

**AMWAY (MALAYSIA) HOLDINGS BERHAD**

Registration No. 199501011153 (340354-U)

**MINUTES OF THE 26<sup>TH</sup> ANNUAL GENERAL MEETING (“26<sup>TH</sup> AGM”) OF THE COMPANY 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 ON TUESDAY, 25 MAY 2021 AT 9.30 A.M.**

---

- Present at Broadcast Venue : Tan Sri Faizah Binti Mohd Tahir – *Chairperson*  
Mr Michael Jonathan Duong – *Managing Director*  
Ms Ng Ai Lee – *Chief Financial Officer*
- Attended via video conferencing : Encik Abd Malik Bin A Rahman – *Independent Non-Executive Director/Audit Committee Chairman*  
Mr Low Han Kee – *Non-Independent Non-Executive Director*  
Mr Scott Russell Balfour – *Non-Independent Non-Executive Director*  
Dato’ Abdullah Thalith Bin Md Thani – *Independent Non-Executive Director*  
Datin Seri Azreen Binti Abu Noh – *Independent Non-Executive Director*  
Pn Aida Binti Md Daud – *Non-Independent Non-Executive Director*
- In Attendance : Kuan Hui Fang – *Company Secretary*  
(as per Attendance List)  
  
Representatives from Ernst & Young PLT  
Representatives from Public Investment Bank Berhad  
Representatives from Shearn Delamore & Co.

The attendance of members, corporate representatives and proxies is as per the Summary of Attendance List via Remote Participation and Voting (“RPV”).

**CHAIRPERSON**

The Chairperson welcomed the members and attendees to the Company’s 26<sup>th</sup> AGM. The Chairperson informed that as part of the Company’s safety measures against the ongoing Covid-19 pandemic, the 26<sup>th</sup> AGM was convened entirely through live streaming from Amway Malaysia’s Corporate Headquarters. The Chairperson then introduced the Board members, Senior Management, Company Secretary, auditors and advisors to the shareholders.

**NOTICE**

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

## **QUORUM**

The Chairperson advised the meeting that the Constitution of the Company required the presence of at least two (2) members or proxies or corporate representatives to form a quorum. For a fully virtual general meeting, the quorum shall be determined by the number of members who logged-in at the commencement of the meeting.

The Chairperson informed the quorum requirement had been met at the start of the meeting and called the meeting to order.

The Chairperson advised 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, the Chairperson declared that Resolutions 1 to 6 in the Notice of the 26<sup>th</sup> AGM shall be voted by poll. The poll would be conducted after all items on the agenda have been dealt with. The Chairperson then briefed the shareholders on the flow of the meeting.

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

At the invitation of the Chairperson, Mr Michael Jonathan Duong, the Managing Director of the Company, presented the Business Review of the Group for the financial year ended 31 December 2020 and Ms Ng Ai Lee, the Chief Financial Officer, presented the financial performance of the Group for the financial year ended 31 December 2020.

### **1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (“AFS 2020”) TOGETHER WITH THE DIRECTORS’ AND THE AUDITORS’ REPORTS THEREON**

The Chairperson informed that the AFS 2020 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 2020. Therefore, the item was not put forward for voting.

The Chairperson declared the AFS 2020 together with the Directors’ and Auditors’ Reports thereon be received.

### **2. RESOLUTION 1 RE-ELECTION OF MR LOW HAN KEE WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairperson proceeded to the second item on the agenda i.e. Resolution 1 on the re-election of Mr Low Han Kee. She put the following motion to the meeting for consideration:

*“THAT Mr Low Han Kee retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be re-elected Director of the Company.”*

3. **RESOLUTION 2**

**RE-ELECTION OF DATO' ABDULLAH THALITH BIN MD THANI WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairperson then moved on to Resolution 2 on the agenda. She put the following motion to the meeting for consideration:

*"THAT Dato' Abdullah Thalith Bin Md Thani retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."*

4. **RESOLUTION 3**

**RE-ELECTION OF ENCIK ABD MALIK BIN A RAHMAN WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY**

The Chairperson proceeded to the next item on the agenda which was on the re-election of Encik Abd Malik Bin A Rahman. She put the following motion to the meeting for consideration:

*"THAT Encik Abd Malik Bin A Rahman retiring pursuant to Clause 76(3) of the Constitution of the Company and who being eligible, be re-elected Director of the Company."*

5. **RESOLUTION 4**

**DIRECTORS' FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021**

The next item on the agenda was on the payment of Directors' fees and benefits.

The Chairperson put the following motion to the meeting for consideration:

*"THAT the payment of Directors' fees and benefits of RM650,000.00 for the financial year ending 31 December 2021 be approved."*

6. **RESOLUTION 5**

**RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY**

The Chairperson moved on to Resolution 5 on the re-appointment of Auditors.

She put the following motion to the meeting for consideration:

*"THAT Ernst & Young PLT 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."*

7. RESOLUTION 6

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT  
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE  
("Proposed Renewal of Shareholders' Mandate")**

The Chairperson informed that the details on the Proposed Renewal of Shareholders' Mandate were set out in Section 2.4 of the Circular to Shareholders dated 23 April 2021.

