any such matter to the respective Board Committees or Senior Management.

These include strategic issues and planning including sustainability, performance reviews, capital expenditure, limits of authority, risk management, the appointment of external auditors, announcements to Bursa Securities, approval of financial statements as well as the adequacy and integrity of internal controls and risk management, of both the Company and the Group.

The Board may alter the matters reserved for its decision, subject to the limitations imposed by the Constitution of the Company and the law.

The Board is ably supported by the MD and Senior Management, who provide it with the necessary information and support needed to develop comprehensive perspectives on strategic matters and issues. This in turn enables the Board to chart robust and sustainable business strategies and policies to guide the Group's operations. These strategies cover a wide range of areas which include, but are not limited to the areas of audit, risk, business planning and talent development, among others.

#### SEPARATION OF ROLES BETWEEN THE BOARD AND SENIOR MANAGEMENT

There is a clear delineation of roles and functions between the Board and Senior Management to ensure that the strategic operations and day-to-day operations of the Group are well managed.

The MD together with the Senior Management oversees the day-to-day management of the Group including financial, business, sustainability and operational matters within the prescribed limits of authority and in accordance with the Group's standard operating procedures.

Their role encompasses developing strategies and setting KPIs to realise the approved business plan for the year. In executing their roles, the Senior Management is supported by the rest of the management personnel and staff.

The Board, however, retains the ultimate responsibility for decision-making and is responsible for the oversight and stewardship of the Group.

#### **BOARD MEETINGS AND ACCESS TO INFORMATION AND ADVICE**

Separate meetings are held for the Board and Board Committees. The meeting agenda and papers are uploaded to a secured online portal which is accessible by the Directors at least five (5) business days prior to the Board and Board Committee meetings. This is to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making.

The Management provides updates on matters raised in previous Board and Board Committee meetings which require follow-up and remain as 'matters arising' until they are resolved. The minutes of the previous Board and Board Committee meetings are circulated to the Directors for their perusal prior to confirming these minutes at the commencement of the following meeting.

The KSM 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.

A Director is required to refrain from participating in discussions and voting during Board deliberations and decisions when he or she has a vested interest in the matter. This precaution ensures that the Director does not exert any undue influence over the Board's determination concerning the issue at hand.

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs. The Board is provided with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or other means upon specific request, for more informed decision-making and effective discharge of the Board's responsibilities.

Directors may also obtain independent professional advice at the Group's expense, if considered necessary, in accordance with the established procedures set out in the Board Charter in furtherance of their duties.

# Corporate Governance Overview Statement (cont'd)

#### **COMPANY SECRETARIES**

The Company engages the services of two (2) Company Secretaries, namely Ms. Wong Wai Foong and Ms. Kuan Hui Fang. Together, they bring to the table more than 20 years of cumulative company secretarial experience. On 15 November 2023, Ms. Wong Wai Foong resigned as the Company Secretary while Ms. Joanne Toh Joo Ann, a licensed company secretary with more than 20 years of experience in corporate secretarial practices, was appointed in her stead.

The Company Secretaries have an in-depth understanding of the Group's overall business strategy and operations. They are also well versed with the overall goals set by the Board when it comes to strengthening corporate governance and risk management, as well as improving the Group's overall management and administration.

The Company Secretaries are also responsible for advising the Board on matters relating to the Company's Constitution as well as for safeguarding Board policies and procedures so that these are aligned with the relevant rules and regulations. They also collaborate closely with the Management to ensure that the appropriate information is cascaded to the Board and Board Committees, as well as flows between Non-Executive Directors and Management, in a timely manner. Directors can seek the advice and services of both the Company Secretaries in an unrestricted manner.

## **BOARD ACTIVITIES AND TASKS IN FY2023**

The following is a summary of key matters addressed by the Board either directly or via its respective Board Committees:

Focus Area	Activities and Accomplishments
Financial and Operations	<ul> <li>Deliberated on and approved the Group's financial budget and forecasts;</li> <li>Deliberated on and approved the capital expenditure budget;</li> <li>Deliberated on and approved the unaudited quarterly financial results and annual audited financial statements; and</li> <li>Approved the interim and special dividends.</li> </ul>
Strategic Plans and Sustainability	<ul> <li>Reviewed the business strategies and operating plans;</li> <li>Oversaw the conduct of the Group's business; and</li> <li>Monitored the progress of the implementation of the Group's sustainability initiatives and achievements.</li> </ul>
Corporate Governance and Risk Management	<ul> <li>Reviewed Board effectiveness;</li> <li>Reviewed the respective term of office and performance of the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC");</li> <li>Reviewed the Group's corporate governance practices to further align with the Listing Requirements of Bursa Securities and the MCCG best practices;</li> <li>Reviewed principal risks (operational, sustainability and corruption) and the related mitigating measures and internal controls;</li> <li>Monitored the progress of implementing the recommendations from the solicitors to further enhance the Group's anti-bribery and corruption measures;</li> <li>Reviewed internal audit findings and management responses;</li> <li>Reviewed the succession planning and remuneration of the Board and KSM; and</li> <li>Approved the following changes in the Board and Committees:         <ul> <li>The resignation of Tan Sri Faizah Binti Mohd Tahir as the Board Chairperson and Senior INEED and cessation as the AC Chairman and member of the NC and RC;</li> <li>The appointment of Ms. Ho Kim Poi as an INED and AC member, and her subsequent re-designation as the AC Chairperson and a member of the NC; and</li> <li>The resignation of Pn. Aida Binti Md Daud as a Non-INED and the appointment of Pn. Norhanifah Binti A.Jalil as a Non-INED.</li> </ul> </li> </ul>

In November 2023, the Non-Executive Directors held a private session among themselves without the presence of the MD and Senior Management to discuss strategic, governance and operational issues. No significant issues were noted from the discussion.

## **II. BOARD COMPOSITION**

## Succession Plan for Tan Sri Faizah Binti Mohd Tahir

Over the course of 2023, the Company rolled out the succession plan for Tan Sri Faizah Binti Mohd Tahir, the Board's Chairperson and Senior INED, who had served as an INED for nine (9) years up to her retirement at the conclusion of the Company's 28<sup>th</sup> Annual General Meeting ("AGM") held on 24 May 2023. The succession plan involved strategic restructuring at both the Board and various committee levels.

## From 1 January 2023 to 14 March 2023

The Board comprised eight (8) Directors, seven (7) of whom were Non-Executive Directors. The MD was the sole Executive Director on the Board. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The Board then was made up of the following Directors:

- Tan Sri Faizah Binti Mohd Tahir (Chairperson and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Dato' Abdullah Thalith Bin Md Thani (INED);
- En. Abd Malik Bin A Rahman (INED);
- Datin Seri Azreen Binti Abu Noh (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Aida Binti Md Daud (Non-INED).

## From 15 March 2023 to the Company's 28th AGM on 24 May 2023

On 15 March 2023, Ms. Ho Kim Poi was appointed to the Board as an INED, as well as a member of the AC and RC. On the same day, Datin Seri Azreen Binti Abu Noh was appointed as a member of the NC. From 15 March 2023 to the Company's 28<sup>th</sup> AGM held on 24 May 2023, the Board comprised of nine (9) Directors, eight (8) of whom were Non-Executive Directors. Of the eight (8) Non-Executive Directors, five (5) were Independent Directors. The composition of the Board then was as follows:

- Tan Sri Faizah Binti Mohd Tahir (Chairperson and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Dato' Abdullah Thalith Bin Md Thani (INED);
- En. Abd Malik Bin A Rahman (INED);
- Datin Seri Azreen Binti Abu Noh (INED);
- Ms. Ho Kim Poi (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Aida Binti Md Daud (Non-INED).

#### From the conclusion of the 28th AGM on 24 May 2023 to 31 December 2023

Upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, Tan Sri Faizah Binti Mohd Tahir retired as the Board's Chairperson and Senior INED. This is in line with Practice 5.3 of the MCCG which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

On the same day, En. Abd Malik Bin A Rahman was appointed as the Board's Chairman and Senior INED to succeed Tan Sri Faizah Binti Mohd Tahir. He also stepped down as the AC Chairman as well as a member of the NC and RC in compliance with Practice 1.4 of the MCCG (i.e., that the Chairman of the Board should not be a member of the AC, NC or RC), and Practice 9.1 of the MCCG (i.e., that the Chairman of the AC is not the Chairman of the Board). Concurrently, Ms. Ho Kim Poi was redesignated as the new AC Chairperson to replace En. Abd Malik Bin A Rahman.

# Corporate Governance Overview Statement (cont'd)

From the conclusion of 28<sup>th</sup> AGM to 31 December 2023, the Board comprised eight (8) Directors, seven (7) of whom were Non-Executive Directors. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The Board then was made up of the following Directors:

- En. Abd Malik Bin A Rahman (Chairman and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Ms. Ho Kim Poi (INED);
- Dato' Abdullah Thalith Bin Md Thani (INED);
- Datin Seri Azreen Binti Abu Noh (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Aida Binti Md Daud (Non-INED).

## Other Board changes from 1 January 2024 to the date of this Statement

On 1 January 2024, Pn. Aida Binti Md Daud, a Non-INED and a nominee of Permodalan Nasional Berhad ("PNB") stepped down from the Board and was replaced by Pn. Norhanifah Binti A.Jalil from PNB on the same day.

From 1 January 2024, the Board comprised eight (8) Directors, seven (7) of whom were Non-Executive Directors. Of the seven (7) Non-Executive Directors, four (4) were Independent Directors. The composition of the Board then was as follows:

- En. Abd Malik Bin A Rahman (Chairman and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Ms. Ho Kim Poi (INED);
- Dato' Abdullah Thalith Bin Md Thani (INED);
- Datin Seri Azreen Binti Abu Noh (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Norhanifah Binti A.Jalil (Non-INED).

## Succession Plan for Dato' Abdullah Thalith Bin Md Thani in FY2024

At the forthcoming Twenty-Ninth ("29<sup>th</sup>") AGM to be held on 23 May 2024, Dato' Abdullah Thalith Bin Md Thani will be due for retirement by rotation. Come May 2024, Dato' Abdullah Thalith Bin Md Thani who was appointed as a Director in May 2015, would have served as an INED for a term of nine (9) years. In line with Practice 5.3 of the MCCG which states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years, Dato' Abdullah Thalith Bin Md Thani has indicated that he will not be seeking re-election and will retire from the Board upon the conclusion of the 29<sup>th</sup> AGM.

In February 2024 the Board recommended Datuk Harjeet Singh A/L Hardev Singh to succeed Dato' Abdullah Thalith Bin Md Thani. The appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director will be put forth to the shareholders for approval at the 29<sup>th</sup> AGM.

Subject to Datuk Harjeet Singh A/L Hardev Singh being appointed as a Director, the composition of the Board after the conclusion of the 29<sup>th</sup> AGM will be as follows:

- En. Abd Malik Bin A Rahman (Chairman and Senior INED);
- Mr. Michael Jonathan Duong (MD);
- Ms. Ho Kim Poi (INED);
- Datin Seri Azreen Binti Abu Noh (INED);
- Datuk Harjeet Singh A/L Hardev Singh (INED);
- Mr. Low Han Kee (Non-INED);
- Mr. Scott Russell Balfour (Non-INED); and
- Pn. Norhanifah Binti A.Jalil (Non-INED).

For more details of the Board members, please refer to the Directors' Profiles on pages 84 to 91 of this Annual Report. For information on Datuk Harjeet Singh A/L Hardev Singh whose appointment would be tabled at the 29<sup>th</sup> AGM for shareholders' approval, please refer to the Statement Accompanying the Notice of AGM.

## **BOARD DIVERSITY**

In terms of gender diversity, from 1 January 2023 to 14 March 2023, the Board comprised eight (8) Directors, three (3) of whom were women (equivalent to 38% of the Board composition). Following the appointment of Ms. Ho Kim Poi on 15 March 2023, four (4) out of nine (9) Directors were women (equivalent to 44% of the Board composition). With the retirement of Tan Sri Faizah Binti Mohd Tahir after the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, the number of women Directors reverted to three (3) out of the eight (8) Board members (equivalent to 38% of the Board composition). This composition remained unchanged following the resignation of Pn. Aida Binti Md Daud and the appointment of Pn. Norhanifah Binti A.Jalil on 1 January 2024.

The above developments are in line with Amway's Board and Key Senior Management Diversity Policy of having at least 30% women representation on the Board as recommended by Practice 5.9 of the MCCG which requires the Board to have at least 30% women Directors. This also complies with Paragraph 15.02(1)(b) of Bursa Securities' Listing Requirements, whereby listed issuers are required to have at least one (1) woman Director on the Board.

In addition, in tandem with the application of the guidance as per Practice 5.10 of the MCCG, the Board is supportive of ensuring that there is a healthy representation of women among the KSM or in KSM positions and strives to have at least 20% women participation in such positions. During FY2023, the KSM consisted of the Chief Financial Officer, Chief Sales & Experience Officer, Chief Marketing Officer, Head of Human Resources, and Head of Corporate & Government Affairs. From 1 January 2023 until March 2023, one (1) of the five (5) positions (i.e., for the Chief Sales & Experience Officer) was vacant. During this period, three (3) out of the remaining four (4) key positions, or 75%, were held by women. The said position was subsequently filled in April 2023 upon Ms. Wang Yanwei joining the KSM team, which led to four (4) out of five (5) key positions, or 80% being held by women. On 1 March 2024, Mr. Jason Leng Kek Mun joined Amway as General Manager and became a member of the KSM team. This led to four (4) out of the six (6) KSM positions, or 67% being held by women.

Collectively, the Board brings a diverse range of skills, expertise, qualifications, backgrounds and experiences to Amway. The Board composition reflects both a healthy ethnic and gender diversity. This ensures a rich spectrum of views and opinions to facilitate a more comprehensive dialogue and a more robust decision-making process.

The Board is of the view that the Directors have the necessary range of skills, knowledge and experience in key areas such as corporate planning, risk management, financial (including audit, tax and accounting), legal, human resource, business acumen, and entrepreneurial capabilities to direct the Group. The Board also believes that its composition represents an adequate balance of Executive and Non-Executive Directors to safeguard shareholders' interests and facilitate effective decision-making.

Skill/Competence	Description	
Leadership	Overall stewardship of the Group, strategy formulation, strong and established business networks and corporate management experience.	
Entrepreneurial acumen	Business development, assessment of existing and emerging opportunities.	
Sustainability and stakeholder management	Government relations, community and investor relations, and corporate governance.	
Finance and corporate	Accounting, audit, risk management, legal, financial literacy, human resource, economics and business administration.	

## COLLECTIVE SKILLS AND COMPETENCE OF THE BOARD

# Corporate Governance Overview Statement (cont'd)

## **BOARD INDEPENDENCE**

Amway's Board independence composition complies with the minimum one-third (1/3) requirement for Independent Directors on the Board as set out in Paragraph 15.02(1)(a) of the Listing Requirements and is also in line with Practice 5.2 of the MCCG and Board Charter, whereby at least half of the Board comprises Independent Directors. The changes in the Board's independence composition as a result of the Board movements are set out below.

- From 1 January 2023 to 14 March 2023, four (4) of the eight (8) Directors (representing 50% of the Board) were Independent Directors;
- From 15 March 2023 to the Company's 28<sup>th</sup> AGM on 24 May 2023, five (5) of the nine (9) Directors (representing 56% of the Board) were Independent Directors; and
- Upon the conclusion of the 28<sup>th</sup> AGM to the date of this Statement, four (4) of the eight (8) Directors (representing 50% of the Board) were Independent Directors.

The Board reviews the independence of Directors before they are appointed, on an annual basis and at any other time where the circumstances of a Director change and reassessment is warranted. Director independence is essentially assessed based on the criteria set out in Paragraph 1.01 of the Listing Requirements.

The NC, following its annual assessment, is satisfied that in FY2023, all Independent Directors of Amway demonstrated a high level of independence and acted, to the best of their abilities, in the best interests of the Group. In justifying its decision, the NC is entrusted to assess the Directors' suitability to continue as INEDs based on the criteria for independence.

#### **SENIOR INED**

Tan Sri Faizah Binti Mohd Tahir was the Senior INED and provided an independent point of contact for shareholders until her retirement at the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.

Upon the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman was re-designated as the Chairman and Senior INED of the Company. He may be reached via email at <u>AmwayChairman@gmail.com</u>.

## **CONFLICTS OF INTEREST**

In the event of conflicts of interest, the Board has established processes for declaring and monitoring actual and potential conflicts and is guided by Amway's Code of Conduct and Ethics.

During FY2023, the Code of Conduct and Ethics was updated to incorporate the amendments to Bursa Securities' Listing Requirements pertaining to:

- i. the enhancements to conflict of interest disclosures; and
- ii. the expanded scope of the Audit Committee's oversight in relation to reviewing and reporting conflicts of interest situation to the Board.

The Code of Conduct and Ethics is available on the Company's website at www.amway.my.

## **BOARD COMMITTEES**

In effectively discharging its duties, the Board has established relevant Board Committees where specific powers of the Board are delegated to these Committees as well as to the Management.

Committee	Key Responsibilities
AC	<ul> <li>Oversees the financial reporting process;</li> <li>Assesses the effectiveness of the system of internal control and risk management processes;</li> <li>Assesses the suitability, objectivity and independence of the Internal and External Auditors, and the performance of the audit functions;</li> <li>Reviews related party transactions;</li> <li>Reviews and reports to the Board any conflicts of interest that arose, persist or may arise together with the measure taken to resolve, eliminate or mitigate such conflicts; and</li> <li>Reviews the effectiveness of Amway's anti-corruption and whistle-blowing processes as well as receives reports and recommendations for improvements from the Internal Auditors.</li> </ul>
NC	<ul> <li>Reviews the size and composition of the Board and Board Committees, while keeping in mind the need to refresh the composition of the Board periodically;</li> <li>Assesses the effectiveness and performance of the Directors, Board and its Committees;</li> <li>Reviews the tenure of Directors;</li> <li>Proposes new nominees to the Board and Board Committees in line with the Directors' Fit and Proper Policy;</li> <li>Assesses the independence of the Independent Directors; and</li> <li>Ensures succession plans for the Board and KSM are in place.</li> </ul>
RC	<ul> <li>Reviews and recommends the Directors' fees and allowances of the Non-Executive Directors taking into account their responsibilities and time commitment; and</li> <li>Reviews and recommends the remuneration packages of the Executive Director and KSM based on their individual performances and that of the Group.</li> </ul>

The Chairman of each Committee reports to the Board to keep the Board members apprised of matters discussed at the Committee level.

Supporting the Board Committees are the Risk Management Committee ("RMC"), Executive Committee ("EXCOM") and Sustainability Steering Committee ("SSC").

# MANAGEMENT GOVERNANCE FRAMEWORK



# Corporate Governance Overview Statement (cont'd)

## THE AC

## **AC Composition**

The Board's AC is exclusively made up of Non-Executive Directors, the majority of whom are Independent Directors.

From 1 January 2023 to 14 March 2023, the AC comprised the following:

- En. Abd Malik Bin A Rahman (Chairman, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Effective 15 March 2023, Ms. Ho Kim Poi was appointed as an AC member. From 15 March 2023 until the Company's 28<sup>th</sup> AGM on 24 May 2023, the AC comprised the following:

- En. Abd Malik Bin A Rahman (Chairman, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Ms. Ho Kim Poi (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Upon the retirement of Tan Sri Faizah Binti Mohd Tahir as the Board's Chairperson at the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman was appointed as the Board Chairman. On the same day, he ceased to be the AC Chairman and a member of the NC and RC in line with Practice 1.4 of the MCCG, which states that the Chairman of the Board should not be a member of the AC, NC or RC, and Practice 9.1 of the MCCG whereby the Chairman of the AC is not the Chairman of the Board. Concurrently, Ms. Ho Kim Poi, an AC member, was re-designated as the AC Chairperson to succeed En. Abd Malik Bin A Rahman. Upon the conclusion of the 28<sup>th</sup> AGM, the AC comprised the following:

- Ms. Ho Kim Poi (Chairperson, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Dato' Abdullah Thalith Bin Md Thani is due for retirement at the 29<sup>th</sup> AGM and he has indicated that he will not seek re-election and therefore will retire upon the conclusion of the Company's 29<sup>th</sup> AGM which will be held on 23 May 2024. Accordingly, he will also cease to be a member of the AC. As part of the succession planning, the Board had in February 2024 recommended Datuk Harjeet Singh A/L Hardev Singh to succeed Dato' Abdullah Thalith Bin Md Thani. The appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director will be put forth to the shareholders for approval at the 29<sup>th</sup> AGM.

Subject to Datuk Harjeet Singh A/L Hardev Singh being appointed as a Director at the 29<sup>th</sup> AGM, Datuk Harjeet Singh A/L Hardev Singh will be appointed as an AC member on the same day and the composition of the AC after the 29<sup>th</sup> AGM will be as follows:

- Ms. Ho Kim Poi (Chairperson, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Datuk Harjeet Singh A/L Hardev Singh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- 106 Mr. Low Han Kee (Member, Non-INED).

### AC's Responsibilities

One of the AC's key responsibilities is to ensure that the financial statements of the Company and Group have been prepared in accordance with the provisions of the Companies Act 2016 ("the Act") and applicable accounting standards; and that these provide a balanced and fair view of the financial state and performance of the Company and Group. Through the AC, the Board entrusts the RMC with the overall responsibility of overseeing the risk management activities of the Group.

During FY2023, the Terms of Reference of the AC were updated to incorporate the amendments to Bursa Securities' Listing Requirements relating to the expanded scope of the Audit Committee's oversight role in reviewing and reporting conflicts of interest situation to the Board. The Terms of Reference of the AC can be found on the Company's website at <u>www.amway.my</u>.

The activities undertaken by the AC during FY2023 are spelled out in the AC Report within this Annual Report.

### THE NC

### **NC Composition**

The Board's NC is exclusively made up of Non-Executive Directors, the majority of whom are Independent Directors.

From 1 January 2023 to 14 March 2023, the NC comprised the following:

- Dato' Abdullah Thalith Bin Md Thani (Chairman, INED);
- En. Abd Malik Bin A Rahman (Member, INED); and
- Mr. Scott Russell Balfour (Member, Non-INED).

On 15 March 2023, Datin Seri Azreen Binti Abu Noh was appointed a member of the NC. From 15 March 2023 until the conclusion of the 28<sup>th</sup> AGM on 24 May 2023, the NC comprised the following:

- Dato' Abdullah Thalith Bin Md Thani (Chairman, INED);
- En. Abd Malik Bin A Rahman (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED); and
- Mr. Scott Russell Balfour (Member, Non-INED).

Upon the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman ceased to be a member of the NC following his appointment as the Board Chairman. This was to ensure continued compliance with Practice 1.4 of the MCCG, which stipulates that the Chairman of the Board should not be a member of the AC, NC or RC. The NC's composition after the 28<sup>th</sup> AGM was as follows.

- Dato' Abdullah Thalith Bin Md Thani (Chairman, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED); and
- Mr. Scott Russell Balfour (Member, Non-INED).

Upon the conclusion of the 29<sup>th</sup> AGM to be held on 23 May 2024, Dato' Abdullah Bin Md Thani will retire from the Board as well as cease to be the Chairman of the NC. On the same day, Datin Seri Azreen Binti Abu Noh, a NC member, will be redesignated as the NC Chairperson. The Board has also recommended that Datuk Harjeet Singh A/L Hardev Singh be appointed as a Director to replace Dato' Abdullah Bin Md Thani for shareholders' approval at the 29<sup>th</sup> AGM. At the same time, he will be appointed as a NC member.

