

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

**MINUTES OF THE 24TH ANNUAL GENERAL MEETING (“24TH AGM”) OF THE
COMPANY HELD AT VAN ANDEL & DEVOS TRAINING CENTRE, AMWAY
(MALAYSIA) SDN BHD, 28, JALAN 223, 46100 PETALING JAYA, SELANGOR
DARUL EHSAN ON WEDNESDAY, 29 MAY 2019 AT 9.30 A.M.**

Present : *Board of Directors*
Dato’ Ab. Halim Bin Mohyiddin – Chairman
Mr Michael Jonathan Duong
Mr Low Han Kee
Mr Scott Russell Balfour
Tan Sri Faizah Binti Mohd Tahir
Dato’ Abdullah Thalith Bin Md Thani
Encik Mohammad Bin Hussin
Encik Abd Malik Bin A Rahman
Datin Azreen Binti Abu Noh

Others as per attendance lists

CHAIRMAN

The Chairman welcomed the members and attendees to the Company’s 24th AGM and introduced the Board members and Management to the shareholders.

NOTICE

The notice convening the meeting, having been circulated earlier to all members of the Company within the prescribed period, was taken as read.

QUORUM

Upon confirming the presence of the requisite quorum pursuant to the Constitution of the Company, the Chairman called the meeting to order at 9.30 a.m.

The Chairman informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of a general meeting must be voted by poll.

Pursuant to the Constitution of the Company, he demanded for a poll to be carried out on Resolutions 1 to 7 and the Special Resolution. He informed that the poll would be conducted after all items on the agenda were dealt with.

The poll administrator was Tricor Investor & Issuing House Services Sdn Bhd (“Poll Administrator”) and the independent scrutineer was Coopers Professional Scrutineer Sdn Bhd (“Scrutineer”).

The Chairman informed that he would not be seeking re-election at the AGM and would retire upon the conclusion of the 24th AGM. Tan Sri Faizah Binti Mohd Tahir would take over as the new Chairperson of the Company. He thanked the shareholders for the support given to him throughout his years as the Chairman of the Company.

At the invitation of the Chairman, Mr Michael Duong, the Managing Director of the Company, presented the Business Review of the Group for the financial year ended 31 December 2018 and Ms Ng Ai Lee, the Chief Financial Officer, presented the financial performance of the Group for the financial year ended 31 December 2018.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (“AFS 2018”) AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON

The Chairman informed that the AFS 2018 together with the Directors’ and Auditors’ Reports was meant for discussion only as the Companies Act 2016 did not require a formal approval of the shareholders for the AFS. Therefore, the item was not put forward for voting.

The Chairman invited questions from the floor.

After addressing the questions from the floor (The Summary of Key Matters Discussed is attached hereto as “Appendix A”), the Chairman declared the AFS 2018 together with the Reports of the Directors and Auditors thereon be received.

2. RESOLUTION 1
RE-ELECTION OF MR LOW HAN KEE WHO RETIRES BY ROTATION PURSUANT TO ARTICLE 87.1 OF THE CONSTITUTION OF THE COMPANY

The Chairman proceeded to Resolution 1 on the re-election of Mr Low Han Kee. He put the following motion to the meeting and informed that the poll would be conducted later:

“THAT Mr Low Han Kee retiring pursuant to Article 87.1 of the Constitution of the Company and who being eligible, be re-elected Director of the Company.”

3. **RESOLUTION 2**
RE-ELECTION OF ENCIK ABD MALIK BIN A RAHMAN WHO RETIRES BY ROTATION PURSUANT TO ARTICLE 94 OF THE CONSTITUTION OF THE COMPANY

The Chairman moved on to Resolution 2, which was on the re-election of Encik Abd Malik Bin A Rahman. He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Encik Abd Malik Bin A Rahman retiring pursuant to Article 94 of the Constitution of the Company and who being eligible, be re-elected Director of the Company.”

4. **RESOLUTION 3**
RE-ELECTION OF DATIN AZREEN BINTI ABU NOH WHO RETIRES BY ROTATION PURSUANT TO ARTICLE 94 OF THE CONSTITUTION OF THE COMPANY

The Chairman proceeded to the next item on the agenda which was on the re-election of Datin Azreen Binti Abu Noh. He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Datin Azreen Binti Abu Noh retiring pursuant to Article 94 of the Constitution of the Company and who being eligible, be re-elected Director of the Company.”