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

The Chairperson put the following motion as set out in the Notice of the 26<sup>th</sup> AGM to the meeting for consideration:

*"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 Access Business Group International LLC ("ABGIL") and Amway (Singapore) Pte Ltd ("Amway (S)") as set out in Section 2.4 of the Circular to shareholders dated 23 April 2021, 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."*

**ANY OTHER BUSINESS**

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

**QUESTION & ANSWER (“Q&A”) SESSION**

The Chairperson invited Mr Michael Jonathan Duong to take the meeting through the Q&A session. Mr Michael Jonathan Duong informed that he would address the questions submitted prior and during the 26<sup>th</sup> AGM by the shareholders. Questions that could not be addressed during the Q&A session due to time constraint would either be emailed after the 26<sup>th</sup> AGM or posted on the Company’s website.

The Q&A Session marked as “Appendix A” and attached hereto, shall form part of these minutes.

**CONDUCT OF POLL**

Having dealt with all the items on the agenda, the meeting then proceeded to vote on Resolutions 1 to 6 by poll. The Chairperson adjourned the meeting at 10.40 a.m. for the counting of votes.

Upon completion of the counting of votes by the Poll Administrator and verification of the results by the Scrutineer, the Chairperson resumed the meeting at 11.15 a.m. for the declaration of the results of the poll.

Based on the poll results (attached to these minutes as “Appendix B”), the Chairperson declared Resolutions 1 to 6 carried.

**CLOSURE**

The Chairperson thanked those present for their attendance and closed the meeting at 11.17 a.m.

**AMWAY (MALAYSIA) HOLDINGS BERHAD**

Registration No. 199501011153 (340354-U)

**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> ANNUAL GENERAL MEETING (“26<sup>th</sup> AGM”) OF THE COMPANY HELD ON TUESDAY, 25 MAY 2021 AT 9.30 A.M.**

Question	The Company’s response
<p><b>1. During the year, since second half of financial year 2020 (“FY 2020”), the Group adopted Limited Risk Distributor (“LRD”) from fixed exchange rate negotiated with Amway. Any significant financial impact to the Group? Does this new approach solve the forex fluctuations risk?</b></p>	<p>Amway globally has adopted the LRD methodology, which is both a recognised and acceptable approach under the Organisation for Economic Co-operation and Development Transfer Pricing guidelines. Under the LRD model, the operating margin is benchmarked against comparable third-party companies in Malaysia. The purchase price of the products is negotiated with our Headquarters’ supplier, Access Business Group International LLC (“ABGIL”), in Ringgit Malaysia (“RM”) and invoiced in RM.</p> <p>Hence LRD adoption will provide Amway Malaysia with greater certainty to profitability and manage the risk on foreign exchange (“forex”) fluctuation.</p>
<p><b>2. As to date, how much capacity being used for the new equipment (online purchase facilities) invested in FY 2020?</b></p>	<p>The Group has invested a significant amount in updating the online purchase facilities. Part of the capital expenditure (“CAPEX”) spending is disclosed in the Note 15 of the Audited Financial Statements for the year ended 31 December 2020 (“AFS 2020”) under development cost amounting to RM22.7 million.</p> <p>In addition, Amway Malaysia has also successfully upgraded the warehouse “pick-pack” conveyor system in August 2020 with a new and more advanced system, which has led to significant improvement in daily picks, 24-hour processing as well as the overall online sales delivery period.</p> <p>With this enhancement together with collaboration with last mile delivery partners, Amway Malaysia is well positioned to support the growing online sales, which currently stand well above 50% of the total sales.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
**REGISTRATION NO. 199501011153 (340354-U)**  
**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> OF THE COMPANY**  
**HELD ON TUESDAY, 25 MAY 2021**

<b>Question</b>	<b>The Company's response</b>
<b>3. What is the total expenditure allocated per year in pursuing the Environment, Social and Governance ("ESG") activities under the Sustainability Program?</b>	<p>Annually, the Group allocates more than RM1 million for ESG and sustainability efforts mainly on Corporate Social Responsibility ("CSR") activities, employees and Amway Business Owners ("ABOs") engagement &amp; training.</p> <p>In addition, 2020 was an extraordinary year as the nation was hit with the COVID-19 pandemic. The Group stepped up to assist predominantly the front liners who were battling COVID-19, for which the Group has allocated additional RM2.6 million contribution as COVID-19 pandemic support.</p>
<b>4. Are the Directors attending this virtual AGM being paid meeting allowances?</b>	No, the Directors are not paid allowances for attending the virtual AGM. They are only paid for attending Board and committee meetings.
<b>5. What is the cost-savings for conducting this virtual AGM compared to last year virtual AGM and also to previous year's physical AGM?</b>	<p>The estimated cost for the 2021 virtual AGM compared with 2020 virtual meeting is lower mainly due to lower cost incurred for venue and audiovisual ("AV") equipment rental as the 2021 virtual AGM is broadcast from Amway Malaysia's Corporate Headquarters in Petaling Jaya ("PJ HQ"), whereas the 2020 virtual AGM was conducted at a third party's location.</p> <p>Nevertheless, a virtual AGM carries a higher cost compared with a physical meeting due to additional spending to support a remote meeting set-up i.e., remote participation, online voting and AV equipment.</p>
<b>6. Can the Company consider providing e-vouchers/e-wallet/door gifts to shareholders who attend the virtual AGM?</b>	As explained in the preceding question on AGM cost, the Company has incurred higher cost on virtual AGM. In this challenging time, the Company is taking all measures to manage expenses and safety of shareholders and stakeholders. The Board takes note of the shareholders' request and will consider this in future AGMs when the condition permits.
<b>7. How much is the annual dividend rate?</b>	The Company has declared a total dividend of 27.5 sen per share amounting to RM45.2 million for the financial year ("FY") 2020.