Subject to the appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director and subsequently as an NC member on the same day, the composition of the NC after the 29<sup>th</sup> AGM will be as follows:

- Datin Seri Azreen Binti Abu Noh (Chairperson, INED);
- Datuk Harjeet Singh A/L Hardev Singh (Member, INED); and
- Mr. Scott Russell Balfour (Member, Non-INED).

## Corporate Governance Overview Statement (cont'd)

### **NC's Responsibilities**

The NC is tasked with specific terms of reference to assist the Board, among other things, to identify, consider and recommend suitable individuals for appointment as Directors of the Board and Board Committees in line with the Directors' Fit and Proper Policy.

The NC is also responsible for identifying training programmes for the Board, reviewing the Board's succession planning, and assessing the performance of the Directors on an ongoing basis. In addition, the NC, in consultation with the MD and the Head of Human Resources, shall provide input and guidance on the development and succession plans for KSM. In this regard, the NC is guided by the Group's Policy on Succession Planning for Board and Key Senior Management.

The Terms of Reference of the NC can be found on the Company's website at www.amway.my.

### **NC's Activities**

The NC held three (3) meetings during FY2023, and the main activities undertaken during the year included the following:

- · Reviewed and assessed the mix of skills, experience, size and composition of the Board of Directors;
- Reviewed and assessed the effectiveness of the Board as a whole as well as the Committees of the Board, together with the contributions of each individual Director including his/her time commitment, character, experience, integrity and competency;
- Assessed the effectiveness and performance of the MD;
- Assessed the independence of the Independent Directors based on the criteria set out in the Listing Requirements;
- Reviewed the tenure of the Directors;
- Reviewed the re-election of Directors who were subject to retirement by rotation and recommended the same to the Board;
- Reviewed the character, experience, integrity and competency of the MD and Chief Financial Officer ("CFO"), and the time they require to effectively discharge their roles;
- Accepted the resignation of Tan Sri Faizah Binti Mohd Tahir as the Board's Chairperson and Senior INED effective after the conclusion of the 28<sup>th</sup> AGM on 24 May 2023;
- Recommended the appointment of En. Abd Malik Bin A Rahman as the new Board Chairman and Senior INED as well as his cessation as the AC Chairman and member of the NC and RC upon the conclusion of the 28<sup>th</sup> AGM;
- Reviewed and recommended to the Board, the appointment of Ms. Ho Kim Poi as a Director and as a member of the AC and RC effective 15 March 2023, as well as her subsequent redesignation as the AC Chairperson upon the conclusion of the 28<sup>th</sup> AGM;
- Accepted the resignation of Pn. Aida Binti Md Daud and the appointment of Pn. Norhanifah Binti A.Jalil as a Director effective 1 January 2024;
- Reviewed and recommended the succession plan for Dato' Abdullah Thalith Bin Md Thani;
- Accepted the resignation of a Director of a subsidiary of the Company, reviewed and recommended to the Board, the appointment of a replacement Director (including assessment of fit and propriety);
- Reviewed and recommended the training needs for Directors; and
- Reviewed and recommended the updated Terms of Reference of the NC to the Board for approval.

In February 2024, the NC undertook the following in connection with the succession plan for Dato' Abdullah Thalith Bin Md Thani:

- Recommended accepting the impending retirement of Dato' Abdullah Thalith Bin Md Thani as a Director, NC Chairman and AC member upon the conclusion of the Company's 29<sup>th</sup> AGM to be held on 23 May 2024;
- Recommended the re-designation of Datin Seri Azreen Bin Abu Noh as the new NC Chairperson upon the conclusion
  of the 29<sup>th</sup> AGM; and
- Identified and recommended Datuk Harjeet Singh A/L Hardev Singh as a Director to succeed Dato' Abdullah Thalith Bin Md Thani (including assessment of fit and propriety). His appointment as a Director will be put forth to the shareholders for approval at the 29<sup>th</sup> AGM. Subject to his appointment as a Director, Datuk Harjeet Singh A/L Hardev Singh will also be appointed as a member of the AC and NC.

All recommendations of the NC were reported by the NC Chairman at the Board Meeting and approved/noted by the Board.

### THE RC

## **RC** Composition

The Board's RC comprises exclusively of Non-Executive Directors, the majority of whom are Independent Directors.

From 1 January 2023 to 14 March 2023, the RC comprised of the following:

- Mr. Scott Russell Balfour (Chairman, Non-INED);
- En. Abd Malik Bin A Rahman (Member, INED); and
- Datin Seri Azreen Binti Abu Noh (Member, INED).

Upon the appointment of Ms. Ho Kim Poi as a RC member on 15 March 2023, until the conclusion of the 28<sup>th</sup> AGM, the RC comprised the following members:

- Mr. Scott Russell Balfour (Chairman, Non-INED);
- En. Abd Malik Bin A Rahman (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED); and
- Ms. Ho Kim Poi (Member, INED).

Upon the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman ceased to be a member of the RC following his appointment as the Board Chairman. This was to ensure continued compliance with Practice 1.4 of the MCCG, which stipulates that the Chairman of the Board should not be a member of the AC, NC or RC. Upon the conclusion of the 28<sup>th</sup> AGM, the RC comprised the following:

- Mr. Scott Russell Balfour (Chairman, Non-INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED); and
- Ms. Ho Kim Poi (Member, INED).

### **RC's Responsibilities**

The RC is responsible for establishing the framework to review and determine the remuneration packages that appropriately reflect the different roles and responsibilities of the Executive Director, Non-Executive Directors and KSM with the aim of attracting and retaining high-calibre and experienced individuals to support the Group's growth plans going forward. To this end, the Board is guided by the Remuneration Policy for Board and Key Senior Management.

The Terms of Reference of the RC can be found on the Company's website at www.amway.my.

### **RC's Activities**

The RC held two (2) meetings during FY2023, and the main activities undertaken during the year included the following:

- Reviewed and recommended the remuneration packages for the MD and KSM; and
- Reviewed and recommended the Non-Executive Director's fees, allowances and benefits for the Directors of the Group; and
- · Reviewed and recommended the updated Remuneration Policy for Board and KSM.

All recommendations of the RC were reported by the RC Chairman at the Board Meeting and approved by the Board.

## Corporate Governance Overview Statement (cont'd)

### TIME COMMITMENT

The Board recognises that it is necessary for all Directors to allocate sufficient time to effectively discharge their duties. This includes attending meetings, being able to review Board papers prior to meetings and providing constructive viewpoints.

This is in addition to the duties or commitments if the said Directors also serve on any Board Committees. The Board obtains this commitment from Directors at the time of their appointment. For the year under review, Amway's Directors remained fully committee as reflected by their full attendance at the Board meetings and Board Committee meetings held during FY2023.

In ensuring Directors are able to allocate their time to Amway, the schedule of the meetings for the coming year is circulated before the financial year end to enable the Directors to plan their schedules for the coming year. Additional meetings may be convened if and when urgent matters arise between the scheduled meetings.

In accordance with the Board Charter, Directors seeking to accept any new directorships are required to notify the Chairman, notwithstanding that Paragraph 15.06 of the Listing Requirements allows a Director to sit on the boards of five (5) listed issuers. At present, no Directors have more than five (5) directorships in listed issuers.

### ATTENDANCE OF BOARD AND BOARD COMMITTEES

The following table outlines the attendance of the Board Members for Board meetings and Board Committee meetings held during FY2023:

Directors		Number of Meetings Held			
	Board	AC	NC	RC	
Non-Executive Directors					
Tan Sri Faizah Binti Mohd Tahir (Retired as the Board Chairperson, upon the conclusion of the 28 <sup>th</sup> AGM on 24 May 2023)	1/1 <sup>(1)</sup>	N/A	N/A	N/A	
En. Abd Malik Bin A Rahman (Re-designated as the Board Chairman and ceased to be the AC Chairman, NC member and RC member upon the conclusion of the 28 <sup>th</sup> AGM on 24 May 2023)	4/4	2/2 <sup>(2)</sup>	2/2 <sup>(3)</sup>	2/2	
Ms. Ho Kim Poi (Appointed as a Board member, AC member and RC member on 15 March 2023; and re-designated as the AC Chairperson upon the conclusion of the 28 <sup>th</sup> AGM on 24 May 2023)	3/3(4)	3/3 <sup>(4)</sup>	N/A	1/1 <sup>(5)</sup>	
Dato' Abdullah Thalith Bin Md Thani	4/4	4/4	3/3	N/A	
Mr. Low Han Kee	4/4	4/4	N/A	N/A	
Mr. Scott Russell Balfour	4/4	4/4	3/3	2/2	
Datin Seri Azreen Binti Abu Noh (Appointed as an NC member on 15 March 2023)	4/4	4/4	2/2 <sup>(6)</sup>	2/2	
Pn. Aida Binti Md Daud	4/4	N/A	N/A	N/A	
Executive Director					
Mr. Michael Jonathan Duong	4/4	N/A	N/A	N/A	

Notes:

- <sup>1</sup> Only one meeting held prior to her retirement as the Board Chairperson.
- <sup>2</sup> Only two meetings held prior to his cessation as the AC Chairman.
- <sup>3</sup> Only two meetings held prior to his cessation as an NC member.
- <sup>4</sup> Only three meetings held after her appointment as a Director, AC member and subsequent re-designation as the AC Chairperson.
- <sup>5</sup> Only one meeting held after her appointment as a RC member.
- <sup>6</sup> Only two meetings held after her appointment as a NC member.

All Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the Listing Requirements. The Board is satisfied with the level of time commitment afforded by its Directors in FY2023 towards fulfilling their roles and responsibilities as Directors of the Group.

### **BOARD EFFECTIVENESS**

### **BOARD PERFORMANCE EVALUATION**

The Board and individual members are assessed annually by the NC via a Board Effectiveness Evaluation ("BEE") exercise. Directors are assessed based on the following:

- Directors' evaluation form (self and peer assessment);
- · Board and Board Committee evaluation form;
- AC evaluation form (including assessments of the External and Internal Auditors);
- · Mix of skills and experience of the Board;
- · Declaration of Independence; and
- Time commitment.

The process of the BEE exercise is as follows:

- 1. Each Director completes the BEE questionnaires circulated by the Company Secretary;
- 2. The responses are compiled, summarised and furnished to the NC by the Company Secretary; and
- 3. The NC conducts the assessment and the Chairman of the NC reports the NC's deliberations and recommendations to the Board for consideration and approval.

None of the Directors has any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries.

Having conducted the BEE in respect of FY2023 internally and facilitated by the Company Secretary, the Board is satisfied with the outcome of this exercise. Areas requiring improvements were identified and action plans were recommended to the Board for implementation.

As part of the BEE process, the Board also reviewed the self-evaluation form completed by the MD and CFO. After considering the Group's overall performance, the NC is satisfied with the character, experience, integrity, competence and time commitment of the MD and CFO in discharging their roles in FY2023.

# Corporate Governance Overview Statement (cont'd)

### **BOARD APPOINTMENTS**

The NC is responsible for recommending suitable candidates to the Board with the aim of strengthening the Board's existing skills matrix. It is also tasked with ensuring a constant rejuvenation of its Directors so that they can inject fresh perspectives and ideas while ensuring strong corporate governance. Candidates are sourced using a number of channels, including the recommendations of present or former Directors, major shareholders and/or independent external sources.

In shortlisting and recommending candidates for the Board's approval, the NC is guided by the following:

- Directors' Fit and Proper Policy;
- Board and Key Senior Management Diversity Policy; and
- · Policy on Succession Planning for Board and Key Senior Management.

The NC considers, among others, the following key criteria:

- The size, composition and diversity in terms of skills, experience and gender requirements of the Board and its Committees (if the candidate is proposed to be appointed to any of the Board Committees) having regard to the strategic direction of the Group;
- · The candidate's independence in the case of the appointment of an INED;
- The candidate's track record, skills, knowledge, expertise, experience, age, professionalism, character, integrity (personal and financial), ability to understand financial statements and form a view on the information presented, and such other relevant factors that may potentially contribute to the Board's collective skills; and
- Any competing time commitments if the candidate has multiple board representations.

Directors are selected purely on merit. All newly appointed Directors will undergo an induction programme to acquaint them with the Group and its business operations and strategies, as well as ongoing activities and any potential issues or developments. This includes visits to the Group's significant places of operation as well as meetings with Senior Management and relevant staff.

During 2023, the NC undertook the following prior to recommending the appointment of Ms. Ho Kim Poi as an INED on 15 March 2023 and Pn. Norhanifah Binti A.Jalil as a Non-INED on 1 January 2024:

- Reviewed their profiles;
- Reviewed the independence of Ms Ho Kim Poi;
- Assessed their fitness and propriety based on criteria set out in the Directors' Fit and Proper Policy which includes
  probity, personal and financial integrity, reputation, experience and competency, and time and commitment;
- Reviewed the results of the due diligence checks performed by the Management (which included bankruptcy, credit
  and criminal checks, among others) and the fit and proper declarations via the Directors' Declaration and Undertaking
  form;
- Reviewed any conflict of interest or potential conflict of interest, including interest in any business that competes with the Company or its subsidiaries; and
- Conducted engagement sessions before recommending these candidates to the Board for approval.

In February 2024, the NC undertook the following in connection with the succession plan for Dato' Abdullah Thalith Binti Md Thani:

- Reviewed the profiles of potential candidates put forward by external independent sources, as well as
  recommendations from a former Board member that fit the requirements set out in the succession plan approved by
  the Board;
- Assessed the potential candidates' independence as well as their fitness and propriety based on criteria set out in the Directors' Fit and Proper Policy which includes probity, personal and financial integrity, reputation, experience and competency, and time and commitment;
- Reviewed the results of the due diligence checks performed by the Management (which included bankruptcy, credit
  and criminal checks, among others) and the fit and proper declaration made by the potential candidates via the
  Directors' Declaration and Undertaking form;
- Reviewed any conflict of interest or potential conflict of interest, including interest in any business that competes with the Company or its subsidiaries; and
- Conducted engagement sessions with the shortlisted candidates before recommending the potential candidates to the Board.

### **RE-ELECTION OF DIRECTORS**

In compliance with the Constitution of the Company, one-third (1/3) of the Directors shall retire by rotation at each AGM, and a Director who is appointed during the year shall retire at the next AGM. The Constitution provides that all Directors shall retire from office at least once every three (3) years.

At the Company's forthcoming 29th AGM on 23 May 2024, the following Directors will be subjected to stand for re-election:

- En. Abd Malik Bin A Rahman and Dato' Abdullah Thalith Md Thani who are due for retirement by rotation; and
- Pn. Norhanifah Binti A.Jalil who was appointed as a Director on 1 January 2024.

Dato' Abdullah Thalith Bin Md Thani, having served nine (9) years come May 2024, has expressed his intention not to seek re-election and will retire upon the conclusion of the 29<sup>th</sup> AGM.

For the purpose of determining the eligibility of a Director to stand for re-election, the NC conducted an assessment of each Director's performance based on the results of the BEE exercise (except for Pn. Norhanifah Binti A.Jalil who was appointed as a Director after the FY2023 and therefore excluded from the BEE exercise). Based on the outcome of the BEE exercise, the NC was satisfied that the abovementioned Directors had contributed effectively and had demonstrated their commitment to the Board. The NC was also of the view that Pn. Norhanifah Binti A.Jalil would bring significant value to the Board with her skills and experience and her strong track record in senior management positions.

The Board, via the NC, has also applied the Directors' Fit and Proper Policy in their assessment of the abovementioned Directors which includes the areas of probity, personal and financial integrity, reputation, experience and competency, as well as time and commitment. The NC has also reviewed the results of the checks performed by the Management (which included bankruptcy, credit, and criminal checks, among others) as well as the fit and proper declaration made by the said Directors via the Directors' Declaration and Undertaking form. The Board recommends and supports their re-election at the 29<sup>th</sup> AGM.

As at 31 December 2023, no INED has served for a cumulative period beyond nine (9) years. The Board has in essence complied with Practice 5.3 of the MCCG which stipulates that the tenure of an Independent Director should not exceed a term limit of nine years.

### **BOARD TRAINING**

The Board, via the NC, continues to review and assess the training needs of each Director should he/she require specific training for personal development or to keep abreast of changes in legislation and regulations affecting the Group.

During the year, the Directors attended various training programmes workshops, as well as conferences in the areas of corporate governance, risk management, strategy, leadership, business intelligence and finance, including tailor-made sustainability programmes conducted by external professional trainers.

Over the course of FY2023, Amway's Directors attended conferences, seminars and training programmes which included the following:

### **Corporate Governance/Risk Management**

- 1. Corporate Governance Monitor 2022, Bursa Malaysia Guidebook 4 and Guidebook 5
- 2. Powering Up Your Risk and Compliance Management with Data and Analytics
- 3. Managing Cyber Risk

# Corporate Governance Overview Statement (cont'd)

### Strategic/Leadership/Business Intelligence/Sustainability

- 1. Can America Stop China's Rise? Will ASEAN be Damaged?
- 2. Positioning for Megatrends in Malaysia
- 3. The Board Agender Bursa Malaysia Immersive Session
- 4. 2023 Board and Audit Committee Priorities
- 5. Sustainability: The Key to Our Future
- 6. SRI 2023 Conference: Revving Up the Race for Sustainability
- 7. ESG Application on Retail Physical Stores and E-Commerce
- 8. 2nd Asian Economic Impact Climate Change Risk
- 9. Sustainability Awareness Knowledge Sharing

### **Finance/Technology**

- 1. 2023 Budget Webinar
- 2. Green Finance: Have You Got the Knowledge Every Accountant Needs?
- 3. Financial and Debt Management Initiatives for SMEs and Individuals
- 4. Tax and Business Summit
- 5. Understanding the Impact of Digital Transformation in the Financial Industry: What Board Members Need to Know
- 6. Unlock the Power of Conversational AI with ChatGPT
- 7. Hybrid Masterclass: Exploring ChatGPT and Its Implication
- 8. AI in Accounting: Threat or Opportunity
- 9. The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting
- 10. Proposed Amendments to the Companies Act 2016
- 11. Navigating the Rising Tide of Financial Crime
- 12. Tax and Business Summit

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge so as to discharge their duties effectively.

### **III. REMUNERATION**

### **REMUNERATION POLICIES**

The remuneration of the Directors is determined based on their responsibilities and time commitment. Meanwhile for the KSM, the RC considers factors such as market competitiveness, business results, experience and individual performance, to ensure that the compensation provided is competitive with industry benchmarks.

This is in line with the Board's aim to retain, attract and reward talent that is essential for driving Amway forward in the realisation of its business goals.

### **DIRECTORS' REMUNERATION**

In the case of Non-Executive Directors, remuneration is a matter for the Board as a whole, with each individual Director abstaining from the discussion of his/her own remuneration.

For the MD (the sole Executive Director on the Board), remuneration is based on the achievement of KPIs for the Group as well as individual KPIs. The Board deliberates on and approves the remuneration of the MD who shall abstain from deliberation and voting on his own remuneration. The RC adopts the ultimate holding Company's employee compensation plan to set the remuneration of the MD.

The RC reviews and recommends to the Board the remuneration for the MD and further recommends the Non-Executive Directors' fees and benefits to the Board for shareholders' approval at the Company's AGM.

The Remuneration Policy for Board and Key Senior Management is available on the Company's website at <u>www.amway.my</u>.

Remuneration of the Directors for FY2023 is as follows:

Group						
	Fees	Salaries and Other Emoluments	Bonus	Allowances	Benefits- In-Kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director						
Mr. Michael Jonathan Duong	-	2,122.8	1,069.0	-	473.1	3,664.9
Non-Executive Directors (1)						
Tan Sri Faizah Binti Mohd Tahir (2)	48.6	-	-	1.3	2.3	52.2
En. Abd Malik Bin A Rahman (3)	110.3	-	-	13.0	7.5	130.8
Ms. Ho Kim Poi (4)	68.6	-	-	9.1	-	77.7
Dato' Abdullah Thalith Bin Md Thani	83.8	-	-	14.3	0.4	98.5
Mr. Low Han Kee	76.1	-	-	10.4	5.5	92.0
Mr. Scott Russell Balfour	-	-	-	-	-	-
Datin Seri Azreen Binti Abu Noh <sup>(5)</sup>	85.5	-	-	15.6	4.4	105.5
Pn. Aida Binti Md Daud	69.5	-	-	5.2	5.8	80.5
Total	542.4	2,122.8	1,069.0	68.9	499.0	4,302.1
Company						
	Fees	Salaries and Other Emoluments	Bonus	Allowances	Benefits- In-Kind	Total
	Fees RM'000	and Other	Bonus RM'000	Allowances RM'000		Total RM'000
Executive Director <sup>(6)</sup>		and Other Emoluments			In-Kind	
<b>Executive Director</b> <sup>(6)</sup> Mr. Michael Jonathan Duong		and Other Emoluments			In-Kind	
	RM'000	and Other Emoluments RM'000			In-Kind RM'000	
Mr. Michael Jonathan Duong	RM'000	and Other Emoluments RM'000			In-Kind RM'000	
Mr. Michael Jonathan Duong Non-Executive Directors	RM'000 -	and Other Emoluments RM'000		RM'000 -	In-Kind RM'000	RM'000
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup>	RM'000 - 48.6	and Other Emoluments RM'000		RM'000 - 1.3	In-Kind RM'000 - 2.3	RM'000 - 52.2
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup>	RM'000 - 48.6 110.3	and Other Emoluments RM'000		RM'000 - 1.3 13.0	In-Kind RM'000 - 2.3	RM'000
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup> Ms. Ho Kim Poi <sup>(4)</sup>	RM'000 - 48.6 110.3 68.6	and Other Emoluments RM'000		RM'000 - 1.3 13.0 9.1	In-Kind RM'000 2.3 7.5	RM'000 - 52.2 130.8 77.7
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup> Ms. Ho Kim Poi <sup>(4)</sup> Dato' Abdullah Thalith Bin Md Thani	RM'000 - 48.6 110.3 68.6 83.8	and Other Emoluments RM'000		RM'000 - 1.3 13.0 9.1 14.3	In-Kind RM'000 - - 2.3 7.5 - - 0.4	RM'000 - 52.2 130.8 77.7 98.5
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup> Ms. Ho Kim Poi <sup>(4)</sup> Dato' Abdullah Thalith Bin Md Thani Mr. Low Han Kee	RM'000 - 48.6 110.3 68.6 83.8 76.1	and Other Emoluments RM'000	RM'000	RM'000 - 1.3 13.0 9.1 14.3 10.4	In-Kind RM'000 - - 2.3 2.3 7.5 - - 0.4 5.5	RM'000 - 52.2 130.8 77.7 98.5 92.0 -
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup> Ms. Ho Kim Poi <sup>(4)</sup> Dato' Abdullah Thalith Bin Md Thani Mr. Low Han Kee Mr. Scott Russell Balfour	RM'000 - 48.6 110.3 68.6 83.8 76.1 -	and Other Emoluments RM'000	RM'000	RM'000 - 1.3 13.0 9.1 14.3 10.4 -	In-Kind RM'000 2.3 2.3 7.5 0.4 5.5 .5	RM'000 - 52.2 130.8 77.7 98.5
Mr. Michael Jonathan Duong Non-Executive Directors Tan Sri Faizah Binti Mohd Tahir <sup>(2)</sup> En. Abd Malik Bin A Rahman <sup>(3)</sup> Ms. Ho Kim Poi <sup>(4)</sup> Dato' Abdullah Thalith Bin Md Thani Mr. Low Han Kee Mr. Scott Russell Balfour Datin Seri Azreen Binti Abu Noh <sup>(5)</sup>	RM'000 - 48.6 110.3 68.6 83.8 76.1 - 85.5	and Other Emoluments RM'000	RM'000	RM'000 - 1.3 13.0 9.1 14.3 10.4 - 15.6	In-Kind RM'000 2.3 2.3 7.5 0.4 5.5 5.5 - 4.4	RM'000

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# Corporate Governance Overview Statement (cont'd)

Notes:

- <sup>(1)</sup> The Non-Executive Directors did not receive any remuneration from the Company's subsidiaries.
- <sup>(2)</sup> Retired as the Board Chairperson, upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- <sup>(3)</sup> Re-designated as the Board Chairman and ceased to be the AC Chairman, NC member and RC member upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- <sup>(4)</sup> Appointed as a Board member, AC member and RC member on 15 March 2023; and re-designated as the AC Chairperson upon the conclusion of the 28<sup>th</sup> AGM on 24 May 2023.
- <sup>(5)</sup> Appointed as an NC member on 15 March 2023.
- <sup>(6)</sup> The Executive Director did not receive any remuneration from the Company.

