



**AMWAY (MALAYSIA) HOLDINGS BERHAD  
21<sup>ST</sup> ANNUAL GENERAL MEETING  
17 MAY 2016**

**RESPONSES TO  
QUESTIONS FROM  
MINORITY SHAREHOLDER  
WATCHDOG GROUP  
(MSWG)**

Amway 21<sup>st</sup> AGM 17 May 2016

## Strategy & Financials

1. The Group revenue increased from RM855.8 million in FY2014 to RM1.0 billion in FY2015. However, net profit before tax dropped 35.9% from RM99.8 million in FY2014 compared to RM63.9 million in FY2015 due to higher cost of import, sales mix and a higher level of investment in sales and marketing support programs.

Could the Board share on the specific measures taken by the Group to support and improve the Amway Business Owner (ABOs) performance in FY2016?

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## Strategy & Financials

1. *In 2015, we saw an increase in ABOs' performance in the areas of retailing and sponsoring. Last year, we had 17 new diamonds compared to 7 in 2014. To support the ABOs' business building effort, the Group will continue to focus on the following areas:*

- 1) *Develop and offer attractive Sales & Marketing programmes leveraging on Amway Malaysia 40<sup>th</sup> anniversary e.g., attractive incentive trips like the Mediterranean Cruise and African Safari & new products launches e.g., one-time offer of 40<sup>th</sup> anniversary products like Queen Cook Ware,*
- 2) *Enhancement of our e-commerce platform to improve user experience & support ABOs' business building efforts,*
- 3) *Upgrade infrastructure, such as renovation of the HQ facility to accommodate a bigger flagship shop as well as an upgrade of a number of shops outside KL to enhance ABOs experiences, and*
- 4) *Actively develop and offer ABO training, both online and face-to-face to further enhance their knowledge and business building skills.*

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## Strategy & Financials

2. Given the challenging market outlook and weaker consumer sentiments, are there any measures taken to make its product more competitive in price to offset the rising costs of living? Are there any plans to introduce new products in FY2016, please elaborate.

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## *Strategy & Financials*

2. *New products launched in 2016 so far include the Artistry Ideal Radiance CC Cream, Artistry Exact Fit Long Wearing Foundation and Artistry spring collection 2016. For the remainder of the year, we will be launching products from the Nutrition, Beauty and Personal Care ranges. All in all, we are targeting approximately 13 new products & revisions for 2016.*

*In addition to the new & revised products, we have launched Value Proposition Campaigns to help our ABOs articulate the key scientific features and benefits for our Top 5 SKUs. As demonstrated by our BodyKey weight management campaign, the Company is providing holistic offerings and community based programmes to address ABO and consumer life stage needs.*

*We have a price increase in 2016 after a lapse of 3 years.*

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## Strategy & Financials

3. We noted that Amway had launched Amway University (online portal) to help Amway employee upskill and continue to utilize technology to grow the business. How much cost has the Company allocated for training and education for employee and Amway Business Owners (ABOs)?

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## *Strategy & Financials*

3. *Amway as an organization has always recognized the importance of training & development for its employees and ABOs. We will continue to ensure sufficient allocation of funds and resources for this important initiative.*

*We are very proud of the Amway University (AU) which was launched across the organization in September 2015. AU is a social, collaborative learning destination designed to educate, inspire and equip employees to spread their global impact, create their own future and share ideas with others at Amway globally. We conducted 77 training sessions making up more than 6,500 hours of training.*

*We also have an eLearning portal for ABOs, to supplement the face-to-face training. More than 15,000 ABOs logged into our eLearning portal & approximately 25,000 ABOs participated in our training workshops in 2015.*

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## Corporate Governance

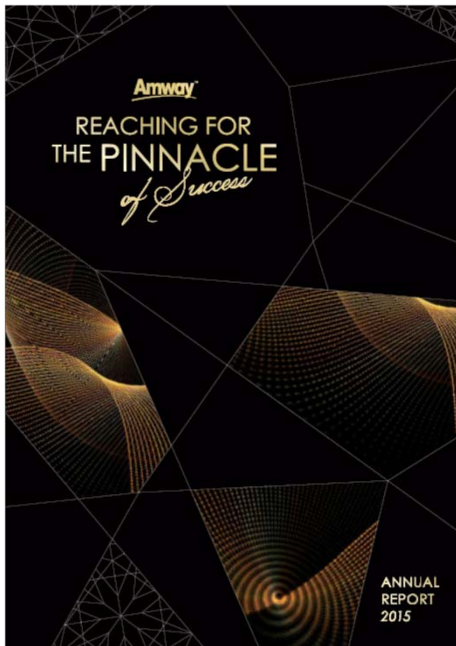
The recent amendments to Chapter 9, Paragraph 9.21(2) of the Main Market Listing Requirements require companies to publish the summary of key matters discussed at the AGMs onto the companies' website for AGMs held on or after 1 July 2016. In line with this, we hope the Board would publish the summary of proceedings for this AGM on the Company's website.

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## *Corporate Governance*

*We are aware of this requirement. We have in fact been publishing our AGM minutes on our corporate website since 2014. Amway will continue to uphold this best practice.*

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17 MAY 2016

THANK YOU