At this juncture, Mr Cheah Eng Ann asked about the requirement for a proposer and seconder. The Chairman replied that it was not necessary as *Re Horbury Bridge Coal, Iron & Waggon Co (1879) 11 ChD 109*, the judge ruled that the chair was entitled to put a motion to the meeting even if it has not been formally proposed or seconded.

5. **RESOLUTION 4**
PAYMENT OF UNDER PROVISION OF DIRECTORS' BENEFITS AMOUNTING TO RM9,600.00 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Chairman informed that there has been a shortfall of Directors' benefits amounting to RM9,600.00 for the financial year ended 31 December 2018. He then put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT the payment of under provision of Directors' benefits amounting to RM9,600.00 for the financial year ended 31 December 2018 be approved.”

6. **RESOLUTION 5**
DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR
ENDING 31 DECEMBER 2019

The Chairman proceeded to the next item on the agenda which was on the payment of Directors' fees and benefits.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT the payment of Directors' fees and benefits of RM570,000.00 for the financial year ending 31 December 2019 be approved.”

7. **RESOLUTION 6**
RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF
THE COMPANY

The Chairman moved on to Resolution 6 on the re-appointment of Auditors.

He put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT Messrs Ernst & Young be hereby re-appointed as Auditors of the Company at a fee to be agreed upon with the Directors and to hold office until the conclusion of the next Annual General Meeting.”

8. **RESOLUTION 7**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR
TRADING NATURE (“Proposed Renewal of Shareholders' Mandate”)

The Chairman informed that the details on the Proposed Shareholders' Mandate were set out in Section 2.4 of the Circular to Shareholders dated 29 April 2019.

The related parties who were deemed interested in the Proposed Shareholders' Mandate had abstained and would continue to abstain from all deliberations and voting on the resolution.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT approval be and is hereby given for the Company and/or its subsidiaries (“Group”) to enter into recurrent transactions of a revenue or trading nature with ABGIL, ABSAP, Alticor, Amway International and Amway (S) as set out in Section 2.4 of the Circular to shareholders dated 29 April 2019, 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:

- (i) the conclusion of the next Annual General Meeting of the Company (“AGM”) at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;*
- (ii) the expiration of the period within which the next AGM is required to be held under Section 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,

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

- (i) the type of the recurrent transactions entered into; and*

(ii) *the names of the related parties involved in each type of the recurrent transaction and their relationship with the Group.*”

9. SPECIAL RESOLUTION

PROPOSED ALTERATION OF THE EXISTING MEMORANDUM AND ARTICLES OF ASSOCIATION BY REPLACING WITH A NEW CONSTITUTION (“Proposed Alteration”)

The Chairman proceeded to the next item on the agenda which was on the Proposed alteration of the existing Memorandum and Articles of Association by replacing with a new Constitution.

The Chairman put the following motion to the meeting for consideration and informed that the poll would be conducted later:

“THAT the existing Memorandum and Articles of Association of the Company be hereby altered by replacing with a new Constitution as set out in the Appendix attached to the Annual Report 2018 with effect from the date of passing this special resolution.

AND THAT the Directors of the Company be hereby authorised to do all such acts and things and to take all such steps as they deem fit, necessary, expedient and/or appropriate in order to complete and give full effect to the Proposed Alteration with full powers to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities.”

ANY OTHER BUSINESS

The Chairman informed that no notice for other business pursuant to the Companies Act 2016 and the Constitution of the Company had been received.

CONDUCT OF POLL

Having dealt with all the items on the agenda, the meeting then proceeded to conduct the poll on Resolutions 1 to 7 and the Special Resolution.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairman presented the results of the poll (attached hereto as “Appendix B”) to the meeting and declared Resolutions 1 to 7 and the Special Resolution carried.

CLOSURE

The Chairman closed the meeting at 10.55 a.m. and thanked those present for their attendance.

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SUMMARY OF KEY MATTERS DISCUSSED AT THE 24TH ANNUAL GENERAL MEETING (“24th AGM”) OF THE COMPANY HELD ON WEDNESDAY, 29 MAY 2019 AT 9.30 A.M.