Any bonus payable to the Executive Director is performance-based and relates to individual and Group achievement of specific goals. The Non-Executive Directors do not receive any performance-related remuneration. Meeting allowances are provided to Directors for attendance at meetings.

In accordance with the Companies Act 2016 or "the Act", the payment of Directors' fees and benefits shall be approved at a general meeting. The Board shall seek shareholders' approval at the forthcoming 29<sup>th</sup> AGM for the payment of Directors' fees and benefits for the Directors of the Company for FY2024.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. AUDIT COMMITTEE

Matters of audit and risk are managed by the AC, which comprises the majority of Independent Directors. During 2023, the Terms of Reference of the AC were updated to incorporate the amendments to Bursa Securities' Listing Requirements pertaining to the expanded scope of the Audit Committee's oversight role in reviewing and reporting conflicts of interest situation to the Board. The Terms of Reference of the AC are available on the Company's website at <u>www.amway.my</u>. The full scope of work undertaken by the AC is given in the AC Report of this Annual Report.

The AC is supported by the Company's external and internal audit functions, as well as the RMC on matters pertaining to risk.

During the financial year, the AC focused on governance, financial reporting, budgeting, internal audit, risk management and external audit matters.

The AC is responsible for ensuring that the financial statements of the Group are made in accordance with the provisions of the Act and according to applicable accounting standards that result in a balanced and fair view of the financial state and performance of Amway, which includes financial results.

The said financial statements comprise quarterly financial report announcements to Bursa Securities and the annual statutory financial statements. The CFO presents a review of quarter-to-quarter and year-to-date financial performance at quarterly meetings. These are prepared on a going concern basis and reflect a true and fair view of the financial position of the Group as at each specific reporting date.

Other statements that provide analysis and insights into the Group's financial and operational performance include the Management Discussion & Analysis section that is provided in this Annual Report.

The Directors are satisfied that in preparing the financial statements of the Company and of the Group for FY2023, the Group has applied the appropriate accounting standards and policies with consistency in the preparation of these financial statements. The Statement of Directors' Responsibility is provided in this Annual Report.

### **EXTERNAL AUDITORS**

The Board via the AC maintains a formal and transparent, professional relationship with the Group's External Auditors, Ernst & Young PLT ("EY"). In this regard, the Group has established a Policy on External Auditors which serves as a guide for the AC on the selection, appointment, re-appointment and assessment of the External Auditors' suitability, objectivity and independence. This is to safeguard the quality and reliability of the Group's audited financial statements in providing a true and fair view of the Group's financial position and performance. The role of the AC in relation to the External Auditors is described in the AC Report of this Annual Report.

On an annual basis, the AC considers the re-appointment of the External Auditors and their remuneration and makes recommendations to the Board. The External Auditors are subject to re-appointment each year at the AGM. The AC assesses the level of service provided by the External Auditors through the AC Evaluation Form, and takes into consideration the following, among others:

- Provision of a written assurance of independence from the External Auditors;
- · The level of service, independence and non-audit services rendered;
- 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 AC;
- The level of understanding demonstrated of the Group's business; and
- Communication to the AC about new and/or revised applicable financial reporting standards and auditing standards and their impact on the Group's financial statements.

EY has reported to the AC that, in their professional judgement, they are independent within the meaning of regulatory and professional requirements and that the objectivity of the audit engagement partner and audit staff is not impaired.

The AC has considered the findings of the assessment together with EY's independence and the level of non-audit services rendered by them for FY2023. The AC is satisfied that EY continue to possess the competency, objectivity, independence and experience required to fulfil their duties effectively. Based on the recommendation of the AC, the Board will be seeking shareholders' approval for the re-appointment of the External Auditors at the coming 29<sup>th</sup> AGM.

The following is a summary of the fees paid or payable by the Group to the External Auditors:

Fees	FY2023	FY2022
Audit fees (RM)	356,870	343,070
Non-audit fees (RM)	15,278	14,678

The non-audit fees for FY2023 are within the fee threshold for permitted non-audit services as set out in the Policy on External Auditors.

### COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Directors are responsible for ensuring that the annual audited financial statements and interim financial results are prepared in accordance with the provisions of the Act and applicable financial reporting standards in Malaysia. This includes adopting all necessary measures to ensure that all applicable accounting policies have been applied consistently and that the policies are supported by reasonable and prudent judgement and estimates.

# Corporate Governance Overview Statement (cont'd)

### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

### **RISK MANAGEMENT AND INTERNAL AUDIT**

The Board maintains a sound risk management framework and system of internal control to safeguard shareholders' investment and the Group's assets. The framework is designed to identify, assess, establish mitigation plans and monitor the significant risks faced by the Group on an ongoing basis.

The Board has oversight of the risk management function via the AC which in turn is supported by the RMC. Supporting the RMC is the Group's internal audit function, which is outsourced to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent external professional firm. Further details on the key features of the risk management framework and the tasks undertaken by the RMC and KPMG MRC during FY2023 are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Board is supported by a risk management framework that focuses on the assessment of risk and which ultimately determines the Group's risk appetite. The responsibility for managing risk resides at all levels within the Group and is mainly managed at the operational level and guided by the approved risk management policy and guidelines.

The Board is of the view that the present system of internal controls and the risk management framework is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, plus the interests of customers, regulators, employees and other stakeholders.

For further information, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. COMMUNICATION WITH STAKEHOLDERS

The Board is committed to undertaking active engagement with its key stakeholders in order to meet their expectations and address their concerns as well as the impact of the Group's business on them. The Board also recognises the need for timely, comprehensive and accurate disclosures of the Group's performance to stakeholders. This includes but is not limited to corporate announcements, circulars to shareholders and financial information.

As stipulated in the Listing Requirements, the Board has formalised an Investor Relations Policy which also governs pertinent corporate disclosure, including information that needs to be disseminated by persons authorised and responsible for approving and disclosing such material information to shareholders and stakeholders. The Group's unaudited quarterly financial results are released within two (2) months from the end of each quarter, while the annual audited financial results together with the Annual Report, which remains a key channel of communication, are published within four (4) months after the financial year-end.

The Group has put in place various channels of communication with stakeholders, which include quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars when necessary, an annual briefing to the financial community, and the AGM. In order to facilitate an effective information dissemination process, the Company has established a dedicated section for corporate information on its website where information on the Company's announcements, financial information, share prices, press releases and the Company's Annual Report may be accessed. In addition, stakeholders can also email the Group at ir@amway.com, however, any information that may be regarded as undisclosed material information about the Group will not be given to any single stakeholder or stakeholder group.

During FY2023, a briefing session with investors and analysts was held on 3 March 2023 following the issuance of the Group's Fourth Quarter and Full Year 2022 financial results on 27 February 2023. The Board believes its practices in this area are consistent with both the principles concerning dialogue with stakeholders and good governance.

### **II. CONDUCT OF GENERAL MEETINGS**

The AGM, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and to pose questions to the Board for clarification. Amway ensures that all Directors and the CFO attend the AGM so that matters brought up by the floor can be effectively addressed according to shareholders' expectations. Beyond the proposed resolutions, the AGM also serves as an avenue to share updates on the Group's performance as well as future business plans and strategies with shareholders.

The Notice of the 28<sup>th</sup> AGM was issued to shareholders on 19 April 2023, in effect being 35 days in advance of the scheduled AGM that was held on 24 May 2023. This is in line with Practice 13.1 of the MCCG, where the notice to shareholders should be given at least 28 days in advance of the AGM.

The Company's 28<sup>th</sup> AGM was held in a virtual manner for the fourth consecutive year through live streaming from the broadcast venue to facilitate remote shareholders' participation and online electronic poll voting.

Shareholders were encouraged to attend and speak in the form of real-time submission of typed texts and to vote remotely at the AGM using the Remote Participation and Voting facilities ("RPV") from Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"). As the AGM was conducted online, Tricor had put in place information security measures to prevent cyberattacks and data breaches, which included hosting the RPV facilities on a secured cloud platform. Shareholders were encouraged to submit questions to the Board in advance before the AGM via Tricor's TIIH Online website and the questions received were addressed at the AGM. All questions received in advance and those posed in real-time during the AGM were made visible to all the meeting participants.

At the 28<sup>th</sup> AGM, all Directors as well as the CFO and Company Secretary were present at the broadcast venue, while the External Auditors and advisors participated through video conferencing to facilitate vigorous discussion with shareholders. The MD provided shareholders with an overview of the Group's operations, while the CFO provided a financial overview of the financial year's performance. The Company replied to questions received in advance of the meeting and those posed during the meeting.

The minutes of the 28<sup>th</sup> AGM, together with the Company's response to questions received in advance and those raised during the AGM, were then made available to shareholders on the Company's website at <u>www.amway.my</u> within 30 business days after the AGM.

### SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS

A total of 432 shareholders and proxies participated virtually in the 28<sup>th</sup> AGM held on 24 May 2023. A total of 48 proxy forms and certificates of corporate representatives were received, representing about 87% of the Company's total issued share capital.

Online electronic poll voting was conducted for all resolutions set out in the Notice of AGM. The Directors addressed questions raised by the shareholders on the proposed resolutions before putting the resolutions to a vote. Coopers Professional Scrutineers Sdn. Bhd. was appointed as the independent scrutineer to validate the votes cast at the AGM. All resolutions proposed were duly passed and the outcome of the AGM was announced to Bursa Securities on the same meeting day.

This CG Overview Statement was approved by the Board of Directors on 28 February 2024.

# **Audit Committee Report**

The Board of Directors of Amway (Malaysia) Holdings Berhad ("Amway" or "the Company") and its subsidiaries (collectively "the Group") are pleased to present the Audit Committee ("AC") Report for the financial year ended 31 December 2023 ("FY2023").

The AC was established in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") to serve as a Committee of the Board of Directors ("the Board") for the primary purpose of assisting the Board in fulfilling its fiduciary responsibilities.

The AC is supported by the Company's external and internal audit functions in carrying out its responsibilities. In addition, the Internal Audit team from Alticor Inc. (the parent company of the Group) undertakes rotational audits (guided by the global internal audit programme) and enterprise risk assessments of the Group. This team is staffed by highly competent personnel with a wide knowledge of the industry. This team is capable of assessing the business and operational risks of the Group as well as benchmarking these against their global affiliates' efficiencies and controls to ensure good corporate governance practices are implemented throughout the Group.

The Group also has an in-house Compliance Officer tasked primarily with carrying out audits on operational processes to ensure adherence to internal Standard Operating Procedures ("SOPs"). The Compliance Officer is also tasked with identifying internal control gaps and recommending improvements.

## COMPOSITION

The AC comprises exclusively of Non-Executive Directors, with the majority of them being Independent Non-Executive Directors ("INEDs"), including the Chairman/Chairperson. All the INEDs satisfy the test of independence under Paragraph 1.01 of the Listing Requirements of Bursa Securities. The AC also fulfils the requirements of Paragraphs 15.09(1)(a) and 15.09(1)(b) of the Listing Requirements of Bursa Securities.

From 1 January 2023 to 14 March 2023, the AC comprised the following:

- En. Abd Malik Bin A Rahman (Chairman, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Effective 15 March 2023, Ms. Ho Kim Poi was appointed as an AC member. The AC composition from 15 March 2023 until the conclusion of the Company's Twenty-Eight (28<sup>th</sup>) Annual General Meeting ("AGM") on 24 May 2023 was as follows:

- En. Abd Malik Bin A Rahman (Chairman, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Ms. Ho Kim Poi (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Upon the retirement of Tan Sri Faizah Binti Mohd Tahir as the Board's Chairperson at the conclusion of the 28<sup>th</sup> AGM, En. Abd Malik Bin A Rahman was appointed as the Board Chairman. On the same day, he ceased as the AC Chairman and as a member of both the Nominating Committee ("NC") and Remuneration Committee ("RC") in line with Practice 1.4 of the Malaysian Code on Corporate Governance 2021 ("MCCG"), which states that the Chairman of the Board should not be a member of the AC, NC or RC, and Practice 9.1 whereby the Chairman of the AC is not the Chairman of the Board. Concurrently, Ms. Ho Kim Poi was re-designated from an AC member to AC Chairperson to succeed En. Abd Malik Bin A Rahman. The composition of the AC after the 28<sup>th</sup> AGM was as follows:

- Ms. Ho Kim Poi (Chairperson, INED);
- Dato' Abdullah Thalith Bin Md Thani (Member, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

Dato' Abdullah Thalith Bin Md Thani is due for retirement at the Company's Twenty-Ninth ("29<sup>th</sup>") AGM which will be held on 23 May 2024, and he has indicated that he will not seek re-election and therefore will retire upon the conclusion of the AGM. Accordingly, he will also cease to be a member of the AC. As part of the succession planning, the Board had in February 2024 recommended Datuk Harjeet Singh A/L Hardev Singh to succeed Dato' Abdullah Thalith Bin Md Thani. The appointment of Datuk Harjeet Singh A/L Hardev Singh as a Director is subject to shareholders' approval at the 29<sup>th</sup> AGM.

Subject to Datuk Harjeet Singh A/L Hardev Singh being appointed as a Director at the 29<sup>th</sup> AGM, Datuk Harjeet Singh A/L Hardev Singh will be appointed as an AC member on the same day and, the composition of the AC after the 29<sup>th</sup> AGM will be as follows:

- Ms. Ho Kim Poi (Chairperson, INED);
- Datin Seri Azreen Binti Abu Noh (Member, INED);
- Datuk Harjeet Singh A/L Hardev Singh (Member, INED);
- Mr. Scott Russell Balfour (Member, Non-INED); and
- Mr. Low Han Kee (Member, Non-INED).

### AC CHAIRMAN/CHAIRPERSON

### From 1 January 2023 to the Company's 28th AGM on 24 May 2023

The AC Chairman, En. Abd Malik Bin A Rahman, is a member of the Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants as well as a Fellow of the Association of Chartered Certified Accountants (UK).

### After the conclusion of the 28th AGM on 24 May 2023

The AC Chairperson, Ms. Ho Kim Poi is a member of the Malaysian Institute of Accountants and CPA Australia, as well as the Institute of Corporate Directors Malaysia.

The Company complies with Paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities whereby at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants. The AC Chairperson is also not the Chairman of the Board which is in line with Practice 9.1 of the MCCG.

# Audit Committee Report (cont'd)

### **MEETINGS**

The AC held four (4) meetings during FY2023 which were attended by all members. The Managing Director ("MD"), Senior Management, External and Internal Auditors, as well as advisors, attended the meetings, upon invitation by the AC, to brief the AC on specific issues.

Chairman/Chairperson of The AC	Attendance
En. Abd Malik Bin A Rahman ( <i>Re-designated as the Board Chairman and ceased as the AC Chairman upon the conclusion of</i> <i>the 28<sup>th</sup> AGM on 24 May 2023</i> )	2/2(1)
Ms. Ho Kim Poi (Appointed as an AC member on 15 March 2023 and re-designated as the AC Chairperson upon the conclusion of the 28 <sup>th</sup> AGM on 24 May 2023)	3/3 <sup>(2)</sup>
Members of The AC	Attendance
Dato' Abdullah Thalith Bin Md Thani	4/4
Datin Seri Azreen Binti Abu Noh	4/4
Mr. Scott Russell Balfour	4/4
Mr. Low Han Kee	4/4

Note:

- <sup>1</sup> Attended two meetings held prior to his ceasation as the AC Chairman.
- <sup>2</sup> Attended three meetings held after her appointment as an AC member and subsequent re-designation as the AC Chairperson.

All deliberations at the AC meetings were properly recorded. The minutes of the AC meetings were tabled for confirmation at the meetings that followed and subsequently presented to the Board for notation. The AC Chairman/Chairperson also reported to the Board on the activities and significant matters discussed at each AC meeting.

### **ROLES AND RESPONSIBILITIES**

The AC operates under written Terms of Reference ("TOR") which contain provisions that address the requirements imposed by Bursa Securities. These TOR provide for the AC's oversight of financial compliance matters in addition to several other responsibilities. During FY2023, the TOR was updated to incorporate the amendments to the Bursa Securities' Listing Requirements pertaining to the expanded scope of the Audit Committee's oversight role in reviewing and reporting conflicts of interest situation to the Board. The TOR can be viewed on the Company's website at <u>www.amway.my</u>.

During FY2023, the AC focused on matters of governance, financial reporting, budgeting, internal audit, risk management, external audit as well as anti-bribery and corruption measures.

Risk management is also addressed by the AC through the Risk Management Committee ("RMC"). Matters of risk are reported to the AC on a quarterly basis by the MD. For further details on the Group's risk management processes, kindly refer to the Statement on Risk Management and Internal Control ("SORMIC") within this Annual Report.

### SUMMARY OF WORK OF THE COMMITTEE

In FY2023, the AC undertook the following key activities in the discharge of its roles and responsibilities:

#### **Financial Reporting**

- Reviewed the quarterly financial results and annual audited financial statements prior to recommending them to the Board for approval. In conducting such a review, the AC had sought explanations and additional information from the Chief Financial Officer on the reasons for any significant variances in the Group's financial performance;
- Assessed whether the appropriate accounting policies had been applied throughout the financial year and whether the Management had made appropriate estimates and judgements regarding the recognition, measurement and presentation of the financial results;
- Reviewed and highlighted to the Board significant matters raised by the External Auditors (Ernst & Young PLT) including key audit matters, significant judgements made by the Management, significant events or transactions, and actions taken for improvement; and
- Deliberated significant changes pertaining to the relevant regulatory requirements, as well as accounting and auditing standards that affect the Group and the adoption of such changes by the Management.

### **External Audit**

- Discussed with the External Auditors their annual statutory audit plan focusing on the scope of work, timeline of audit, materiality threshold, audit approach to be adopted, areas of audit emphasis including the key audit matters, key changes to the accounting and financial reporting standards, as well as auditing standards;
- Reviewed and deliberated on the External Auditors' report which summarised key findings arising from the annual statutory audit of the financial statements and reported the results to the Board;
- Reviewed the Management Letters from the External Auditors together with the Management's responses;
- · Obtained written assurance regarding the independence of the External Auditors throughout the audit engagement;
- Reviewed the proposed the audit fee for FY2023 and made recommendations to the Board for approval;
- Reviewed the nature and extent, and approved the provision of non-audit services and fees by the External Auditors in accordance with the Group's Policy on External Auditors; and
- Held two (2) meetings with the External Auditors during the year. The External Auditors provided timely updates on audit-related affairs and remained fully apprised of all matters considered by the AC. This included two (2) private sessions without the presence of the MD and Senior Management.

In addition, the AC also assessed the performance of the External Auditors. In conducting the assessment, the AC was guided by the Group's Policy on External Auditors and had taken the following into consideration, among other criteria:

- Independence and objectivity (including reviewing the External Auditors' Transparency Report which sets out among
  other things, their audit quality programme, independence practices and risk management);
- Competency, quality of service and non-audit services rendered by the External Auditors;
- Rigour and quality of the audit;
- · Effectiveness and timeliness of communicating and reporting to the AC;
- · Level of understanding of the Group's business;
- Adequacy of resources used; and
- · Appropriateness of the audit fee to support a quality audit.

Having assessed and deliberated on the matter, the AC was satisfied that the External Auditors continued to possess the competency, objectivity, independence and experience required to fulfil their duties effectively and agreed to recommend that the Board table the re-appointment of the External Auditors at the coming 29<sup>th</sup> AGM.

The AC is satisfied that the FY2023 audit fees amounting to RM356,870 (FY2022: RM343,070) and non-audit fees of RM15,278 (FY2022: RM14,678) paid or payable by the Group to Ernst & Young PLT are appropriate to support a quality audit.

# Audit Committee Report (cont'd)

### **Oversight of The Group's Internal Audit Function**

The internal audit function is outsourced to KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC"), an independent external professional firm.

The internal audit function operates on a clearly defined audit plan which is reviewed and approved by the AC in terms of adequacy of scope and coverage of the auditable areas as well as takes into consideration the findings of previous audits.

During FY2023, the AC undertook the following:

- Reviewed the number of resources and the qualifications of the personnel responsible for the internal audit function and assessed whether the function was being undertaken in accordance with a recognised framework;
- Monitored KPMG MRC's audit progress against the approved audit plan;
- Deliberated on the internal audit reports prepared by KPMG MRC, which highlighted the audit observations, effects
  or potential risks, recommendations and the Management's comments, as well as the follow-up reports on the
  implementation status of recommendations arising from the previous audits. All findings were discussed with the
  Management, and where appropriate, the necessary actions were taken to improve the internal controls based on
  improvement opportunities identified in the internal audit reports;
- Assessed the performance of the internal auditors based on the AC Evaluation, considering the scope, adequacy and effectiveness (including the methodology, competency and resources) of the internal audit function; and
- Held two (2) private sessions with KPMG MRC without the presence of the MD and Senior Management in February 2023 and August 2023.

### SUMMARY OF ACTIVITIES UNDERTAKEN BY THE INTERNAL AUDIT FUNCTION

For the financial year under review, the KPMG MRC team of five (5) was headed by the engagement partner, En. Mohd Khaidzir Shahari, who is a Chartered Accountant of the Malaysian Institute of Accountants; a Certified Global Management Accountant; a Certified Internal Auditor of The Institute of Internal Auditors Inc.; and a Chartered Member of the Institute of Internal Auditors Malaysia. En. Khaidzir has over 25 years of experience in undertaking internal audit and risk management engagements for various governmental and public-listed entities including those in the consumer markets (retail and distribution management). KPMG MRC has also established an internal process necessitating individual declarations that the assigned KPMG MRC team is free from any relationships or conflicts of interest vis-à-vis Amway, which could impair their objectivity and independence.

The internal audit performed is based on the KPMG MRC Internal Audit Methodology, a risk-based internal audit methodology that is aligned with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. The risk-based audit plan covers the review of key operational and financial activities, including the effectiveness of internal control practices, as well as compliance with the Group's policies and procedures, relevant laws and regulations. The audits and reviews focus on high-risk areas to evaluate the efficiency and effectiveness of the controls in place to mitigate risks.

In FY2023, KPMG MRC conducted three (3) review cycles on the Group's internal controls in accordance with the internal audit plan approved by the AC. All major findings as well as significant control issues and concerns and the corresponding root causes (where applicable) were reported directly to the AC. During these reviews, the Management shared the actions taken based on improvement opportunities identified in the reports. At the same time, KPMG MRC performed follow-up activities on the status of implementation by the Management based on the observations raised in preceding audits and reported this to the AC periodically to ensure prompt resolution.

During FY2023, KPMG MRC audited several key areas, including the following:

## **Shop Operations**

- · Review of the pricing process and the process of obtaining approval for new products;
- Product placement and display according to visual guidelines;
- The product returns process;
- Timeliness in responding to customer complaints and the follow-up process;
- Timeliness in the initiation of remediation efforts by the retail experience team arising from the detection of noncompliance or areas for improvement identified by the internal compliance unit;
- Product write-offs;
- The cash handling process;
- Timely and periodic conduct of emergency drills and procedures (e.g., fire drills);
- · Safety measures in shops, insurance coverage, and timeliness in reporting thefts or robberies;
- Amway Business Owner training and education; and
- Monitoring of non-compliance cases.

### **E-commerce Operations**

- Controls established by the Management for the accurate and timely recording of sales revenue from e-commerce operations (i.e., the process of reconciling revenue against payments received);
- Controls and mechanisms in place to safeguard customers' payment information so as to minimise potential data leakages;
- · Maintenance of product catalogues on the e-commerce platform;
- The process to periodically review and update product price changes in a timely manner;
- The restocking strategy to ensure an optimum stock level that balances out overstocking and understocking;
- Monitoring and evaluation of the last mile delivery performance (i.e., timely delivery, parcel handling, and real-time parcel tracking);
- The customer management process and procedures (i.e., complaints, queries, etc.);
- Controls and mechanisms in place for product return procedures and to ensure timeliness and accuracy in processing
   product returns; and
- Preventive and corrective measures to minimise system or server breakdowns.

### Anti-bribery and Corruption Management

- Effectiveness of the whistle-blowing hotline, including the process and measures to maintain confidentiality and timely responses to legitimate feedback;
- Implementation of the vendor anti-corruption risk assessment framework that is intended to further strengthen the due diligence process including controls and procedures prior to engaging with third parties (i.e., suppliers, contractors, and consultants);
- Controls deployed in relation to contract management, including the modus operandi to communicate and reiterate to third parties Amway's expectations regarding anti-corruption and bribery;
- The appropriateness of training provided including communication of policies, timely dissemination of updates, and refresher courses for existing and newly joined employees; and
- The assessment of employees' state of awareness in relation to established policies and procedures on anti-bribery and corruption.

# Audit Committee Report (cont'd)

### **Recurrent Related Party Transaction Management**

- The establishment of a framework to address disclosures on related party relationships and transactions thereof, and conflict of interest situations that may occur; and
- Controls initiated by the Management to ensure recurrent related party transactions ("RRPT") comply with the Shareholders' Mandate approved at the AGM of the Company (i.e., relating to matters such as the terms of amount, terms of trade, etc.)

Based on the above scope of work, KPMG MRC concluded that the Group's system of internal controls was adequate with some areas requiring improvements.

The total cost incurred in outsourcing the internal audit function to KPMG MRC for FY2023 amounted to RM135,000.

### OTHER MATTERS CONSIDERED BY THE AC

During FY2023, the AC also undertook the following:

- Reviewed the proposed interim and special dividends as well as the solvency tests undertaken by the Management before making a recommendation to the Board;
- Reviewed and recommended to the Board the Corporate Governance Overview Statement, Corporate Governance Report, Statement on Risk Management and Internal Control and the Audit Committee Report for inclusion in the Company's Annual Report;
- Reviewed and recommended that the Board approve the Circular to seek shareholders' approval on the proposed renewal of the Shareholders' Mandate for RRPT of a Revenue or Trading nature, as well as monitored the actual RRPT transactions value against the Shareholders' Mandate;
- Reviewed the Group's risk profile and risk register quarterly, which covers the Group's key risks covering business, operational, corruption and sustainability material matters;
- Reviewed the internal compliance audit plan and reports prepared by the in-house Compliance Officer focusing on
  operational processes and compliance with internal SOPs;
- Reviewed the progress of the implementation of the recommendations from an external legal counsel to further enhance the Group's anti-bribery and corruption policies, practices and measures including comprehensive awareness e-Learning modules and corruption risk assessments prior to engaging with new vendors;
- Reviewed and recommended the updated Anti-Bribery and Corruption Policy as part of the annual review; and
- Reviewed and recommended the updated TOR of the AC in tandem with the amendments to the Bursa Securities
  Listing Requirements pertaining to the expanded scope of the Audit Committee's oversight role in reviewing and
  reporting conflicts of interest situation to the Board.

### **AC TRAINING AND EDUCATION**

During the year in review, the AC members attended relevant training programmes, which included among others, the areas of corporate governance, risk management, strategy, leadership, sustainability and finance to enhance their knowledge and enable them to discharge their duties more effectively. The list of training programmes undertaken by the Board of Directors, including members of the AC, can be found in the Corporate Governance Overview Statement of this Annual Report.

The AC is of the view that during FY2023, the Company complied with the Listing Requirements, and as such, there are no breaches to be reported to Bursa Securities pursuant to paragraph 15.16 of the Listing Requirements.

As the AC members are not employees of the Company, the AC has relied, without independent verification, on the Management's representation that the financial statements have been prepared with integrity and objectivity, as well as in conformity with approved accounting principles. The AC has also relied on the representations of the External Auditors included in its reports on the Company's financial statements and internal control over financial reporting.

With the assistance of the NC, the Board has assessed the performance of the AC and its members for FY2023 through an annual AC evaluation and is satisfied that the AC and its members have discharged their functions, duties and responsibilities in accordance with the TOR.

# Statement on Risk Management and Internal Control

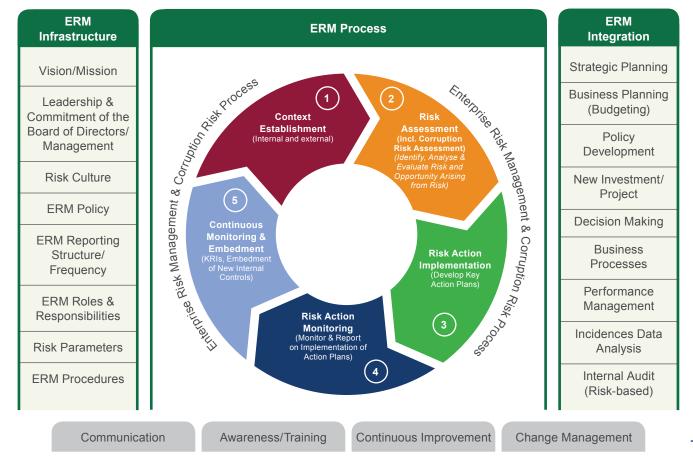
This statement has been prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. It is also guided by the Principles and Best Practices as stipulated in Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance 2021 ("MCCG"). This statement covers matters pertaining to the risk management and internal control system of Amway (Malaysia) Holdings Berhad ("Amway" or "the Company") and its subsidiaries (collectively "the Group").

## **BOARD RESPONSIBILITY**

Acknowledging its overall responsibility for the risk management and internal control system of the Group, the Board is committed to safeguarding shareholders' interests and the Group's assets as well as reviewing the adequacy, integrity and effectiveness of the system. Towards this end, the Board has established a robust Enterprise Risk Management ("ERM") framework and internal control system to identify, assess and establish mitigation plans, monitor the Group's significant risks, as well as determine the Group's risk appetite for the financial year as it pursues its business strategies. The Board has full oversight of the Group's ERM framework.

Matters pertaining to risk are specifically overseen by the Audit Committee ("AC") and the Risk Management Committee ("RMC"), who in turn are supported by an internal audit function. These Committees are responsible for overseeing the financial reporting process, evaluating internal and external audit processes, as well as reviewing the risk management and internal control processes.

The responsibility for managing risk resides at all levels within the Group, including at the operational level, and is guided by an approved risk management policy as well as guidelines.



## ENTERPRISE RISK MANAGEMENT FRAMEWORK

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## Statement on Risk Management and Internal Control (cont'd)

The Group's ERM framework and system of internal control encompass financial, operational and compliance controls. In view of the inherent limitations of any system, the Group's risk framework and controls cannot guarantee the total elimination of risks. As such, they can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss, fraud, irregularities and errors in judgement or unpredictable risks, as well as uncontrollable events such as natural disasters.

The ERM framework involves multiple levels across the Group. It begins with the respective business units and departments and is thereafter channelled upwards ultimately to the Board of Directors.

The framework is based on a triple line of defence. It ensures a robust system that allows for a more proactive and strategic response that facilitates the effective sharing of information across the organisation. The system employed also clearly delineates the roles and expectations at each level of the Group's corporate structure in the management of risk.

Level	Business Unit/Owner	Roles and Responsibilities
1 <sup>st</sup> Level	Heads of Departments and Managers	Heads of Departments and managers from all functions are entrusted with the responsibility of assisting the Board in overseeing the Group's risk management practices. The Group's risk management activities are embedded across Amway, thus enabling risks to be addressed in a timely manner.
		The identification of potential new risks and a reassessment of existing risks are performed on a quarterly basis based on the severity and likelihood of the said risks occurring. At the same time, the appropriate mitigation plans are identified. For each of the risks identified, the respective Head of Department or manager is assigned to ensure that appropriate risk response actions are conducted in a timely manner.
		To further strengthen the Group's first line of defence in managing day-to-day operational risks, the in-house Compliance Officer is tasked primarily with carrying out audits on the operational processes to ensure adherence with internal Standard Operating Procedures ("SOPs"). The Compliance Officer is also responsible for identifying internal control gaps and recommending improvements.
2 <sup>nd</sup> Level	RMC	The RMC meets quarterly to review the Group's Corporate Risk Register in accordance with the policy and guidance enshrined in the ERM framework.
		The key responsibilities of the RMC include:
		<ul> <li>Reviewing and assessing the Group's risk profile and mitigation plans to address significant risks;</li> </ul>
		<ul> <li>Monitoring significant risks through the review of risk- related performance measures and the progress of action plans;</li> </ul>
		<ul> <li>Ensuring risk management processes are integrated into all core business processes; and</li> </ul>
		<ul> <li>Providing a consolidated risk and assurance report to the AC and Board to support the Group's system of risk management and internal control.</li> </ul>
		The results of these risk management activities undertaken by the RMC are reported quarterly to the AC by the Managing Director.

Level	Business Unit/Owner	Roles and Responsibilities
3 <sup>rd</sup> Level Internal and external auditors		The internal audit function plays an essential role in strengthening the risk management and internal controls of the Group. It also assists the AC in reviewing the effectiveness of the internal controls as well as provides an independent view of specific risks and control issues, together with the state of internal controls, trends and events. The internal audit function reports directly to the AC on a regular basis and its role is defined based on an approved risk-
		based internal audit plan. The Company's internal audit function is outsourced to an independent external professional firm, namely KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC").
		The external audit function, performed by Ernst & Young PLT, works closely with the AC to address elevated risk areas (if any) that are likely to give rise to a material misstatement of the financial statements, or which are perceived to be of higher risk and require additional audit emphasis.

The Group's risk profile is expressed using a risk impact and likelihood matrix as follows:

		Magnitude of Impact				
	Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
5	Almost Certain	1 Medium	2 Medium	3 High	4 Extreme	5 Extreme
4	Likely	Medium	Medium	High	High	Extreme
3	Possible	Low	Medium	Medium	High	High
2	Unlikely	Low	Low	Medium	Medium	High
	Rare	Low	Low	Medium	Medium	High

# Statement on Risk Management and Internal Control (cont'd)

### **CORPORATE RISK REGISTER**

The Group's ERM framework includes an ongoing risk management process that creates a Corporate Risk Register with specific risk profiles and action plans for mitigating identified risks. The register is reviewed quarterly by the Board through the AC which focuses on the progress of mitigation plans for the key risks identified in the areas pertaining to operations, corruption and material sustainability matters.

The following table provides an overview of the Group's key risks:

Proliferation of eCommerce	Controls & Mitigation Measures In Place
The continued sale of Amway products on unauthorised third-party websites at reduced prices, undercuts the earnings of our Amway Business Owners ("ABOs") which could potentially lead to	The Group continues to collaborate closely with the relevant authorities to identify such websites and to ensure the appropriate actions are taken to safeguard the Amway brand, reputation and price margins of our products.
dissatisfaction and impact our overall earnings capability, not to mention the credibility of the Amway brand.	The Group has also intensified its engagement efforts with the representatives of numerous eCommerce websites to alert them about this issue so that they may remove the unauthorised sellers and Amway products from their platforms.
	Amway also undertakes strict enforcement including the issuance of warning letters to offending parties and may also withdraw any awards conferred as part of our efforts to deter the unauthorised selling of our products online.
	Amway's ABOs are accorded training and awareness programmes on the prohibition of unauthorised selling and are advised to refrain from such activities. ABOs are also urged to inform their customers to only make purchases from authorised sales channels.
Information Security and Cybersecurity	Controls & Mitigation Measures In Place
The Group's operations heavily rely on technology and information systems. Information security breaches or cyberattacks not only have the potential	Controls & Mitigation Measures In Place The Group's Information Security Risk ("ISR") Team is responsible for overseeing the management of information security and cyber risks.
The Group's operations heavily rely on technology and information systems. Information security	The Group's Information Security Risk ("ISR") Team is responsible for overseeing the management of information
The Group's operations heavily rely on technology and information systems. Information security breaches or cyberattacks not only have the potential to disrupt the Group's business operations but can also significantly damage its reputation. Furthermore, these incidents could lead to financial losses and non-compliance with a multitude of laws and	The Group's Information Security Risk ("ISR") Team is responsible for overseeing the management of information security and cyber risks. The ISR Team operates in accordance with comprehensive information security policies, standards and procedures established by Amway Global. These are subject to regular updates to effectively mitigate the exposure of the information systems and data against major potential threats, including

### **BUSINESS CONTINUITY**

The Group has put in place a Business Continuity Plan including a Pandemic Response Plan and a Disaster Recovery Plan to ensure that, in the event of unforeseen circumstances, Amway's business operations will continue without major disruptions or with only minimal delay.

### **INSURANCE**

Sufficient insurance and physical safeguards on major assets and contingencies are in place to ensure that the assets of the Group have sufficient coverage against any mishap that may result in material losses to the Group. A yearly insurance policy renewal exercise is undertaken in which the Management reviews the relevance and adequacy of the existing insurance coverage.

### **INTERNAL AUDIT FUNCTION**

The Company's internal audit function has been outsourced to KPMG MRC, an independent external professional firm. The internal audit function reports to the AC and its role is defined based on an approved, risk-based internal audit plan.

Observations from these audits are presented, together with the Management's responses and proposed action plans, to the AC for its review. The internal audit function also follows up and reports to the AC on the status of action plans implemented by the Management based on the recommendations highlighted in the internal audit reports.

During FY2023, KPMG MRC conducted three (3) internal audit cycles and reported its findings to the AC. Further details of the activities of the internal audit function are provided in the AC Report.

### **INTERNAL CONTROLS**

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

### (a) Group Core Values

The Amway Values set the tone and help nurture a conducive culture of accountability, transparency and integrity, which begins at the top and is cascaded across the organisation. The Values provide a shared belief system that governs corporate conduct and helps to develop an environment that supports good corporate governance.

### (b) Code of Conduct and Ethics

The Group maintains a written Code of Conduct and Ethics which, like the Group's Core Values, helps to provide clear guidelines on the expected corporate behaviour and practices in accordance with laws, policies, standards and procedures. Employees are obliged to sign a written declaration confirming their compliance with the Group's Code of Conduct and Ethics to promote ethical conduct in the workplace.

### (c) Whistleblower Policy

The Group has instituted a Whistleblower Policy with the appropriate channels to facilitate feedback. This allows anyone to disclose information pertaining to misconduct or improprieties in a timely as well as safe and secure manner. The confidentiality of the whistleblower is assured throughout the process.

Ms. Ho Kim Poi, in her capacity as the AC Chairperson, is one of the key designated contact persons to whom employees or relevant parties can raise their concerns if they suspect any wrongdoing. Ms. Ho Kim Poi may be contacted via email at hokimpoi@gmail.com.

# Statement on Risk Management and Internal Control (cont'd)

### (d) Anti-Bribery and Corruption Policy

The Group adopts a zero-tolerance approach against all forms of bribery and corruption as well as takes a strong stance against such acts. The Group is committed to conducting business in an honest and ethical manner, as well as to complying with all applicable laws and regulations.

The Group has established a Group-wide Anti-Bribery and Corruption ("ABAC") Policy in line with the Guidelines on Adequate Procedures issued by the Prime Minister's Department and Subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

The ABAC Policy sets out the Group's position on bribery and corruption in all its forms and provides principles, guidelines, and requirements on how to deal with bribery and corrupt practices that may occur within the Group as well as in its interactions with its Business Associates. The ABAC Policy applies to the Board of Directors and employees of the Group as well as Business Associates of the Group including external parties performing work or services for or on behalf of the Group. Training is provided to Directors and employees to raise awareness of the Group's stand on bribery and corruption as well as the ABAC Policy.

The Group's RMC shall have oversight for the implementation and monitoring of the compliance controls related to the ABAC Policy.

### (e) Sustainability Management

The Group has established a Sustainability Strategic Framework ("the Framework") at the Board level. This Framework serves as a guide to facilitate the implementation of sustainability initiatives across the organisation. It takes into account the Group's context, business direction, activities, products and services, as well as its environmental, economic, and social impacts. It also identifies the material matters stemming from these considerations. In addition to the Framework, the Board has also adopted a Sustainability Policy which provides further guidance on how Amway is to conduct its business responsibly, and reaffirms the Group's commitment towards sustainability.

To ensure the effective execution of these sustainability strategies, a Sustainability Steering Committee ("SSC") has been formed at the management level. The SSC plays an important role in driving sustainability initiatives throughout the Group's operations and oversees the progress of sustainability strategies. Supporting the SSC is the Sustainability Working Committee ("SWC"), which is specifically dedicated to the implementation of sustainability initiatives. The Head of Corporate and Government Affairs, who is a member of the SSC, provides regular reports to the Board on the advancement of the Group's sustainability initiatives and how it is addressing its material sustainability matters. In addition, the key risks associated with the Group's material sustainability matters have been incorporated into the Corporate Risk Register together with the mitigation action plan and these are reviewed quarterly by the Board through the Audit Committee.

### (f) 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.

### (g) Written Policies and Procedures

Clearly defined internal policies and procedures as set out in the SOPs are regularly updated to reflect changing risks or to resolve operational deficiencies. This helps ensure that internal control principles and mechanisms are embedded within the Group's operations.

Group policies and procedures are available on the Group's intranet for easy access by the employees, while compliance with the controls set out in the SOPs is reviewed by the internal auditors and the in-house Compliance Officer.

### (h) 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 Group's actual performance versus the approved budget is reviewed and deliberated on by the Board on a quarterly basis;
- The AC reviews the Group's quarterly financial results and annual audited financial statements, together with the Management, and this is subsequently reported to the Board;
- Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to Key Management for the monitoring of performance against strategic plans;
- A reporting system generates monthly performance and variance reports for review by the Management and the actions to be taken, where necessary;
- Management meetings are held regularly to identify, discuss and resolve strategic, operational, financial as well as key management issues; and
- Management information systems with documented processes, including change requests for computer programmes and access to data files, are also in place.

### (i) Information Security and Cyber Resilience

The Information Security & Risk ("ISR") Team has oversight for Amway's information security and cyber resilience functions. The ISR Team has to date adopted the comprehensive information security policies, standards and procedures of Amway Global. These are updated regularly to mitigate the exposure of information systems and data against major potential threats such as cyberattacks, fraud and information loss. All these elements align with globally approved ISR policies and standards which are reviewed and updated by the global ISR Governance and Change Management Team.

To further strengthen the Group's ability to identify, prevent, detect and respond to information security threats in a timely and effective manner, the ISR Team carries out, among other things, the following activities:

- · Undertakes vulnerability assessment activities including system penetration tests for Amway;
- Performs 24x7x365 real-time threat monitoring, alert analysis and response activities; and
- Conducts vendor risk assessment to ensure service providers who handle data or systems on behalf of Amway have the capabilities to handle the data and information systems securely.

The Group provides continuous training to employees to raise awareness of information security risks. which include among others the following:

- A mandatory employee online training session encompassing (i) the ISR Policy and Standards, and (ii) Annual Information Security Training covering business email compromise, clean desk policy, usage of public Wi-Fi, password security, phishing emails, social engineering, travel security, multi-factor authentication, and Payment Card Industry Data Security Standard;
- Mandatory online people's leader training on Offboarding Employees which covers the best practices revolving around employee offboarding and information security;
- A physical Security Day to raise awareness on phishing emails, data classification and clean desk practices; and
- InfoSafe orientation for all new employees.

Amway also conducts ongoing internal phishing tests aimed at providing employees with a safe environment for learning about the dangers of phishing. At the same time, Amway continues to track susceptibility rates across the organisation. As employees undergo realistic security education, they gain awareness about how to identify threats and how to respond to them effectively.

The Group has also put in place a cyber liability insurance policy to protect against losses arising from cyber threats. In addition, the Group has established privacy policies and procedures to protect personal data and comply with the Personal Data Protection Act 2010.

# Statement on Risk Management and Internal Control (cont'd)

### **REVIEW OF STATEMENT BY EXTERNAL AUDITORS**

The External Auditors, Ernst & Young PLT, have reviewed this Statement for inclusion in the Annual Report 2023 of the Company. The review was conducted in accordance with Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants.

The External Auditors have 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 integrity of the Group's risk management and internal control system.

### CONCLUSION

The Board is of the view that the system of internal control and risk management in place for the year under review was sound and that there were no significant control failures or weaknesses that would result in material losses, contingencies or uncertainties requiring separate disclosure in this Annual Report. The Group continues to take measures to strengthen the internal control environment.

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.

The Board is committed to a process of continuous development and improvement in response to any relevant reviews and developments pertaining to good governance.

This Statement is made in accordance with the resolution given by the Board of Directors on 28 February 2024.

# Compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad

In compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, the following information is provided:

## UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year ended 31 December 2023.

### AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Company and the Group to the External Auditors for the financial year ended 31 December 2023 are as follows:

Fees	Company (RM)	Group (RM)
Audit fees	50,755	356,870
Non-audit fees	15,278	15,278

## **MATERIAL CONTRACTS**

There were no material contracts entered into by the Company and its subsidiaries involving interests of Directors and major shareholders either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

# STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS ("FINANCIAL STATEMENTS")

The Directors are required by the Companies Act 2016 to prepare the financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and, the requirements of the Companies Act 2016 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 judgements 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.

# Compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad (cont'd)

## RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting ("AGM") held on 24 May 2023, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature ("RRPT").