1. Question raised by Mr Cheah Eng Ann, a shareholder

- (i) Did the Company receive any questions from Minority Shareholders Watch Group (“MSWG”)?**
- (ii) What was the impact of the ongoing trade war between United States of America (“US”) and China on the Company?**
- (iii) Did Amway Malaysia import products from China?**
- (iv) There has been a WhatsApp message in circulation, alleging that the consumption of Nutrilite products would shorten a consumer’s life. Please comment on this.**

The Company’s response:

The Chairman replied that the Company did not receive any questions from MSWG.

Mr Michael Duong replied that it was difficult to comment on the impact of the trade war because the time and duration of the trade war was uncertain. From the Company’s perspective, around 80% of Amway Malaysia’s products were imported from the US and the Company has a hedging mechanism to fix the exchange rate for product purchases.

The trade war might not have an impact on the Company directly. However, it could have an impact on the economies around the world. The Company would focus on maintaining a good relationship with the Head Office in US to ensure that it has a good supply of products to support the Amway Business Owners (“ABO”) in Malaysia.

Amway Malaysia worked with third party vendors for its catalogue products and some of these vendors sourced their products from China. The Company has a longstanding relationship with these vendors.

Most of Amway Malaysia’s products, such as supplements, skin and beauty care, personal and home care products, were sourced from the US. The final assembling of

eSpring water purifiers and Atmosphere Sky Air Treatment System were done in Johor Bahru, to support the sales in Malaysia and worldwide.

With regard to the WhatsApp message about the Nutrilite products, Mr Michael Duong replied that there were articles and scientific data and publications on the benefits of taking supplements. Supplements complements nutrients sourced from food that might not be consumed in sufficient quantities and helped to close the nutritional gaps in a person's diet.

Mr Scott Balfour pointed out that information circulated via WhatsApp was not reliable. Amway has full confidence in its products.

2. Questions raised by Mr Chan Kuai Lam, a proxy

- (i) What was the correlation between the movement of the exchange rate (i.e. Ringgit Malaysia ["RM"] against United States Dollars ["USD"]) and the profit margin of the Company?**
- (ii) Would the profit & loss account of the Company be affected if USD should strengthen against RM? What was the latest exchange rate agreed with the supplier?**

The Company's response:

Ms Ng Ai Lee replied that the Company had a mechanism to fix the exchange rate for a 12-month term with the supplier for purchase of products. This allowed the Company to have stable costing for a period of 12 months.

The Company was not in a position to disclose the agreed exchange rate. There would be an impact on profit should RM weaken against USD.

3. Questions raised by Ms Ng Sun Lin, a shareholder

Assets did not increase much in the financial year. However, the Company did invest in digital tools. What were the Company's plans and how would this be disclosed in Financial Statements? How was the Return on Investment evaluated?

The Company's response:

Mr Michael Duong replied that the accounting system and warehouse inventory system were very old and could no longer support the business volume and activities of the Group. Over the last few years, the Group had made investments to upgrade the

accounting system, warehouse inventory system and customer call center. The Group has also made some enhancements on product tracking and delivery. The Group would continue to invest to keep the business relevant. Back-end systems and front-end applications would be updated in order to compete with other platform providers. Management would continue to manage the Group's investments in a cost-effective manner as far as possible.

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24th Annual General Meeting
Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn Bhd
28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan
On 29-May-2019 at 09:30AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	111,037,638	99.90688	103,500	0.09312	111,141,138	100.00000
Ordinary Resolution 2	144,062,038	100.00000	0	0.00000	144,062,038	100.00000
Ordinary Resolution 3	144,062,038	100.00000	0	0.00000	144,062,038	100.00000
Ordinary Resolution 4	144,060,438	99.99958	600	0.00042	144,061,038	100.00000
Ordinary Resolution 5	144,061,038	100.00000	0	0.00000	144,061,038	100.00000
Ordinary Resolution 6	144,062,038	100.00000	0	0.00000	144,062,038	100.00000
Ordinary Resolution 7	59,071,755	100.00000	0	0.00000	59,071,755	100.00000
Special Resolution	144,057,038	100.00000	0	0.00000	144,057,038	100.00000