In accordance with Practice Note 12 of the MMLR, details of RRPT conducted for the financial year ended 31 December 2023 pursuant to the shareholders' mandate are as follows:-

< Transa	acting parties>			
Related parties	Companies within our Group	Name of other related parties	Nature of transactions by companies within our Group	Amount transacted RM'000
Access Business Group International LLC ("ABGIL")	Amway (Malaysia) Sdn. Bhd. ("AMSB")	Alticor Global Holdings Inc. ("AGH"), Solstice Holdings Inc. ("SHI"), Alticor Inc. ("Alticor"), Amway International Inc. ("Amway International"), Alticor Distribution LLC ("Alticor Distribution"), Alticor Corporate Enterprises Inc. ("Alticor Corporate"), Amway Nederland Ltd. ("Amway Nederland"), Access Business Group LLC ("ABGL") and GDA B.V. ("GDA")	Purchase of consumer products from ABGIL	344,505
ABGIL	AMSB and Amway (B) Sdn. Bhd. ("ABSB")	AGH, SHI, Alticor, Amway International, Alticor Distribution, Alticor Corporate, Amway Nederland, ABGL and GDA	Payment of Royalty Fees to ABGIL on any Substitute Products and/or Additional Products	3,961
Amway (Singapore) Pte. Ltd. ("Amway (S)")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	Sale of products to Amway (S)	85

Notes:

- ABGIL, a company incorporated in the United States of America ("USA"), is 85%-owned by Alticor Distribution, 14%-owned by Alticor Corporate and 1%-owned by ABGL. Alticor Distribution, a company incorporated in the USA and a wholly-owned subsidiary of Alticor. Alticor Corporate, a company incorporated in the USA and a wholly-owned subsidiary of Alticor. ABGL, a company incorporated in the USA and a wholly-owned subsidiary of Alticor Corporate.
- 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. 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.

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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 2023.

## **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.

Details of the subsidiary companies are disclosed in Note 16 to the financial statements.

### Results

	Group RM'000	Company RM'000
Profit for the financial year	115,926	63,888

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 2022 were as follows:

In respect of the financial year ended 31 December 2022 as reported in the directors' report of that year:

		RM'000
(i)	Fourth interim tax exempt (single-tier) dividend of 5.0 sen per share, on 164,385,645 ordinary shares, declared on 27 February 2023 and paid on 29 March 2023; and	8,219
(ii)	Special interim tax exempt (single-tier) dividend of 18.0 sen per share, on 164,385,645 ordinary shares, declared on 27 February 2023 and paid on 29 March 2023.	29,589
		37,808

In respect of the financial year ended 31 December 2023:

		RM'000
(i)	First interim tax exempt (single-tier) dividend of 5.0 sen per share, on 164,385,645 ordinary shares, declared on 24 May 2023 and paid on 23 June 2023;	8,219
(ii)	Second interim tax exempt (single-tier) dividend of 5.0 sen per share, on 164,385,645 ordinary shares,	
	declared on 23 August 2023 and paid on 22 September 2023; and	8,219
(iii)	Third interim tax exempt (single-tier) dividend of 5.0 sen per share, on 164,385,645 ordinary shares,	
	declared on 15 November 2023 and paid on 15 December 2023.	8,219
		24,657
		62,465

On 28 February 2024, the directors declared a fourth interim tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2023, of 5.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM8,219,000 and special interim tax exempt (single-tier) dividend of 40.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM65,754,000.

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 2024.

## Directors

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Abd Malik Bin A Rahman	(Chairman, re-designated on 24 May 2023)
Tan Sri Faizah Binti Mohd Tahir	(Chairperson, resigned on 24 May 2023)
Michael Jonathan Duong	(Managing Director)
Low Han Kee	
Scott Russell Balfour	
Dato' Abdullah Thalith Bin Md. Thani	
Datin Seri Azreen Binti Abu Noh	
Ho Kim Poi	(Appointed on 15 March 2023)
Norhanifah binti A.Jalil	(Appointed on 1 January 2024)
Aida Binti Md Daud	(Resigned on 1 January 2024)

The name of the directors at the Company's subsidiaries since the beginning of the financial year to the date at this report, excluding those who are already listed above are:

Ng Ai Lee Nur 'Azizah Binti Ahmad Muhammad Jamil Abas Bin Abdul Ali @ James Chiew Siew Hua

(Appointed on 15 March 2023) (Resigned on 15 March 2023)

### **Directors' Benefits**

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown below) 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.

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Executive director		
	0.400	
Salaries and other emoluments	2,123	-
Bonus	1,069	-
Estimated monetary value of benefits-in-kind	473	-
	3,665	-
Non-executive directors		
Fees	542	542
Allowances	69	69
Estimated monetary value of benefits-in-kind	26	26
	637	637
Total directors' remuneration	4,302	637

### Indemnities to Directors and Officers

The Company maintained a directors' and officers' liability insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company and for the Group. The total amount of insurance premium effected for any director and officer of the Company or the Group as at the financial year end was RM25,000 and the total amount of sum insured was RM42,460,000. The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

## **Directors' Interests**

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Company and its subsidiary companies during the financial year except for the following:

	Number of ordinary shares			
	As At			As At
	1.1.2023	Acquired	Sold	31.12 2023
Amway (Malaysia) Holdings Berhad				
Abd Malik Bin A Rahman	1,000	-	-	1,000
Amway (B) Sdn. Bhd.				
Michael Jonathan Duong^	1	-	-	1

As a director of Amway (Malaysia) Sdn. Bhd., Michael Jonathan Duong holds 1 ordinary share in Amway (B) Sdn. Bhd. on behalf of Amway (Malaysia) Sdn. Bhd. in order to comply with the Laws of Brunei Chapter 39 Companies Act which requires a minimum of 2 shareholders.

### Immediate, Ultimate and Penultimate Holding Companies

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.

## **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 all known bad debts had been written off 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) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company 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.

### Other Statutory Information (contd.)

- (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:
  - 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 and Auditors' Remuneration

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

Auditors' remuneration are as follows:

	Group RM'000	Company RM'000
Statutory audit	357	51
Other services	15	15
	372	66

## Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 April 2024.

Abd Malik Bin A Rahman

Michael Jonathan Duong

# **Statement by Directors** Pursuant to Section 251(2) of the Companies Act 2016

We, Abd Malik Bin A Rahman and Michael Jonathan Duong, 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 147 to 189 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 April 2024.

Abd Malik Bin A Rahman

**Michael Jonathan Duong** 

# **Statutory Declaration** Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ng Ai Lee, 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 147 to 189 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 Ng Ai Lee at Petaling Jaya in Selangor Darul Ehsan on 3 April 2024

Ng Ai Lee MIA no. 16684

Before me,

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Amway (Malaysia) Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 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 notes to the financial statements, including material accounting policy information, as set out on pages 147 to 189.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their 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 2016 in Malaysia.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### Revenue

(Refer to Notes 2.12, 4 to the financial statements)

The Group's revenue is derived from its operation in the distribution of consumer products where the revenue is made up of a large volume of individually insignificant transactions.

Our audit procedures included, amongst others:

- (a) Involved our information technology specialists to test the IT General Controls of the sales ordering system;
- (b) Tested the accuracy of data interface between the sales ordering system and the general ledger to ensure the completeness and accuracy of revenue recognised;
- (c) Analysed the three-way relationship between revenue, receivable and cash and performed procedures to corroborate the occurrence of revenue by tracing sample of sales to cash receipts;
- (d) Performed controls testing over the Group's revenue and cash collections processes; and
- (e) Performed substantive procedures including review of the Group's revenue recognition policies, cut-off test, review of credit memos and its compliance with MFRS 15.

Key audit matters (contd.)

<u>Commissions, incentives, seminars and bonuses</u> (Refer to Notes 2.17, 25(c) to the financial statements)

These are the significant cost elements in the Group's financial statements and the Group offers various commissions, incentives, seminars and bonuses to its Amway Business Owners ("ABOs") as part of its sales and marketing strategy. As at 31 December 2023, the total related accruals of the Group amounted to RM138,948,000 representing 47% and 46% of current liabilities and total liabilities respectively.

Our audit procedures included, amongst others:

- (a) Tested the IT General Controls and application controls of the bonus system;
- (b) Tested the completeness and accuracy of the data interfaced from bonus system to general ledger;
- (c) Reviewed the estimation process and management's assessment to ensure it is supportable and appropriate; and
- (d) Traced the accruals of the bonus and commission to payment subsequent to year end.

#### **Inventories**

(Refer to Notes 2.7, 18 to the financial statements)

As of 31 December 2023, the total inventories of the Group amounted to RM121,269,000 representing 24% and 20% of current assets and total assets respectively.

Our audit procedures included, amongst others:

- (a) Attended and observed the inventory counts at selected warehouse and shops and performed inventory roll-forward procedures when the inventory counts were performed before financial year end; and
- (b) Performed costing and net realisable value (NRV) test to ensure that inventories were correctly valued and stated at lower of cost or net realisable value at the reporting date.

#### Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

#### Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company 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 2016 in Malaysia.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the financial statements (contd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039 Chartered Accountants Edwin Joseph Francis No. 03370/05/2024 J Chartered Accountant

Kuala Lumpur, Malaysia 3 April 2024

# **Statements of Comprehensive Income** for the financial year ended 31 December 2023

	(		Group	Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	1,408,259	1,514,774	63,898	41,534
Cost of sales	5	(1,059,539)	(1,204,020)	-	-
Gross profit		348,720	310,754	63,898	41,534
Other income	6	8,045	4,744	2,529	1,778
Distribution expenses		(67,846)	(71,579)	-	-
Selling and administrative expenses		(135,666)	(140,214)	(1,937)	(1,880)
Finance costs	7	(667)	(603)	-	-
Profit before tax	8	152,586	103,102	64,490	41,432
Income tax expense	11	(36,660)	(26,221)	(602)	(434)
Profit net of tax, representing profit attributable to owners of the parent		115,926	76,881	63,888	40,998
Other comprehensive income: (Items that may be reclassified subsequently to profit or loss) Foreign currency translation, representing other comprehensive income for the year, net of tax		539	327	-	-
Total comprehensive income for the year, attributable to owners of the parent		116,465	77,208	63,888	40,998
		,	,200		.0,000
Earnings per share attributable to owners of the parent (sen per share)					
- Basic	12	70.52	46.77		

# Statements of Financial Position as at 31 December 2023

		G	iroup	Co	mpany
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
	Note				
Assets					
Non-current assets					
Property, plant and equipment	14	56,178	52,343	-	-
Intangible assets	15	4,143	10,524	-	-
Right-of-use assets	26	9,929	7,846	-	-
Investment in subsidiaries	16	-	-	86,202	86,202
Deferred tax assets	17	35,385	41,691	-	-
		105,635	112,404	86,202	86,202
Current assets					
Inventories	18	121,269	213,155	-	-
Trade and other receivables	19	45,204	48,057	54	92
Contract assets	20	958	862	54	52
Cash and cash equivalents	20	338,598	180,303	- 91,421	90,015
		506,029	442,377	91,475	90,107
Total assets		611,664	554,781	177,677	176,309
Equity and liabilities					
Equity					
Share capital	22	166,436	166,436	166,436	166,436
Foreign currency translation reserve	23	1,591	1,052	-	-
Retained earnings	24	139,656	86,195	10,767	9,344
Total equity attributable to					
owners of the parent		307,683	253,683	177,203	175,780
Non-current liabilities					
Other payable	25	1,881	-	-	-
Contract liabilities	20	818	554	-	-
Lease liabilities	26	7,302	5,085	-	-
		10,001	5,639	-	-
Current liabilities					
Trade and other payables	25	257,313	261,301	418	515
Contract liabilities	20	23,118	25,913	410	515
Lease liabilities	26	3,021	3,282	-	_
Current tax payable	20	10,528	4,963	56	- 14
		293,980	295,459	474	529
Total liabilities		303,981	301,098	474	529
Total equity and liabilities		611,664	554,781	177,677	176,309
		011,007	557,701	111,011	170,509

# **Consolidated Statement of Changes in Equity** for the financial year ended 31 December 2023

	Attri	Attributable to equity holders of the Company			
	< Non-distributable> Foreign currency		Distributable		
	Share capital RM'000 (Note 22)	translation reserve RM'000 (Note 23)	Retained earnings RM'000 (Note 24)	Total equity RM'000	
Group					
At 1 January 2023 Total comprehensive income Transaction with owners	166,436 -	1,052 539	86,195 115,926	253,683 116,465	
Dividends on ordinary shares (Note 13)	-	-	(62,465)	(62,465)	
At 31 December 2023	166,436	1,591	139,656	307,683	
At 1 January 2022 Total comprehensive income Transaction with owners	166,436 -	725 327	48,767 76,881	215,928 77,208	
Dividends on ordinary shares (Note 13)	-	-	(39,453)	(39,453)	
At 31 December 2022	166,436	1,052	86,195	253,683	

# **Statement of Changes in Equity** for the financial year ended 31 December 2023

	Non-		
	distributable	Distributable	
	share	retained	Total
	capital	earnings	equity
	RM'000	RM'000	RM'000
	(Note 22)	(Note 24)	
Company			
At 1 January 2023	166,436	9,344	175,780
Total comprehensive income	-	63,888	63,888
Transaction with owners			
Dividends on ordinary shares (Note 13)	-	(62,465)	(62,465)
At 31 December 2023	166,436	10,767	177,203
At 1 January 2022	166.436	7,799	174,235
Total comprehensive income	-	40,998	40,998
Transaction with owners		,	,
Dividends on ordinary shares (Note 13)	-	(39,453)	(39,453)
At 31 December 2022	166,436	9,344	175,780

# Statements of Cash Flows for the financial year ended 31 December 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Profit before tax	152,586	103,102	64,490	41,432
Adjustments for:				
Property, plant and equipment				
- depreciation (Note 14)	4,135	4,507	-	-
- gain on disposals (Note 6)	-	(162)	-	-
- written off (Note 8)	8	57	-	-
Intangible assets				
- amortisation (Note 15)	6,557	8,836	-	-
- written off (Note 8)	13	1,312	-	-
Depreciation of right-of-use assets (Note 26)	4,166	3,628	-	-
Finance costs (Note 7)	667	603	-	-
Interest income (Note 6)	(7,838)	(4,558)	(2,529)	(1,778)
Dividend income (Note 4)	=	-	(63,898)	(41,534)
Net allowance of expected credit loss (Note 19)	448	138	-	-
Net allowance for inventory obsolescence (Note 8)	2,289	213	-	-
Inventories written-off (Note 8)	3,330	4,244	-	-
Net changes in provision for assurance-type	,	,		
warranties (Note 25)	1,125	2,341	-	-
Unrealised foreign exchange loss (Note 8)	51	104	-	-
Operating profit/(loss) before working capital changes	167,537	124,365	(1,937)	(1,880)
Decrease/(Increase) inventories	86,267	(67,593)	-	-
Decrease/(Increase) in receivables and		(0.,000)		
contract assets	2,446	(23,555)	38	(64)
(Decrease)/Increase in payables and	_,	(_0,000)		(0.)
contract liabilities	(42,380)	6,770	(97)	(104)
Net changes in related companies balances	35,657	(20,200)	(01)	(101)
Net changes in penultimate holding company balance	-	2	-	-
Cash generated from/(used in) operations	249,527	19,789	(1,996)	(2,048)
Finance cost paid	(523)	(505)	-	-
Tax refunded	-	64	-	64
Tax paid	(24,795)	(34,226)	(560)	(399)
Net cash generated from/(used in) operating activities	224,209	(14,878)	(2,556)	(2,383)

# Statements of Cash Flows for the financial year ended 31 December 2023

	G	roup	Cor	Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Cash flows from investing activities					
Purchase of property, plant and equipment (Note 14)	(7,970)	(3,138)	-	-	
Purchase of intangible assets (Note 15)	(189)	(505)	-	-	
Proceeds from disposals of property,					
plant and equipment	-	162	-	-	
Dividend received (Note 4)	-	-	63,898	41,534	
Interest received (Note 6)	7,838	4,558	2,529	1,778	
Net cash (used in)/generated from investing activities	(321)	1,077	66,427	43,312	
Cash flows from financing activities					
Payment of principal portion of lease liabilities					
(Note 26)	(3,671)	(3.612)		_	
Dividends paid (Note 13)	(62,465)	(39,453)	(62,465)	(39,453)	
Net cash used in financing activities	(66,136)	(43,065)	(62,465)	(39,453)	
Net increase/(decrease) in cash and					
cash equivalents	157,752	(56,866)	1,406	1,476	
Effects of foreign exchange rate changes	543	329	-	-	
Cash and cash equivalents at					
beginning of financial year	180,303	236,840	90,015	88,539	
Cash and cash equivalents at					
end of financial year (Note 21)	338,598	180,303	91,421	90,015	

## 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 2023 were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 3 April 2024.

## 2. Summary of material accounting policy information

#### 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 2016 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 2023, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after the dates stated below:

	Effective for annual periods on or after
MFRS 17 - Insurance contracts and Amendments to MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liab arising from a Single Transaction	1 January 2023
Amendments to MFRS 112 'International Tax Reform - Pillar Two Model Rules'	1 January 2023
Amendments to MFRS 112 'International Tax Reform – Pillar Two M	lodel Rules

The Group is within the scope of the OECD's Pillar Two model rules. Based on management's assessment, the Group and the Company are not expected to have any exposure to top-up tax due to the Pillar Two model rules. In accordance with the transition provisions, the Group and the Company have applied the temporary exception in the amendments retrospectively and not accounting for deferred taxes arising from the top-up tax due to the Pillar Two model rules. Two model rules in the financial statements.

The adoption of the above standards and interpretation did not have any impact on the financial statements of the Group and Company.

# 2. Summary of material accounting policy information (contd.)

#### 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 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 on or after
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current	
or Non-Current	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangem	ents' 1 January 2024
Amendments to MFRS 121 'Lack of Exchangeability'	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sales or Contribution	
of Assets between an Investor and its Associate or Joint Venture	Deferred

The new MFRSs and Amendments to MFRSs above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of the above new MFRSs and Amendments to MFRSs.

#### 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.

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. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (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. Acquisition related costs incurred are expensed and included in administrative expenses.

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.

## 2. Summary of material accounting policy information (contd.)

### 2.4 Basis of consolidation (contd.)

#### (b) Subsidiaries

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

- 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. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.14.

#### 2.5 Intangible assets

## (a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred 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 this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### (b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

#### (i) Computer software

Computer software that does not form an integral part of the related hardware is classified as intangible assets. Software considered to have finite useful lives, are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products of 3 years. Impairment is assessed whenever there is an indication of impairment and amortisation period and the amortisation method are also reviewed at each reporting date.

# 2. Summary of material accounting policy information (contd.)

#### 2.5 Intangible assets (contd.)

#### (b) Other intangible assets (contd.)

#### (ii) Development cost

Development expenditures on internally developed software are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Other development expenditures which do not meet the above criteria are recognised as an expense as incurred. Development cost previously recognised as an expense are not recognised as an asset in subsequent period. Research costs are also expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit on a straight line basis. During the period of development, the asset is tested for impairment annually.

The estimated useful life of capitalised development costs is 3 years.

#### 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, property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Long term leasehold land	1.54% - 1.56%
Buildings	2.50%
Building improvements	6.67%
Leasehold fixtures and improvements	33.33%
Furniture, fittings & equipment	10% - 20%
Motor vehicle	33.33%

Capital work in progress mainly comprises renovation which have not been completed. 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 values may not be recoverable.

## 2. Summary of material accounting policy information (contd.)

#### 2.6 Property, plant and equipment and depreciation (contd.)

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 reporting date, 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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### (i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Premises

Other equipment

2 to 9 years 2 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy of impairment of non-financial assets is disclosed in Note 2.14.

## (ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments consist of fixed payments. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

## 2. Summary of material accounting policy information (contd.)

#### 2.8 Leases (contd.)

#### (iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises and other equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 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.

#### (a) Provision for restoration cost

The Group records a provision for restoration costs of renovation performed on rented premises. Restoration costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of discount is recognised as finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate.

#### (b) Provision for warranty

The Group provides warranties for general repairs of products sold to customers that are not functioning as intended. Provisions related to these assurance-type warranties are recognised when the product is sold. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision will subsequently be reversed when the warranty period is over. Sales of products which are not under "Amway" trademark are exempted from any warranty provision as the warranties are provided by the manufacturers.

#### 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 tax 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 for the Group 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, 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.

# 2. Summary of material accounting policy information (contd.)

#### 2.10 Income taxes (contd.)

#### (b) Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences 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, 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.

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.

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 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 tax authority.

### 2.11 Sales and services tax ("SST")

SST incurred in purchase of assets or services is not recoverable from the taxation authority, hence SST is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Receivables and payables are stated with the amount of SST. The payable amount of SST to the taxation authority is included as part of payables in the statement of financial position.

#### 2.12 Revenue from contracts with customers and other income

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customers.

#### (a) Sale of consumable products

Revenue from sales of goods is recognised net of discounts and personal effort related incentives on volume purchase at the point in time when control of the asset is transferred to the customer, generally on the delivery of the goods. 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.

## 2. Summary of material accounting policy information (contd.)

#### 2.12 Revenue from contracts with customers and other income

#### (a) Sale of consumable products

#### (i) Variable consideration

The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The contracts with customers provide a right of return. The Group also provides personal effort related incentives to ABOs based on volume purchase. These give rise to variable consideration.

#### Rights of return

The contract for sales of product provides customer with a right to return the products within a specified period. The Group uses the most likely amount method to estimate the goods that will be returned because this method better predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, the Group recognises a refund liability. As the Group does not anticipate the returned goods are in saleable condition and will bring any value to the Group, no value is estimated for the right of return asset.

#### Incentives to ABOs

The incentives paid or payable to the ABOs are broadly categorised into two types, i.e. group effort related incentives and personal effort related incentives on volume purchase. The Group had considered the personal effort related incentives on volume purchase to be a reduction of transaction price, whilst group effort related incentives is a consideration paid to or payable to ABOs for the provision of distinct services.

#### (ii) Significant financing component

#### Cash sales

For cash sales, payment of the transaction price is due immediately when the goods are delivered to the customer. Revenue from these sales is recognised based on the price specified in the contract, net of rebates and discounts.

#### Credit sales

The Group is using the practical expedient in MFRS 15 for not adjusting any financing component for the sales on credit term of less than 12 months.

#### (iii) Option to acquire future goods at discounted price

The sales and marketing plan of the Group includes offering coupons to the customers for their future acquisition of goods at discounted price. As the option provides a material right to the customers that they would not receive without entering into the contract, it is considered a separate performance obligation. As such, the Group only recognises the allocated revenue when those future goods are transferred or the option expires.

The Group also has an Amway Priviledged Customers ("APCs") loyalty points programme, which allows APCs to accumulate points that can be redeemed for future goods at a discounted price. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer.

A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of points by the customer.

## 2. Summary of material accounting policy information (contd.)

#### 2.12 Revenue from contracts with customers and other income (contd.)

#### (b) Revenue from sign up and renewals

Revenue from component of registration fees and sales kits from the sign up package is recognised upon the transfer of control of goods and services, whilst the annual fees component is recognised over the period of subscription. The renewal fees is recognised over the period of subscription.

#### (c) Warranty obligations

The Group provides warranties for general repairs of products sold to customers that are not functioning as intended. Provisions related to these assurance-type warranties are recognised when the product is sold. The accounting policy for provision for warranty is set out in Note 2.9(b).

The Group also provides an extended warranty beyond fixing defects that existed at the time of sale. These service-type warranties are bundled together with the sale of goods. Contracts for bundled sales of goods and service-type warranty comprise two performance obligations because the promise to transfer the goods and to provide service-type warranty are capable of being distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

#### (d) Interest income

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

### (e) Dividend income

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

### 2.13 Foreign currencies

### (a) Functional and presentation currencies

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

#### (b) 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 translated at the functional currency spot rate of exchange ruling at the reporting date.

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 using the 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 items 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 are also recognised in other comprehensive income or profit or loss are also recognised in other comprehensive).

# 2. Summary of material accounting policy information (contd.)

#### 2.13 Foreign currencies

#### (c) Foreign operation

On consolidation, the assets and liabilities of foreign operation 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.

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

	2023 RM	2022 RM
United States Dollar	4.5915	4.4130
Thailand Baht	0.1344	0.1278
Singapore Dollar	3.4822	3.2819
Brunei Dollar	3.4822	3.2819

#### 2.14 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.

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

Impairment test for goodwill is performed by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates to. 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.

#### 2.15 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

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the fund do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

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. The Group's foreign subsidiary company also makes contributions to their respective country's statutory pension schemes. Contributions to defined contribution pension schemes in the period in which the related service is performed.

## 2. Summary of material accounting policy information (contd.)

#### 2.16 Financial assets

#### (a) Classification and measurement

The Group's financial assets are classified into one category and its accounting policy is financial assets at amortised cost (debt instruments).

Trade and other receivables and cash and cash equivalents are held for collection of contractual cash flows. Their contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are measured at fair value at inception plus transaction cost and thereafter at amortised cost less allowance for expected credit loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

Interest income from these financial assets is calculated using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### (b) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

#### 2.17 Financial liabilities

#### (a) Classification and measurement

The Group's trade and other payables are classified as financial liabilities measured at amortised cost. They are measured initially at fair value net of transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

### (b) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### (c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### 2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and deposits at call with a maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

## 2. Summary of material accounting policy information (contd.)

#### 2.19 Contract assets and contract liabilities

A contract asset is the right of the Group to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9: Financial Instruments.

A contract liability is the obligation of the Group to transfer goods or services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

#### 2.20 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for trade and other receivables and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade and other receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group considers forward-looking factors do not have significant impact to its credit risk given the nature of its industry.

The Group considers a financial asset in default when contractual payments are past due as at month end. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

## 2. Summary of material accounting policy information (contd.)

#### 2.21 Fair Value Measurement

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 and the Company.

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 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); and
- (iii) Level 3 the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristic and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.22 Share capital

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

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

## 2. Summary of material accounting policy information (contd.)

#### 2.23 Current and non-current classification

The Group presents assets and liabilities in statements of financial position based on current and non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within 12 months after the reporting period; or
- cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

### 3. Significant accounting judgements and estimates

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

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

#### (a) Critical judgements made in applying accounting policies

There is no critical judgement made by management in the process of applying the Group's accounting policies that has a significant effect on the amounts recognised in the financial statements.

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### **Deferred tax assets**

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the differences will be able to crystallise. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details relating to deferred tax are disclosed in Note 17.

# 4. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers Revenue from other source:	1,408,259	1,514,774	-	-
- Dividend income from a subsidiary	-	-	63,898	41,534
	1,408,259	1,514,774	63,898	41,534

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Group		
	2023 RM'000	2022 RM'000	
Sales of consumer products Sign up and renewal fees and other service fees	1,385,765 22,494	1,494,255 20,519	
	1,408,259	1,514,774	
Timing of revenue recognition: At point in time Over time	1,390,252 18,007	1,499,738 15,036	
	1,408,259	1,514,774	

## 5. Cost of sales

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

### 6. Other income

Included in other income are the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income on deposits with licensed bank	7,838	4,558	2,529	1,778
Gain on disposal of property, plant and equipment	-	162	-	-
Others	207	24	-	-
	8,045	4,744	2,529	1,778

# 7. Finance costs

		Group
	2023 RM'000	2022 RM'000
Unwinding of discount on provisions (Note 25)	144	98
Interest on lease liabilities (Note 26)	523	505
	667	603

# 8. Profit before tax

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Employee benefits expense (Note 9)	45,995	43,193	-	-
Executive directors' remuneration excluding				
benefits-in-kind (Note 10)	3,192	2,996	-	-
Non-executive directors' remuneration				
excluding benefits-in-kind (Note 10)	611	585	611	585
Auditors' remuneration				
- statutory audit	357	343	51	49
- other services	15	15	15	15
Net allowance for inventory obsolescence	2,289	213	-	-
Inventories written off	3,330	4,244	-	-
Expenses relating to short term lease and				
leases of low-value assets (Note 26)	322	351	-	-
Variable lease payments (Note 26)	103	30	-	-
Net realised loss on foreign exchange	604	31	-	-
Net unrealised loss foreign exchange	51	104	-	-
Property, plant and equipment				
- depreciation (Note 14)	4,135	4,507	-	-
- gain on disposal	-	(162)	-	-
- written off	8	57	-	-
Intangible assets				
- amortisation (Note 15)	6,557	8,836	-	-
- written off	13	1,312	-	-
Depreciation of right-of-use assets (Note 26)	4,166	3,628	-	-
Net allowance of expected credit loss on				
receivables (Note 19)	448	138	-	-
Net changes in provision for assurance-type				
warranties (Note 25)	1,125	2,341	-	-

### 9. Employee benefits expense

	Group	
	2023 RM'000	2022 RM'000
Wages, salaries and bonus	34,420	32,755
Defined contribution plan	5,049	4,691
Social security contributions	320	273
Other benefits	6,206	5,474
	45,995	43,193

Included in employee benefits expense of the Group are executive directors' remuneration (excluding benefits-in-kind) amounting to RM3,192,000 (2022: RM2,996,000) as further disclosed in Note 10.

# 10. Directors' remuneration

The remuneration of the directors of the Company are as follows:

	Group		Comp	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Executive director's remuneration (Note 9) - Other emoluments	3,192	2,996	-	-
Non-executive directors' remuneration - Fees	542	525	542	525
- Other emoluments	69	60	69	60
	611	585	611	585
Total directors' remuneration Estimated monetary value of benefits-in-kind	3,803 499	3,581 447	611 26	585 18
Total directors' remuneration including benefits-in-kind	4,302	4,028	637	603

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive:				
- Salaries and other emoluments	2,123	1,810	-	-
- Bonus	1,069	1,186	-	-
- Estimated monetary value of benefits-in-kind	473	429	-	-
	3,665	3,425	-	-
Non-Executive:				
- Fees	542	525	542	525
- Allowances	69	60	69	60
- Estimated monetary value of benefits-in-kind	26	18	26	18
	637	603	637	603
Total directors' remuneration	4,302	4,028	637	603

## 11. Income tax expense

	Group		Со	Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	
Current tax expense:					
- Malaysian income tax	30,703	26,672	600	417	
- Foreign tax	520	724	-	-	
	31,223	27,396	600	417	
(Over)/under provision in prior years					
- Malaysian income tax	(876)	(254)	2	17	
- Foreign tax	(3)	1	-	-	
	(879)	(253)	2	17	
	30,344	27,143	602	434	
Deferred tax (Note 17):					
- Relating to origination and reversal of					
temporary differences	6,127	(741)	-	-	
- Under/(over) provision in prior years	189	(181)	-	-	
	6,316	(922)	-	-	
Total income tax expense	36,660	26,221	602	434	

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24% for the first RM100 million and 33% thereafter) of the estimated assessable profit for the year. The 33% was a one-off prosperity tax, gazetted by the Government on 31 December 2021 via Finance Act 2021, which was imposed on the Company for the year of assessment 2022.

Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction. Company in Brunei is 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 company in Brunei is 18.5% (2022:18.5%).

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		Cor	npany
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax	152,586	103,102	64,490	41,432
Taxation at Malaysian statutory tax rate of 24%				
(2022: 24%)	36,621	24,744	15,478	9,944
Effect of prosperity tax at 33%	-	614	-	-
Effect of difference in tax rate and tax structure				
in other jurisdiction	(194)	(226)	-	-
Income not subject to tax	(127)	(123)	(15,336)	(9,968)
Expenses not deductible for tax purposes	1,050	1,646	458	441
(Over)/under provision of tax expense in prior years	(879)	(253)	2	17
Under/(over) provision of deferred tax expense		× ,		
in prior years	189	(181)	-	-
Income tax expense	36,660	26,221	602	434

## 12. Earnings per share

Basic earnings per share is 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.

	Group	
	2023	2022
Profit attributable to ordinary equity holders of the Company (RM'000)	115,926	76,881
Weighted average number of ordinary shares in issue (number '000)	164,386	164,386
Basic earnings (sen per share)	70.52	46.77

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares during the financial year.

### 13. Dividends on ordinary shares

	Sen per share	Total amount RM'000	Date of payment
Recognised in the financial year ended 31 December 2023			
Interim tax exempt (single-tier):			
Fourth interim 2022	5.0	8,219	29 March 2023
Special interim 2022	18.0	29,589	29 March 2023
First interim 2023	5.0	8,219	23 June 2023
Second interim 2023	5.0	8,219	22 September 2023
Third interim 2023	5.0	8,219	15 December 2023
		62,465	
Recognised in the financial year ended 31 December 2022			
	50	8 210	25 March 2022
Fourth interim 2021	5.0 4 0	8,219 6 577	25 March 2022 25 March 2022
Fourth interim 2021 Special interim 2021	4.0	6,577	25 March 2022
Fourth interim 2021 Special interim 2021 First interim 2022	4.0 5.0	6,577 8,219	25 March 2022 24 June 2022
Fourth interim 2021 Special interim 2021	4.0	6,577	25 March 2022

On 28 February 2024, the directors declared a fourth interim tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2023, of 5.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM8,219,000 and special interim tax exempt (single-tier) dividend of 40.0 sen per share on 164,385,645 ordinary shares, amounting to a dividend payable of approximately RM65,754,000.

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 2024.

## 14. Property, plant and equipment

Group	Long term leasehold land RM'000	Buildings RM'000	Building improvements RM'000	Leasehold fixtures and improvements RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
At 31 December 2023								
Cost								
At 1 January 2023	20,074	31,667	22,034	8,599	39,683	528	525	123,110
Additions	-	-	136	14	2,188	-	5,632	7,970
Write-offs	-	-	(79)	( )	(1,604)	-	-	(1,797)
Transfer in/(out)	-	-	1,540	58	395	-	(1,993)	-
Reclassifications	-	-	985	(985)	-	-	-	-
Exchange differences	-	-	-	33	37	-	-	70
At 31 December 2023	20,074	31,667	24,616	7,605	40,699	528	4,164	129,353
Accumulated depreciation								
At 1 January 2023	7,390	8,391	17,201	7,481	29,851	453	-	70,767
Charge for the year (Note 8)	268	633	689	134	2,393	18	-	4,135
Write-offs	-	-	(78)	(114)	(1,597)	-	-	(1,789)
Reclassifications	-	-	44	(44)	-	-	-	-
Exchange differences	-	-	-	32	30	-	-	62
At 31 December 2023	7,658	9,024	17,856	7,489	30,677	471	-	73,175
Net carrying amount	12,416	22,643	6,760	116	10,022	57	4,164	56,178
	Long term leasehold land	Buildings	Building	Leasehold fixtures and improvements	Furniture, fittings and equipment	Motor vehicles	Capital work-in- progress	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group At 31 December 2022		-		RM'000				
		-		RM'000				
At 31 December 2022		-		. <b>RM'000</b> 7,490				
At 31 December 2022 Cost	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	RM'000
At 31 December 2022 Cost At 1 January 2022	RM'000	RM'000	RM'000	7,490	RM'000	RM'000	RM'000	<b>RM'000</b> 124,353
At 31 December 2022 Cost At 1 January 2022 Additions	RM'000	RM'000	RM'000 22,103	7,490 221	RM'000	RM'000 1,030	RM'000	<b>RM'000</b> 124,353 3,138
At 31 December 2022 Cost At 1 January 2022 Additions Disposals	RM'000	RM'000	RM'000 22,103	7,490 221	RM'000 41,983 922	RM'000 1,030 (498)	<b>RM'000</b> 6 1,995	RM'000 124,353 3,138 (498)
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs	RM'000	RM'000	RM'000 22,103	7,490 221 	RM'000 41,983 922 (3,797)	RM'000 1,030 (498)	6 1,995	RM'000 124,353 3,138 (498)
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out)	RM'000 20,074 - - - -	RM'000 31,667 - - -	22,103 - (69) -	7,490 221 - (13) 901	<b>RM'000</b> 41,983 922 (3,797) 575	RM'000 1,030 - (498) (4) -	6 1,995 - (1,476)	RM'000 124,353 3,138 (498) (3,883) -
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out) At 31 December 2022	RM'000 20,074 - - - -	RM'000 31,667 - - -	22,103 - (69) -	7,490 221 - (13) 901	<b>RM'000</b> 41,983 922 (3,797) 575	RM'000 1,030 - (498) (4) -	6 1,995 - (1,476)	RM'000 124,353 3,138 (498) (3,883) -
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out) At 31 December 2022 Accumulated depreciation	RM'000 20,074 - - - 20,074	RM'000 31,667 - - 31,667	22,103 - (69) - 22,034	7,490 221 (13) 901 8,599	RM'000 41,983 922 (3,797) 575 39,683	RM'000 - (498) (4) - 528	6 1,995 - (1,476)	RM'000 124,353 3,138 (498) (3,883) - 123,110
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out) At 31 December 2022 Accumulated depreciation At 1 January 2022	RM'000 20,074 - - - 20,074 7,122	RM'000 31,667 - - 31,667 7,758	RM'000 22,103 - (69) - 22,034 16,592	7,490 221 - (13) 901 8,599 6,816	RM'000 41,983 922 (3,797) 575 39,683 31,382	RM'000 1,030 - (498) (4) - 528 914	6 1,995 - (1,476)	RM'000 124,353 3,138 (498) (3,883) - 123,110 70,584
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out) At 31 December 2022 Accumulated depreciation At 1 January 2022 Charge for the year (Note 8)	RM'000 20,074 - - - 20,074 7,122 268	RM'000 31,667 - - - 31,667 7,758 633	RM'000 22,103 - (69) - 22,034 16,592 662	7,490 221 (13) 901 8,599 6,816 678	RM'000 41,983 922 (3,797) 575 39,683 31,382	RM'000 1,030 - (498) (4) - 528 914 40	6 1,995 - (1,476) 525	RM'000 124,353 3,138 (498) (3,883) - 123,110 70,584 4,507
At 31 December 2022 Cost At 1 January 2022 Additions Disposals Write-offs Transfer in/(out) At 31 December 2022 Accumulated depreciation At 1 January 2022 Charge for the year (Note 8) Disposals	RM'000 20,074 - - - 20,074 7,122 268 -	RM'000 31,667 - - 31,667 - - - - - - - - - - - - - - - - - -	RM'000 22,103 (69) - 22,034 16,592 662	7,490 221 (13) 901 8,599 6,816 678	RM'000 41,983 922 (3,797) 575 39,683 31,382 2,226	RM'000 1,030 - (498) (4) - 528 914 40 (498)	6 1,995 - (1,476) 525	RM'000 124,353 3,138 (498) (3,883) - 123,110 70,584 4,507 (498)

Included in the cost of property, plant and equipment of the Group are fully depreciated assets which are still in use amounting to RM47,760,000 (2022: RM46,775,000).

# 15. Intangible assets

	Computer Software RM'000	Development Costs RM'000	Goodwill RM'000	Total RM'000
Group At 31 December 2023				
Cost				
At 1 January 2023	788	23,171	4,782	28,741
Additions	8	181	-	189
Write-offs	(3)	(13)	-	(16)
At 31 December 2023	793	23,339	4,782	28,914
Accumulated amortisation/impairment:				
At 1 January 2023	779	15,951	1,487	18,217
Amortisation (Note 8)	21	6,536	-	6,557
Write-offs	(3)	-	-	(3)
Transfer (out)/in	(12)	12	-	-
At 31 December 2023	785	22,499	1,487	24,771
Net carrying amount	8	840	3,295	4,143
At 31 December 2022				
Cost				
At 1 January 2022	1,066	27,168	4,782	33,016
Additions	· 11	494	-	505
Write-offs	(289)	(4,491)	-	(4,780)
At 31 December 2022	788	23,171	4,782	28,741
Accumulated amortisation/impairment:				
At 1 January 2022	1,061	10,301	1,487	12,849
Amortisation (Note 8)	7	8,829		8,836
Write-offs	(289)	(3,179)	-	(3,468)
At 31 December 2022	779	15,951	1,487	18,217
Net carrying amount	9	7,220	3,295	10,524
		- ,==•	- ,=	

Included in the cost of intangible assets of the Group are cost of fully amortised intangible assets which are still in use amounting to RM21,540,000 (2022: RM777,000).

#### 15. Intangible assets (contd.)

#### (a) Goodwill

Goodwill arose from the acquisition of Amway (B) Sdn. Bhd.. For the purpose of impairment testing, goodwill is allocated to the business operations of Amway (B) Sdn. Bhd., which represent a CGU on its own.

The Group performed a review on the recoverable amount of goodwill during the financial year. The Group considers the Brunei ABOs' momentum have a direct impact on its sales performance.

The recoverable amount is determined based on its value-in-use ("VIU") calculation using cash flows projections from financial budgets approved by management covering a five-year period.

The VIU was determined by discounting the future cash flows expected to be generated from the continuing operation of CGU and was based on the following key assumptions:

- (i) Cash flows were projected based on actual operating results and the five-year financial budget which has reflected the softer sales demands.
- (ii) The CGU will continue its operation indefinitely with terminal growth rate of nil (2022: nil).
- (iii) A pre-tax discount rates of 10% (2022: 13%) was applied to the pre-tax cash flows, was determined by the Group, is in line with the CGU's primary economic and financial environment in the country it operates.

#### Sensitivity to changes in key assumptions

The management believes that there are no reasonably possible change in any of the above key assumptions which would cause the carrying amounts of the CGU's to materially exceed the recoverable amounts.

#### 16. Investment in subsidiaries

	Cor	Company	
	2023	2022	
	RM'000	RM'000	
Unquoted shares, at cost	86,202	86,202	

Details of the subsidiaries are as follows:

Name of subsidiaries		rtion of p interest	Principal activities
	2023	2022	
	%	%	
Held by the Company:			
Amway (Malaysia) Sdn. Bhd., incorporated in Malaysia	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*^	100	100	Distribution of consumer products principally under the "AMWAY" trademark

Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd.'s principal place of business is located in Malaysia and Negara Brunei Darussalam respectively.

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

^ Michael Jonathan Duong, as a director of Amway (Malaysia) Sdn. Bhd. holds 1 ordinary share in Amway (B) Sdn. Bhd. on behalf of Amway (Malaysia) Sdn. Bhd. in order to comply with the Laws of Brunei Chapter 39 Companies Act which requires a minimum of 2 shareholders.

# 17. Deferred tax

	Group	
	2023	2022
	RM'000	RM'000
At beginning of financial year	41,691	40,765
Recognised in profit or loss (Note 11)	(6,316)	922
Exchange differences	10	4
At end of financial year	35,385	41,691
Presented after appropriate offsetting as follows:		
Deferred tax assets	35,385	41,691
Deferred tax liabilities	-	-
	35,385	41,691

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

### Deferred tax liabilities of the Group:

	Property, plant and equipment and intangible assets RM'000	Right-of-use assets and others RM'000	Total RM'000
At 1 January 2022	(2,622)	(2,196)	(4,818)
Recognised in profit or loss	650	271	921
	(1,972)	(1,925)	(3,897)
Less: Set-off of deferred tax assets			3,897
At 31 December 2022			-
At 1 January 2023 Recognised in profit or loss	(1,972) 527	(1,925) (457)	(3,897) 70
	(1,445)	(2,382)	(3,827)
Less: Set-off of deferred tax assets			3,827
At 31 December 2023		_	-

# 17. Deferred tax (contd.)

#### Deferred tax assets of the Group:

	Lease liabilities RM'000	Contract liabilities RM'000	Accrued expenses and others RM'000	Total RM'000
At 1 January 2022	2,275	5,473	37,835	45,583
Recognised in profit or loss Exchange differences	(267)	875	(607) 4	1 4
	2,008	6,348	37,232	45,588
Less: Set-off of deferred tax liabilities				(3,897)
At 31 December 2022				41,691
At 1 January 2023 Recognised in profit or loss Exchange differences	2,008 469 -	6,348 (615) -	37,232 (6,240) 10	45,588 (6,386) 10
	2,477	5,733	31,002	39,212
Less: Set-off of deferred tax liabilities				(3,827)
At 31 December 2023				35,385

# 18. Inventories

		Group	
	2023 RM'000	2022 RM'000	
Consumer products:			
At cost	120,599	210,799	
At net realisable value	670	2,356	
	121,269	213,155	

During the financial year, inventories recognised as cost of sales amounted to RM604,569,000 (2022: RM675,971,000).

## 19. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	37,084	40,693	-	-
Due from related companies	3	74	-	-
	37,087	40,767	-	-
Less : Allowance for expected credit loss	(1,316)	(862)	-	-
Trade receivables, net	35,771	39,905	-	-
Other receivables				
Due from related companies	241	28	-	-
Sundry receivables	6,208	4,989	14	11
Deposits	1,750	1,674	4	4
Prepayments	1,234	1,461	36	77
	9,433	8,152	54	92
Total trade and other receivables	45,204	48,057	54	92
Add: Cash and cash equivalents (Note 21)	338,598	180,303	91,421	90,015
Less: Prepayments	(1,234)	(1,461)	(36)	(77)
Total financial assets, carried at amortised cost	382,568	226,899	91,439	90,030

#### (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 from 90 to 150 (2022: 90 to 150) 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 monitors the instalment payments from 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	
	2023 RM'000	2022 RM'000
Neither past due nor impaired	35,771	39,905
Impaired	1,316	862
	37,087	40,767

## 19. Trade and other receivables (contd.)

### (a) Trade receivables (contd.)

#### 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 expected credit loss 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.

#### 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 allowance for expected credit losses are as follows:

	Group Individually impaired	
	2023 RM'000	2022 RM'000
At beginning of financial year Net change for the year (Note 8)	862 448	718 138
Exchange difference	6	6
At end of financial year	1,316	862

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 (trade and non-trade)

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 Standardised Base Rate set by the Central Bank of Malaysia plus 0.5% per annum, compounded on a monthly basis on overdue balances exceeding 30 (2022: 30) days from the date of invoice. These amounts are to be settled in cash.

Further details on related party transactions are disclosed in Note 29.

Other information on credit risks are disclosed in Note 30(d).

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 20. Contract balances

		Group
	2023	2022
	RM'000	RM'000
Contract assets	958	862
Contract liabilities	(23,936)	(26,467)

#### (a) Contract assets

Contract assets primarily relate to consideration for goods and services transferred to along with expenses paid on behalf of related companies but not billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional.

#### (b) Contract liabilities

	Group	
	2023 RM'000	2022 RM'000
Deferred annual and renewal fees (Note (i))	8,157	9,882
Deferred product sales (Note (ii)) Others (Note (iii))	11,218 4,561	11,211 5,374
	23,936	26,467
Current	23,118	25,913
Non-current	818	554

#### (i) Deferred annual and renewal fees

Contract liabilities of deferred annual and renewal fees relate to the consideration received from the customers for a twelve (12) months period of services, which revenue is recognised overtime over the service period on a straight line basis. The amount of revenue recognised in the financial year that was included in the contract liabilities of the Group at the beginning of the year was RM9,882,000 (2022: RM7,774,000).

	Group	
	2023 RM'000	2022 RM'000
At 1 January	9,882	7,774
Deferred during the year	16,282	17,144
Recognised as revenue during the year	(18,007)	(15,036)
At 31 December	8,157	9,882

#### (ii) Deferred product sales

Contract liabilities of deferred product sales mainly relate to the consideration received from the customers for online products sales and the delivery of such products have not been completed during the financial year. The revenue is recognised upon delivery. The amount of revenue recognised in the financial year that was included in the contract liabilities of the Group at the beginning of the year was RM11,211,000 (2022: RM10,609,000).

### Notes to the Financial Statements for the financial year ended 31 December 2023

#### 20. Contract balances (contd.)

#### (b) Contract liabilities (contd.)

(iii) Others

The sales and marketing plan of the Group includes offering coupons to the customers for their future acquisition of goods at discounted price. The option provides a material right to the customer. The Group recognises the allocated revenue when those future goods are transferred or when the option expires. The Group also offers a loyalty programme where accumulated points that can be redeemed for future goods at a discounted price. The amount allocated to the loyalty programme is deferred, and recognised as revenue when the points are redeemed.

The Group also provide extended warranty beyond fixing the defects that existed at the time of sale to customers. The service-type warranty is accounted for as a separate performance obligation and a portion of the transaction price is allocated. The Group recognises the allocated revenue when the performance obligation for the service-type warranty service is satisfied over the coverage period based on time elapsed. The amount of revenue recognised in the financial year that was included in the contract liabilities of the Group at the beginning of the year was RM3,435,000 (2022: RM3,854,000).

Group		
2023	2022	
RM'000	RM'000	
5,374	4,422	
2,622	4,806	
(3,435)	(3,854)	
4,561	5,374	
3,743	4,820	
818	554	
	2023 RM'000 5,374 2,622 (3,435) 4,561 3,743	

#### 21. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	178,759	119,863	89,421	88,015
Deposits with licensed banks	159,839	60,440	2,000	2,000
Total cash and cash equivalents	338,598	180,303	91,421	90,015

The weighted average effective interest rates of deposits at the reporting date were as follows:

	Group		Company	
	2023	23 2022	2023	2022
	%	%	%	%
Licensed banks	3.14%	2.60%	3.30%	2.60%

# Notes to the Financial Statements for the financial year ended 31 December 2023

#### 21. Cash and cash equivalents (contd.)

The average maturities of deposits as at the end of the financial year were as follows:

	Group		Company	
	2023 Days	2022 Days	2023 Days	2022 Days
Licensed banks	49	30	88	90

#### 22. Share capital

	Group/Company				
		mber of			
	ordina	ary shares	Ar	Amount	
	2023	2022	2023	2022	
	<b>'000</b> '	<b>'000</b> '	RM'000	RM'000	
Issued and fully paid					
Share capital at beginning and end of financial year	164,386	164,386	166,436	166,436	

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 have no par value and rank equally with regard to the Company's residual assets.

#### 23. Foreign currency translation reserve

	Group
2023	2022
	RM'000
Foreign currency translation reserve     1,591	1,052

The foreign currency translation reserve represents the foreign translation differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from the Group's presentation currency.

#### 24. Retained earnings

The Company may distribute dividends on a single-tier basis out of its entire retained earnings as at 31 December 2023 without any restrictions.

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 25. Trade and other payables

	Group		Со	npany
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	12,659	14,323	-	-
Due to related companies	64,191	27,933	-	-
	76,850	42,256	-	-
Other payables				
Due to related companies	1,672	2,131	-	-
Sundry payables	12,634	6,113	107	137
Accruals	159,102	202,835	311	378
Refund liabilities	451	448	-	-
Provisions	8,485	7,518	-	-
	182,344	219,045	418	515
Total trade and other payables	259,194	261,301	418	515
Less : Provision	(8,485)	(7,518)	-	-
Total financial liabilities carried				
at amortised cost	250,709	253,783	418	515
Trade and other payables				
Current	257,313	261,301	418	515
Non-current	1,881	-	-	-

#### (a) Trade payables

Amounts due to third parties are non-interest bearing and the normal credit term granted to the Group and Company range from 30 to 90 (2022: 30 to 90) days.

#### (b) Due to related companies (trade and non-trade)

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 30 to 90 (2022: 30 to 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) Accruals

Included in the accruals of the Group is an amount of RM138,948,000 (2022: RM181,839,000) for distributors' bonuses, seminars and other expenses.

#### (d) Refund liabilities

Refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 25. Trade and other payables (contd.)

#### (e) Provisions

#### Provisions for assurance-type warranties

The Group provides warranties for durable products sold to customers that are not functioning as intended. Provisions related to these assurance-type warranties are recognised when the product is sold. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision will subsequently be reversed when the warranty period is over. Sales of products with manufacturer's warranty which are not under "Amway" trademark are exempted from any warranty provision as the warranties are provided by the manufacturers.

#### Provisions for restoration costs

The Group records a provision for restoration costs of renovation performed on rented premises. Restoration costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the restoration liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of restoration are reviewed annually and adjusted as appropriate.

#### Movements of provision are as follows:

		Assurance-		
	Restoration	type		
	cost	warranties	Total	
Group	RM'000	RM'000	RM'000	
At 1 January 2023	1,951	5,567	7,518	
Net change for the year	623	1,125	1,748	
Utilisation during the year	-	(925)	(925)	
Unwinding of discount (Note 7)	144	-	144	
At 31 December 2023	2,718	5,767	8,485	
Current	837	5,767	6,604	
Non-current	1,881	-	1,881	
At 1 January 2022	2,030	4,738	6,768	
Net change for the year	(177)	2,341	2,164	
Utilisation during the year	-	(1,512)	(1,512)	
Unwinding of discount (Note 7)	98	-	98	
At 31 December 2022	1,951	5,567	7,518	
Current	1,951	5,567	7,518	

Further details on related parties transactions are disclosed in Note 29. Other information on liquidity risks are disclosed in Note 30(c).

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 26. Leases

#### The Group as lessee

The Group has lease contracts for premises and various items of equipment used in its operations. Leases of assets generally have lease terms between 2 and 9 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options.

The Group also has certain leases of premises and equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Premises RM'000	Other Equipment RM'000	Total RM'000
At 1 January 2023	7,691	155	7,846
Additions	2,704	524	3,228
Depreciation expenses (Note 8)	(3,970)	(196)	(4,166)
Modification	3,009	-	3,009
Exchange differences	12	-	12
At 31 December 2023	9,446	483	9,929
At 1 January 2022	8,765	387	9,152
Additions	252	46	298
Depreciation expenses (Note 8)	(3,350)	(278)	(3,628)
Modification	2,000	-	2,000
Exchange differences	24	-	24
At 31 December 2022	7,691	155	7,846

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 RM'000	2022 RM'000
At 1 January	8,367	9,480
Additions	3,086	298
Accretion of interest	523	505
Payments	(4,194)	(4,117)
Modification	2,528	2,177
Exchange differences	13	24
At 31 December	10,323	8,367
Current	3,021	3,282
Non-current	7,302	5,085

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 26. Leases (contd.)

#### The Group as lessee (contd.)

The following are the amounts recognised in profit or loss:

	2023 RM'000	2022 RM'000
Depreciation expense of right-of-use assets (Note 8)	4,166	3,628
Interest on lease liabilities (Note 7)	523	505
Expenses relating to short term lease and leases of low-value assets (Note 8)	322	351
Variable lease payments not included in lease liabilities (Note 8)	103	30
Total amount recognised in profit or loss	5,114	4,514

The Group has certain lease contracts for equipment that contains variable payments based on the number of outputs. The Group's variable lease payments, including the magnitude in relation to the fixed payments are not material. The Group also has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:

2023	2022
RM'000	RM'000
Extension options expected not to be exercised within 5 years 144	468

Total cash outflows for all leases including lease liabilities, short-term leases, leases of low-value assets and variable lease payments in the financial year ended 31 December 2023 for the Group amounted to RM4,619,000 (2022: RM4,498,000), in which RM3,671,000 (2022: RM3,612,000) represents payment of principal portion of lease liabilities.

#### 27. 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.

No details relating to the Group's business segment was disclosed as the Group has only one business segment which is the distribution of consumer products.

Accordingly, information on geographical and business segments of the Group's operations are not presented.

#### 28. Capital commitments

	G	Broup
	2023 RM'000	2022 RM'000
Capital expenditure in respect of		
Development costs and property, plant and equipment:		
- Approved and contracted for	265	271
- Approved and not contracted for	19,829	22,867
	20,094	23,138

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 29. Significant related party transactions

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

	Group	
	2023 RM'000	2022 RM'000
Sales of goods:		
Amway (Singapore) Pte. Ltd.	(85)	(60
Amway Hong Kong Limited	(64)	(274
Amway Vietnam Co. Ltd.	(7)	-
ABG North Asia Ltd.	(1)	-
Purchases:		
Access Business Group International L.L.C.	344,505	522,200
Amway International Inc.	177	594
Amway (Thailand) Limited	-	379
Amway (Singapore) Pte. Ltd.	-	250
Guangzhou Access Business Co. Ltd.	236	-
Royalties paid/payable:		
Access Business Group International L.L.C.	3,961	4,908
Sale of property, plant and equipment:		
Amway IT Services Sdn. Bhd.	-	161

(b) 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 2023 are disclosed in Notes 19 and 25.

The nature of the related party relationships are entities within the Alticor Global Holdings Inc..

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

	Group	
	2023 RM'000	2022 RM'000
Short-term employee benefits Post-employment benefits:	6,384	5,954
- Defined contribution plan	431	399
Non-executive directors' remuneration:		
- Directors' fees and others	637	603
	7,452	6,956

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 30. 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.

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 it's cost-efficient. The Group and the Company do not apply hedge accounting.

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the interest-bearing financial instruments is as follows:

	Group		Company	
	2023 2022		2023	2022
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Deposits with licensed banks	159,839	60,440	2,000	2,000

#### (b) 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 sales to related companies, purchases and payments on behalf that are denominated in a currency other than the functional currency to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD") and Thailand Baht ("THB").

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

		Group
	2023 RM'000	2022 RM'000
Due from related companies		
Singapore Dollar	3	28
Due from related companies		
United States Dollar	69	74
Due to related companies		
Thailand Baht	(4)	(8)
Cash and bank balances		
United States Dollar	1,320	1,437

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.

# Notes to the Financial Statements for the financial year ended 31 December 2023

#### 30. Financial risk management objectives and policies (contd.)

#### (c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to the shortage of funds.

#### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	More than one year RM'000	Total RM'000
At 31 December 2023			
Financial liabilities			
<b>Group</b> Trade and other payables (excluding provisions) (Note 25) Lease liabilities	250,709 3,574	- 8,342	250,709 11,916
Total undiscounted financial liabilities	254,283	8,342	262,625
<b>Company</b> Trade and other payables (Note 25)	418	-	418
	On demand or within one year RM'000	More than one year RM'000	Total RM'000
At 31 December 2022			
Financial liabilities			
<b>Group</b> Trade and other payables (excluding provisions) (Note 25) Lease liabilities	253,783 3,642	- 5,537	253,783 9,179
Total undiscounted financial liabilities	257,425	5,537	262,962
Company	- /		
Trade and other payables (Note 25)	515	-	515

## Notes to the Financial Statements for the financial year ended 31 December 2023

#### 30. Financial risk management objectives and policies (contd.)

#### (d) 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 comprises of 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. The analysis of the quality of credit risk are disclosed in Note 19 and the accounting policy on the impairment of financial asset (ECL) is disclosed in Note 2.20.

#### 31. Fair values on financial instruments

The Group and the Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs as disclosed in Note 2.21.

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	19
Amounts due from related companies	19
Amounts due to related companies	25
Trade and other payables	25

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

#### 32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a healthy cashflow in order to support its business and maximise shareholders' 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 2023 and 31 December 2022. The Group is not subjected to any externally imposed capital requirements.

# Particulars of Properties as at 31 December 2023

### **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	13	22,509	9 March 2006
26 & 26A Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	7,934	Office, Warehouse and Shop	Leasehold expiring 26 March 2069	13	19,640	19 November 2004

## Group's Physical Presence as at 31 December 2023

#### **CORPORATE HEADQUARTERS**

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

28, Jalan 223, 46100 Petaling Jaya Selangor Darul Ehsan Tel: 03-7946 2800

**AMWAY SHOPS** 

#### ALOR SETAR

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

#### **BATU PAHAT**

12, Jalan Ceria, Pusat Perniagaan Ceria, 83000 Batu Pahat, Johor Darul Takzim

#### BINTULU

Lot no. 4075, 4076, 4077, Parkcity Commercial Square Phase 5, Jalan Tun Ahmad Zaidi, 97000 Bintulu, Sarawak

#### **IPOH**

55 & 57, Pusat Perdagangan Canning II, KUCHING 30350 lpoh. Perak Darul Ridzuan

#### JOHOR BAHRU

57, Jalan Ponderosa 2/2, Taman Ponderosa. 81100, Johor Bahru, Johor Darul Takzim

#### **KLANG**

4 & 6 (Ground Floor), Jalan Kasuarina 11, Bandar Botanic, 41200 Klang, Selangor Darul Ehsan

#### **KOTA BAHRU**

10 & 11, 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

#### **KUALA TERENGGANU**

24, Tingkat Bawah, Pusat Niaga Paya Keladi, Kuala Terengganu, 20000 Terengganu Darul Iman

### **KUANTAN**

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

40 & 41. Jalan Tun Ahmad Zaidi Adruce, 93200 Kuching, Sarawak

#### MELAKA

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

#### MIRI

Lot 1740, Block 9, MCLD Rice Mill Road, Kampung Bahru, 98000 Miri, Sarawak

#### NUSA BESTARI

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

#### **PULAU PINANG**

9 & 10, Persiaran Karpal Singh 2, 11600 Jelutong, Pulau Pinang

#### PFRAI

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

#### **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, Pekan Sibu, 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

## AMWAY (MALAYSIA) HOLDINGS BERHAD Registration No: 199501011153 (340354-U) (Incorporated in Malaysia)

#### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 29th Annual General Meeting ("AGM") of AMWAY (MALAYSIA) HOLDINGS BERHAD ("the Company") will be conducted entirely through live streaming from the broadcast venue at Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd., 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 23 May 2024 at 9.30 a.m. to transact the following businesses:

#### AGENDA

#### As Ordinary Business

1	. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and the Auditors' Reports thereon.	(Please refer to Note 1 of the Explanatory Notes)
2	2. To re-elect En Abd Malik Bin A Rahman who is retiring pursuant to Clause 76(3) of the Constitution of the Company ("the Constitution").	Ordinary Resolution 1
3	<ol> <li>To re-elect Pn Norhanifah Binti A.Jalil who is retiring pursuant to Clause 78 of the Constitution.</li> </ol>	Ordinary Resolution 2
2	<ol> <li>To approve the appointment of Datuk Harjeet Singh A/L Hardev Singh as the Independent Non-Executive Director of the Company.</li> </ol>	Ordinary Resolution 3
5	5. To approve the Directors' fee of up to RM132,000 payable to En Abd Malik Bin A Rahman, the Chairman and the Senior Independent Non-Executive Director, for the financial year ending 31 December 2024.	Ordinary Resolution 4
6	5. To approve the Directors' fee of up to RM35,600 payable to Dato' Abdullah Thalith Bin Md Thani, the Nominating Committee Chairman and the Independent Non-Executive Director for the period from 1 January 2024 to 23 May 2024.	Ordinary Resolution 5
7	7. To approve the Directors' fee of up to RM94,300 payable to Ms Ho Kim Poi, the Audit Committee Chairperson and the Independent Non-Executive Director, for the financial year ending 31 December 2024.	Ordinary Resolution 6
8	<ol> <li>To approve the Directors' fee of up to RM82,100 payable to Mr Low Han Kee, the Non-Independent Non-Executive Director, for the financial year ending 31 December 2024.</li> </ol>	Ordinary Resolution 7
ç	<ol> <li>To approve the Directors' fee of up to RM94,800 payable to Datin Seri Azreen Binti Abu Noh, the Independent Non-Executive Director, for the financial year ending 31 December 2024.</li> </ol>	Ordinary Resolution 8
1	<ol> <li>To approve the Directors' fee of up to RM75,100 payable to Pn Norhanifah Binti A.Jalil, the Non-Independent Non-Executive Director, for the financial year ending 31 December 2024.</li> </ol>	Ordinary Resolution 9
1	<ol> <li>To approve the Directors' fee of up to RM53,200 payable to Datuk Harjeet Singh A/L Hardev Singh, the incoming Independent Non-Executive Director, for the period from 23 May 2024 to 31 December 2024 (subject to passing of Ordinary Resolution 3).</li> </ol>	Ordinary Resolution 10
1	<ol> <li>To approve the Directors' benefits of up to RM138,400 for the financial year ending 31 December 2024.</li> </ol>	Ordinary Resolution 11
1	<ol> <li>To re-appoint Ernst &amp; Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.</li> </ol>	Ordinary Resolution 12

#### As Special Business

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolution:

 Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC ("ABGIL") and Amway (Singapore) Pte. Ltd. ("Amway (S)") ("Proposed Renewal of Shareholders' Mandate")

"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 and Amway (S) as set out in Section 2.4 of the Circular to shareholders dated 23 April 2024, 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;
- the expiration of the period within which the next AGM is required to be held under Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed under Section 340(4) of the Companies Act 2016); 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 and to assent to any conditions, variations and/or amendments) in the interest of the Company to give effect to the aforesaid shareholders' mandate."

15. To transact any other business of which due notice is given in accordance with the Companies Act 2016 and the Constitution.

BY ORDER OF THE BOARD

KUAN HUI FANG (MIA 16876) SSM PC No. 202008001235

JOANNE TOH JOO ANN (LS 0008574) SSM PC No. 202008001119

**Company Secretaries** 

Kuala Lumpur Dated this 23 April 2024 Ordinary Resolution 13

#### Notes:

#### 1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016** which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders will not be allowed to attend the 29th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 29<sup>th</sup> AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <u>https://tiih.online</u>.

Please read these Notes carefully and follow the procedures in the Information for Shareholders on 29<sup>th</sup> AGM in order to participate remotely via RPV.

- For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the **Record of Depositors as at** 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- 3. A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- 4. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
- 5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- 6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 8. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 9. A member who has appointed a proxy or attorney or authorised representative to participate at the 29<sup>th</sup> AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via **TIIH Online** website at <u>https://tiih.online</u>. Procedures for RPV can be found in the Information for Shareholders on 29<sup>th</sup> AGM.
- 10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via **TIIH Online** at <u>https://tiih.online</u>. Kindly refer to the Information for Shareholders on the procedures for electronic lodgement of proxy form via TIIH Online.

- 11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 12. Last date and time for lodging the proxy form is Tuesday, 21 May 2024 at 9.30 a.m.
- 13. Any authority pursuant to which such an appointment is made by a power of attorney 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 14. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 15. It is important that you read the Information for Shareholders on 29th AGM.
- 16. Shareholders are advised to check the Company's website at <u>www.amway.my</u> and announcements from time to time for any changes to the administration of the 29<sup>th</sup> AGM.

#### **Explanatory Notes on Ordinary Business:**

1. Agenda item 1

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 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**.

2. Ordinary Resolutions 1 to 3

Please refer to the Statement Accompanying the Notice of AGM for information.

Dato' Abdullah Thalith Bin Md Thani who is due for retirement by rotation pursuant to Clause 76(3) of the Constitution has indicated to the Company that he would not seek for re-election at the 29<sup>th</sup> AGM. Therefore, Dato' Abdullah Thalith Bin Md Thani will retire as the Director of the Company upon the conclusion of the 29<sup>th</sup> AGM.

#### 3. Ordinary Resolutions 4 to 10

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at the general meeting.

The Board, via the Remuneration Committee, has proposed a revision to the fee structure for the Board Chairman, Non-Executive Board members, Chairmen/Chairperson of the Board Committees and Board Committee members for the financial year ending 31 December 2024 taking into consideration the inflation, the market rate and the complexity of operation and industry. The last revision to the fee structure was undertaken two (2) years ago in respect of the financial year 2022 and the Non-Executive Directors' responsibilities had increased over the past years. The total amount of Directors' fees sought from the shareholders for the financial year ending 31 December 2024 is RM567,100 (For financial year ending 31 December 2023: Directors' fees of up to RM542,400).

With regards to Ordinary Resolutions 5, 8 and 10, Dato' Abdullah Thalith Bin Md Thani, who will not be seeking for re-election at the 29<sup>th</sup> AGM, will retire as the Director of the Company, the Nominating Committee Chairman and the Audit Committee member immediately after the conclusion of the AGM. In conjunction with his retirement, the Board has approved that Datin Seri Azreen Binti Abu Noh will be redesignated as the Chairperson of the Nominating Committee and Datuk Harjeet Singh A/L Hardev Singh will be appointed as a member of the Audit Committee and the Nominating Committee upon the conclusion of the 29<sup>th</sup> AGM, subject to passing of Ordinary Resolution 3 on the appointment of Datuk Harjeet Singh A/L Hardev Singh.

In the event new Director(s) is/are appointed after the AGM on 23 May 2024, the Company would seek approval for the payment of fees to the new Director(s) at the next AGM.

4. Ordinary Resolution 11

The proposed Directors' benefits under Ordinary Resolution 11 are based on the current number of Directors on the Board and scheduled Board and Committee Meetings for the financial year ending 31 December 2024. In the event the proposed amount is insufficient, approval will be sought at the next AGM for the shortfall.

5. Ordinary Resolution 12

The Board has through the Audit Committee, considered the re-appointment of Ernst & Young PLT as Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 29<sup>th</sup> AGM are disclosed in the Corporate Governance Overview Statement of the Annual Report 2023.

#### **Explanatory Note on Special Business**

1. Ordinary Resolution 13

This Resolution, if passed, will allow the Group to renew its existing mandate obtained at the 28<sup>th</sup> AGM held on 24 May 2023 to enter into recurrent related party transactions of a revenue or trading nature with ABGIL and Amway (S) 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 23 April 2024 for further details.

## Statement Accompanying the Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing

Requirements of Bursa Malaysia Securities Berhad

Datuk Harjeet Singh A/L Hardev Singh who is standing for appointment as the Independent Non-Executive Director of the Company

The profile of Datuk Harjeet Singh A/L Hardev Singh who is standing for appointment as the Independent Non-Executive Director of the Company as per Agenda's item 4 of the Notice of 29<sup>th</sup> AGM is as follows:

Datuk Harjeet Singh A/L Hardev Singh
Malaysian/61/Male
<ul> <li>Master of Science (Information Technology) (Northern University of Malaysia)</li> <li>Bachelor of Science in Civil Engineering (The Ohio State University, Columbus USA)</li> </ul>
Datuk Harjeet Singh A/L Hardev Singh has over thirty (30) years of public sector experience having held key positions such as the Secretary-General and Deputy Secretary-General of the Ministry of Health (MOH); Director-General of the Public Complaints Bureau at the Prime Minister's Department; and Deputy Secretary-General of the Ministry of Women, Family & Community Development as well as the Ministry of Energy, Green Technology & Water. He was also the Assistant Secretary to the Selangor State Government.
He was a director of the National Heart Institute of Malaysia and a director of a private company involved in healthcare. In addition, he played director roles on the Malaysia Healthcare Travel Council and Medical Device Authority Malaysia, among other organisations.
Nil
Nil
-

Datuk Harjeet Singh A/L Hardev Singh does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries. He has not been convicted of any offence within the past five (5) years, nor has he had any public sanction or penalty imposed upon him by the relevant regulatory bodies during the financial year.

The Board has through the Nominating Committee ("NC"), satisfied that Datuk Harjeet Singh A/L Hardev Singh meets the criteria prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on character, experience, integrity, competence and time to effectively discharge his roles as Director. He fulfilled the criteria of an independent director under the MMLR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company. The NC has also conducted a review and assessment of Datuk Harjeet Singh A/L Hardev Singh in accordance with the Directors' Fit and Proper Policy and is satisfied that he has met the criteria prescribed by the said Policy.

The Board recommended the appointment of Datuk Harjeet Singh A/L Hardev Singh as the Independent Non-Executive Director of the Company, which is to be tabled for the shareholders' approval at the 29<sup>th</sup> AGM, based on the following:-

The Board believes that the appointment of Datuk Harjeet Singh A/L Hardev Singh, if approved, would benefit the Company given his vast experience and knowledge of the healthcare industry. These attributes would support the Company's direction towards the health and wellbeing space. On top of this, his wealth of experience in the public service, particularly at the MOH, would prove advantageous to the Board.

### Statement Accompanying the Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

#### Directors who are standing for re-election

En Abd Malik Bin A Rahman and Pn Norhanifah Binti A.Jalil ("Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 29<sup>th</sup> AGM. Their profiles can be found on pages 84 and 91 of the Annual Report 2023.

The NC conducts a Board Effectiveness Evaluation ("BEE") annually to determine whether the Board, Board Committees and Directors (except for Pn Norhanifah Binti A.Jalil who was appointed as the Non-Independent Non-Executive Director on 1 January 2024) are performing and discharging their duties effectively. The Board is satisfied with the overall results of the BEE conducted for the financial year ended 31 December 2023.

The Retiring Directors meet the criteria prescribed under Paragraph 2.20A of the MMLR on character, experience, integrity, competence and time to effectively discharge their roles as Directors. None of the Retiring Directors has any conflict of interest or potential conflict of interest, including interest in any business that is in competition with the Company or its subsidiaries.

The NC has conducted a review and assessment of the Retiring Directors in accordance with the Directors' Fit and Proper Policy and is satisfied that they have met the criteria prescribed by the said Policy. En Abd Malik Bin A Rahman, who is the Senior Independent Non-Executive Director of the Company, fulfilled the criteria of an independent director under the MMLR, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company.

Contributions and reasons for the Retiring Directors' re-election are as follows:

1. En Abd Malik Bin A Rahman

En Abd Malik Bin A Rahman was appointed as the Independent Non-Executive Director of the Company on 1 January 2019. He was appointed as the Chairman of the Board and re-designated as the Senior Independent Non-Executive Director on 24 May 2023.

En Abd Malik Bin A Rahman possesses extensive knowledge and experience in accounting, finance and management and held various senior management positions at several companies in diverse industries over the course of his career. The Board recognised his valuable expertise and knowledge demonstrated during his tenure with the Company and believes that his expertise adds significant value to the skill sets on the Board and he would continue to provide leadership, valuable input and views to the Group.

2. Pn Norhanifah Binti A.Jalil

Pn Norhanifah Binti A.Jalil was appointed as the Non-Independent Non-Executive Director of the Company on 1 January 2024.

The Board believes that she would bring significant value to the Board with her skills and almost 3 decades of experience across credit, finance, human capital and organisational development in various sectors including banking, finance, energy, transportation and telecommunications and her strong track record in senior management positions, including her present role as the Chief Human Resource Officer at Permodalan Nasional Berhad.

The Board (save for the Retiring Directors who have abstained from deliberation on discussions relating to their own re-election), believes that the contribution, commitment, and performance of the Retiring Directors continue to be invaluable and relevant to the long-term sustainable goals and success of the Company and strongly supports their re-election as Directors.

## Analysis of Shareholdings As at 18 March 2024

No. of Issued Shares	:	164,385,645 Ordinary Shares
Class of Shares	:	Ordinary Shares
Votina Riahts	:	One vote per share

#### **ANALYSIS OF SHAREHOLDINGS**

Distribution of shareholdings according to size:

Size of Holdings	No. of Shareholders/			
	Depositors	%	No. of Shares Held	%
1 – 99	453	8.56	8,713	0.01
100 – 1,000	2,150	40.65	1,383,425	0.84
1,001 - 10,000	2,339	44.22	7,857,797	4.78
10,001 - 100,000	315	5.96	7,351,494	4.47
100,001 - 8,219,281	29	0.55	27,593,233	16.79
8,219,282 and above	3	0.06	120,190,983	73.11
Total	5,289	100.00	164,385,645	100.00

#### SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

	< Direct	>	< Indirect-	>
Size of Shareholders	No. of Shares held	%	No. of Shares held	%
GDA B.V. ("GDA")	84,990,283	51.70	-	-
Amway Nederland Ltd. ("Amway Nederland")	-	-	84,990,283 <sup>*i</sup>	51.70
Amway International Inc. ("Amway International")	-	-	84,990,283*"	51.70
Alticor Inc. ("Alticor")	-	-	84,990,283***	51.70
Solstice Holdings Inc. ("SHI")	-	-	84,990,283 <sup>*iv</sup>	51.70
Alticor Global Holdings Inc. ("AGH")*vi	-	-	84,990,283 <sup>*</sup>	51.70
AmanahRaya Trustees Berhad				
<ul> <li>– Skim Amanah Saham Bumiputera</li> </ul>	20,776,700	12.64	-	-
Kumpulan Wang Persaraan (Diperbadankan)	14,424,000	8.77	495,600	0.30
Employees Provident Fund Board	9,873,233	6.01	-	-

Notes:

<sup>\*/</sup> Deemed interest by virtue of its interest in GDA pursuant to Section 8 of the Companies Act 2016.

<sup>\*//</sup> Deemed interest by virtue of its interest in Amway Nederland pursuant to Section 8 of the Companies Act 2016.

\* Deemed interest by virtue of its interest in Amway International pursuant to Section 8 of the Companies Act 2016.

<sup>\*</sup> Deemed interest by virtue of its interest in Alticor pursuant to Section 8 of the Companies Act 2016.

<sup>\*</sup> Deemed interest by virtue of its interest in SHI pursuant to Section 8 of the Companies Act 2016.

<sup>\*vi</sup> 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.

## Analysis of Shareholdings As at 18 March 2024

#### SHAREHOLDINGS OF DIRECTORS

(As per Register of Directors' Shareholdings)

	< Direct	>	< Indirect	>
Name of Directors	No. of Shares held	%	No. of Shares held	%
Abd Malik Bin A Rahman	1,000	Neg.	-	-
Michael Jonathan Duong	-	-	-	-
Scott Russell Balfour	-	-	-	-
Low Han Kee	-	-	-	-
Dato' Abdullah Thalith Bin Md Thani	-	-	-	-
Datin Seri Azreen Binti Abu Noh	-	-	-	-
Norhanifah Binti A.Jalil	-	-	-	-

#### THIRTY LARGEST SHAREHOLDERS

Name	No. of Shares Held	%
1. GDA B.V.	84,990,283	51.70
<ol> <li>AmanahRaya Trustees Berhad         <ul> <li>Amanah Saham Bumiputera</li> </ul> </li> </ol>	20,776,700	12.64
3. Kumpulan Wang Persaraan (Diperbadan	kan) 14,424,000	8.77
<ol> <li>AmanahRaya Trustees Berhad</li> <li>Amanah Saham Malaysia</li> </ol>	8,000,000	4.87
<ol> <li>Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board</li> </ol>	6,708,259	4.08
<ol> <li>AmanahRaya Trustees Berhad</li> <li>Amanah Saham Bumiputera 2</li> </ol>	3,384,300	2.06
<ol> <li>Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (Islar</li> </ol>		1.93
8. Kong Goon Khing	1,500,000	0.91
9 Kong Goon Khing	543,400	0.33
10. Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbada		0.30
11. Hong Weng Hwa	450,500	0.27
12. Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Chew E	r Hong (E-KPG) 420,000	0.26
<ol> <li>Public Nominees (Tempatan) Sdn Bhd</li> <li>Pledged Securities Account for Lee Sey</li> </ol>	y Liang (KLC/KEN) 232,300	0.14
<ol> <li>Affin Hwang Investment Bank Berhad         <ul> <li>Exempt an CLR for Amanahraya Truster</li> </ul> </li> </ol>	202,800 202,800 202,800	0.12
15. Chua Soon Gin	202,000	0.12

## Analysis of Shareholdings As at 18 March 2024

### THIRTY LARGEST SHAREHOLDERS

Nan	10	No. of Shares Held	%
16.	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Skyture Capital Sdn Bhd (KL C/PIV)	200,000	0.12
17.	Teo Chiang Hong	195,000	0.12
18.	Harinder Kaur Gill A/P Mehar Singh Gill	181,000	0.11
19.	Ang Lay Pheng	180,000	0.11
20.	Public Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Ng Thong Kook (E-SS2)	165,400	0.10
21.	Kalsom Binti Ahmad	134,000	0.08
22.	Maisarah Binti Ramli	130,000	0.08
23.	Ajeet Kaur A/P Inder Singh	128,700	0.08
24.	Boh Plantations Sdn Berhad	122,500	0.07
25.	New Tong Fong Plywood Sdn Bhd	120,000	0.07
26.	Yeoh Saik Khoo Sendirian Berhad	114,500	0.07
27.	Maybank Nominees (Tempatan) Sdn Bhd – Chua Eng Ho Wa'a @ Chua Eng Wah	105,200	0.06
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd – Pledged Securities Account For Tan Kian Chuan (8059299)	105,000	0.06
29.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. – Pledged Securities Account For Tan Kian Chuan (MY2204)	105,000	0.06
30.	Ho Teik Chuan @ Ho Sonney	101,000	0.06
		147,582,416	89.78

Date	:	Thursday, 23 May 2024
Time	:	9.30 a.m.
Broadcast Venue	:	Van Andel & DeVos Training Centre Amway (Malaysia) Sdn. Bhd. 28, Jalan 223, 46100 Petaling Jaya

The 29<sup>th</sup> Annual General Meeting ("AGM") will be conducted entirely through live streaming from the Broadcast Venue.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders will not be allowed to attend the 29<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

We strongly encourage you to attend the 29<sup>th</sup> AGM via the Remote Participation and Voting ("RPV") facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 29<sup>th</sup> AGM.

#### **REMOTE PARTICIPATION AND VOTING**

The RPV facilities are available on Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor")'s TIIH Online website at <a href="https://tiih.online">https://tiih.online</a>.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 29<sup>th</sup> AGM using RPV facilities from Tricor.

Kindly refer to the Procedures for RPV as set out below for the requirements and procedures.

Selangor Darul Ehsan, Malaysia

#### PROCEDURES FOR REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 29<sup>th</sup> AGM using the RPV facilities:

#### Before the 29<sup>th</sup> AGM Day

Pro	cedure	Action
(i)	Register as a user with TIIH Online	<ul> <li>Using your computer, access to website at <u>https://tiih.online</u>. Register as a user under the "e-Services" and select "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance.</li> </ul>
		<ul> <li>Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> </ul>
		<ul> <li>If you are already a user with TIIH Online, you are not required to register as a user again. You will receive an e-mail to notify you that the remote participation for the 29<sup>th</sup> AGM is available for registration at TIIH Online.</li> </ul>

Procedure		Procedure Action		Action
(ii)	Submit your request to attend 29 <sup>th</sup> AGM remotely	<ul> <li>Registration is open from Wednesday, 23 April 2024 until the day of 29<sup>th</sup> AGM on Thursday, 23 May 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 29<sup>th</sup> AGM to ascertain their eligibility to participate the 29<sup>th</sup> AGM using the RPV.</li> </ul>		
		<ul> <li>Login with your user ID (i.e. e-mail address) and password and select the corporate event:</li> </ul>		
		(Registration) Amway (Malaysia) Holdings Berhad 29th AGM		
		Read and agree to the Terms & Conditions and confirm the Declaration.		
		<ul> <li>Select "Register for Remote Participation and Voting".</li> </ul>		
		<ul> <li>Review your registration and proceed to register.</li> </ul>		
		• System will send an <b>e-mail to notify</b> that your registration for remote participation is received and will be verified.		
		<ul> <li>After verification of your registration against the Record of Depositors as at 15 May 2024, the system will send you an e-mail after 21 May 2024 to approve or reject your registration for remote participation.</li> </ul>		
		(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).		

### On the 29<sup>th</sup> AGM Day

Pro	cedure	Action
(i)	Login to TIIH Online	<ul> <li>Login with your user ID and password for remote participation at the 29<sup>th</sup> AGM at any time from 8.30 a.m. i.e. 1 hour before the commencement of meeting at 9.30 a.m. on Thursday, 23 May 2024.</li> </ul>
(ii)	Participate through Live Streaming	<ul> <li>Select the corporate event: (Live Stream Meeting) Amway (Malaysia) Holdings Berhad 29<sup>th</sup> AGM to engage in the proceedings of the 29<sup>th</sup> AGM remotely.</li> </ul>
		<ul> <li>If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the 29<sup>th</sup> AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.</li> </ul>
(iii)	Online remote voting	Voting session commences from 9:30 a.m. on Thursday, 23 May 2024 until a time when the Chairman announces the end of the session.
		<ul> <li>Select the corporate event: (Remote Voting) Amway (Malaysia) Holdings Berhad 29<sup>th</sup> AGM or if you are on the live stream meeting page, you can select "GO TO REMOTE VOTING PAGE" button below the Query Box.</li> </ul>
		<ul> <li>Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>Select the CDS account that represents your shareholdings.</li> </ul>
		<ul> <li>Indicate your votes for the resolutions that are tabled for voting.</li> <li>Confirm and submit your votes.</li> </ul>
(iv)	End of remote participation	<ul> <li>Upon the announcement by the Chairman on the conclusion of the 29<sup>th</sup> AGM, the Live Streaming will end.</li> </ul>

#### Notes to users of the RPV facilities:

- (i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to <u>tilh.online@my.tricorglobal.com</u> for assistance.

#### ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as at 15 May 2024 shall be eligible to attend, speak and vote at the 29<sup>th</sup> AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

In view that the 29<sup>th</sup> AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.

## If you wish to participate in the 29<sup>th</sup> AGM yourself, please do not submit any Proxy Form for the 29<sup>th</sup> AGM. You will not be allowed to participate in the 29<sup>th</sup> AGM together with a proxy appointed by you.

Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 29<sup>th</sup> AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday**, **21 May 2024 at 9.30 a.m**:

- (i) In Hard copy:
  - (a) By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
  - (b) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com.
- (ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action	
(i) Steps for Individual Shareholders		
Register as a user with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance.	
	<ul> <li>If you are already a user with TIIH Online, you are not required to register as a user again.</li> </ul>	

Procedure	Action		
Proceed with submission of Proxy Form	<ul> <li>After the release of the Notice of Meeting by the Company on Tuesday, 23 April 2024, login with your username (i.e. email address) and password.</li> <li>Select the corporate event: Amway (Malaysia) Holdings Berhad 29<sup>th</sup> AGM – "Submission of Proxy Form".</li> <li>Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf.</li> <li>Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes.</li> <li>Review and confirm your proxy(ies) appointment.</li> <li>Print the Proxy Form for your record.</li> </ul>		
(ii) Steps for corporation or in	stitutional shareholders		
Register as a User with TIIH Online	<ul> <li>Access TIIH Online at <u>https://tiih.online</u></li> <li>Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder".</li> <li>Complete the registration form and upload the required documents.</li> <li>Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> <li>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</li> </ul>		
Proceed with submission of Proxy Form	<ul> <li>Login to TIIH Online at <u>https://tiih.online</u></li> <li>Select the corporate exercise name: "Amway (Malaysia) Holdings Berhad 29<sup>th</sup> AGM – "Submission of Proxy Form".</li> <li>Agree to the Terms &amp; Conditions and Declaration.</li> <li>Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>Submit the proxy appointment file.</li> <li>Proceed to upload the duly completed proxy appointment file.</li> <li>Select "Submit" to complete your submission.</li> <li>Print the confirmation report of your submission for your record.</li> </ul>		

#### **VOTING AT MEETING**

The voting at the 29<sup>th</sup> AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company has appointed Tricor to conduct the poll voting electronically ("e-voting") via Tricor e-Vote application ("Tricor e-Vote App") and Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 29<sup>th</sup> AGM at 9.30 a.m. Kindly refer to "Procedures for Remote Participation and Voting via RPV Facilities" provided above for guidance on how to vote remotely via TIIH Online.

#### **RESULTS OF THE VOTING**

The resolutions proposed at the 29<sup>th</sup> AGM and the results of the voting will be announced at the 29<sup>th</sup> AGM and subsequently via an announcement made by the Company through Bursa Securities at <u>www.bursamalaysia.com</u>.

#### PRE-MEETING SUBMISSION OF QUESTIONS TO THE BOARD OF DIRECTORS

The Board recognises that the 29<sup>th</sup> AGM is a valuable opportunity for the Board to engage with shareholders. In order to enhance the efficiency of the proceedings of the 29<sup>th</sup> AGM, shareholders may in advance, before the 29<sup>th</sup> AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at <u>https://tiih.online</u>, by selecting "e-Services" to login, post your questions and submit it electronically no later than **Tuesday**, **21 May 2024.** The Board of Directors will endeavour to address the questions received at the 29<sup>th</sup> AGM.

#### **ANNUAL REPORT**

The Annual Report is available on:

The Company's website – <u>https://www.amway.my/about-amway/investor-relations/annual-reports-announcements;</u> and Bursa Securities's website – <u>www.bursamalaysia.com</u> under Company's announcements.

You may request for a printed copy of the Annual Report at <u>https://tiih.online</u> by selecting "Request for Annual Report" under the "Investor Services".

Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

#### NO DOOR GIFT/FOOD VOUCHER

There will be **no distribution** of door gifts or food vouchers for the 29<sup>th</sup> AGM since the meeting is being conducted on a virtual basis.

Amway (Malaysia) Holdings Berhad would like to thank all its shareholders for their co-operation and understanding.

#### **ENQUIRY**

If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor at +603-2783 9299 during office hours i.e. from 8.30 a.m. to 5.30 p.m. (Monday to Friday, except on public holidays).

## **Proxy Form**

Address

No. of shares held	CDS Account No.	AMWAY Regi	AMWAY (MALAYSIA) HOLDINGS BERHAD Registration No: 199501011153 (340354-U) (Incorporated in Malaysia)		
^I/We[Fu.	ll name in block and as per NRIC/pas		ny No.:		
Tel/HP No:	of				
	(Full Address	)			
being member(s) of Amway (Malaysia) Holdings Berhad, hereby Full Name (in Block and as per NRIC/Passport)		NRIC/Passport No.	Proportion of	Proportion of Shareholdings	
			No. of Shares	%	
Address					
and			I		
Full Name (in Block and as	per NRIC/Passport)	NRIC/Passport No.	Proportion of	Proportion of Shareholdings	
			No. of Shares	%	

or failing ^him/her, the Chairman of the Meeting, as ^my/our proxy/proxies to vote for ^me/us and on ^my/our behalf at the 29<sup>th</sup> Annual General Meeting ("AGM") of the Company which will be conducted entirely through live streaming from the broadcast venue at Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd., 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia ("Broadcast Venue") on Thursday, 23 May 2024 at 9.30 a.m. or any adjournment thereof, and to vote as indicated below:

Description of Resolution		Resolution	FOR	AGAINST
1.	Re-election of En Abd Malik Bin A Rahman as Director.	Ordinary Resolution 1		
2.	Re-election of Pn Norhanifah Binti A.Jalil as Director.	Ordinary Resolution 2		
3.	Appointment of Datuk Harjeet Singh A/L Hardev Singh as the Independent Non-Executive Director of the Company.	Ordinary Resolution 3		
4.	Approval of the Directors' fee of up to RM132,000 payable to En Abd Malik Bin A Rahman, the Chairman and the Senior Independent Non-Executive Director for the financial year ending 31 December 2024.	Ordinary Resolution 4		
5.	Approval of the Directors' fee of up to RM35,600 payable to Dato' Abdullah Thalith Bin Md Thani, the Nominating Committee Chairman and the Independent Non-Executive Director for the period from 1 January 2024 to 23 May 2024.	Ordinary Resolution 5		
6.	Approval of the Directors' fee of up to RM94,300 payable to Ms Ho Kim Poi, the Audit Committee Chairperson and the Independent Non-Executive Director for the financial year ending 31 December 2024.	Ordinary Resolution 6		
7.	Approval of the Directors' fee of up to RM82,100 payable to Mr Low Han Kee, the Non-Independent Non-Executive Director for the financial year ending 31 December 2024.	Ordinary Resolution 7		
8.	Approval of the Directors' fee of up to RM94,800 payable to Datin Seri Azreen Binti Abu Noh, the Independent Non-Executive Director for the financial year ending 31 December 2024.	Ordinary Resolution 8		
9.	Approval of the Directors' fee of up to RM75,100 payable to Pn Norhanifah Binti A.Jalil, the Non-Independent Non-Executive Director for the financial year ending 31 December 2024.	Ordinary Resolution 9		
10.	Approval of the Directors' fee of up to RM53,200 payable to Datuk Harjeet Singh A/L Hardev Singh, the incoming Independent Non-Executive Director for the period from 23 May 2024 to 31 December 2024.	Ordinary Resolution 10		
11.	Approval of the Directors' benefits of up to RM138,400 for the financial year ending 31 December 2024.	Ordinary Resolution 11		
12.	Re-appointment of Ernst & Young PLT as Auditors of the Company and authority to the Directors to fix their remuneration.	Ordinary Resolution 12		
13.	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.	Ordinary Resolution 13		

(Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.)

Date this \_\_\_\_\_\_ day of \_\_\_\_\_\_, 2024.

Signature\*

^ Delete whichever is inapplicable

- \* Manner of execution:
  - (a) If you are an individual member, please sign where indicated.
  - (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
  - (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
    - (i) at least two (2) authorised officers, of whom one shall be a director; or

(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

#### Notes:

#### 1. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders will not be allowed to attend the 29th AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 29<sup>m</sup> AGM using the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <u>https://tiih.online</u>.

Please read these Notes carefully and follow the procedures in the Information for Shareholders on  $29^{\rm th}$  AGM in order to participate remotely via RPV.

- For the purpose of determining who shall be entitled to participate in this AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, the Record of Depositors as at 15 May 2024. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- A member who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM.
- If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
- 6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- A member who has appointed a proxy or attorney or authorised representative to participate at the 29<sup>th</sup> AGM via RPV must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via **TIIH Online** website at <u>https://tiih.online</u>. Procedures for RPV can be found in the Information for Shareholders on 29<sup>th</sup> AGM.
- fold here along dotted line

10. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:

#### (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <u>https://tiih.online</u>. Kindly refer to the Information for Shareholders on the procedures for electronic lodgement of proxy form via **TIIH Online**.

- 11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
- 12. Last date and time for lodging the proxy form is Tuesday, 21 May 2024 at 9.30 a.m.
- 13. Any authority pursuant to which such an appointment is made by a power of attorney 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, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 4. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Brd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

AFFIX STAMP

The Share Registrar **TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.** (Registration No.: 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A, Vertical Business Suite Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur

**AMWAY (MALAYSIA) HOLDINGS BERHAD** 

199501011153 (340354-U) 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan Tel : 03–7946 2800

## www.amway.my