Question	The Company's response
<p><b>8. (i) Impact of MCO 3.0 on business.</b></p> <p><b>(ii) What keeps the Managing Director / Chief Executive Officer awake at night?</b></p>	<p>Everyone has been impacted by the COVID-19 pandemic. The safety and wellbeing of employees, Board members, ABOs and shareholders and the Company's ability to support the ABOs in making the shift and change from a traditional way of doing business to a digital way, keeps the Managing Director awake at night.</p> <p>Although the change has been difficult, the COVID-19 pandemic has been a great catalyst in accelerating digital transformation. The pandemic has brought on digital transformation which would have taken years of change to just a few months. The shift to online business would not have been accelerated had it not been for this catalyst.</p> <p>Whilst the Company continues to take safety and prudent measures, the Company is hopeful and optimistic that this catalyst will propel the Company into the digital world at a greater accelerated rate.</p>
<p><b>9. Virtual AGM has allowed shareholders who live far away to participate and get to understand the Company better. Can management continue to provide the virtual participation option, as part of a hybrid AGM, even after the pandemic?</b></p>	<p>Notwithstanding the higher cost incurred for virtual AGM, the Board takes note of the shareholders' request and will consider this in future AGMs. While there is some loss of physical intimacy with shareholders when conducting a virtual AGM, it allows greater participation from shareholders.</p>
<p><b>10. Page 14 of Annual Report mentioned the Group has invested RM20.2 million CAPEX in FY2020, which covered warehouse infrastructure upgrade and a video recording studio, among others. Are these facilities fully operational now? How much CAPEX has been budgeted for FY2021 and beyond, and in what areas?</b></p>	<p>The question on CAPEX of RM20.2 million in FY2020 has been addressed in Question 2.</p> <p>The Group has allocated a budget of RM27 million in FY2021 for CAPEX, largely for IT infrastructure and e-Commerce platform to further improve the online shopping experience for ABOs and customers.</p> <p>The CAPEX commitment reflects the Group's focus in shifting its business to digital platform. About 80% to 90% of the CAPEX will be geared towards digital platform, IT infrastructure and warehouse upgrades to support the online/e-Commerce business, while the balance will be allocated to maintain and enhance physical presence of the shops.</p>



Question	The Company's response
<p><b>11. Any new products planning to introduce in this year (2021)?</b></p>	<p>2021 is another exciting year for Amway Malaysia and we will continue to innovate and work with the authorities to register and launch new products. Amway Malaysia has already launched the Triple Protector and Artistry Skin Nutrition in the first quarter of 2021 and will continue to launch more new products for the rest of the year geared towards health and wellness, as well as skin nutrition.</p> <p>The Company also has a very strong and robust pipeline of new products rollout planned for the next few years.</p>
<p><b>12. Referring to Note 8 on Page 133 of the Annual Report, support charges paid to related companies drop from RM43.6 million to RM20.7 million.</b></p> <p><b>(a) What are these charges and what sort of support is provided by these related companies?</b></p> <p><b>(b) Why did the amount drop significantly in FY2020? How is this being calculated?</b></p>	<p>The support charges have dropped significantly in FY2020 due to the implementation of LRD. These inter-company charges have been eliminated and our Headquarters' supplier, ABGIL acts as the central entrepreneur and provides back office support functions i.e. general executive services, financial advisory services, legal and regulatory compliance assistance, treasury services, internal auditing services, information technology, human resources and employee benefits etc.</p> <p>These support charges are now incorporated into the product prices from ABGIL.</p>
<p><b>13. Online platforms are flooded with Amway products. How are these sellers able to sell Amway products with much lower price?</b></p>	<p>Sale of Amway products should be made through ABOs and not via third party online platforms. The unauthorised selling of Amway products on third party online platforms does not just impact Amway Malaysia, but other markets as well. Some of the actions taken against the unauthorised selling of Amway products on third party online platforms are as below:</p> <ol style="list-style-type: none"> <li>1. Legal approach – continue to work with Amway General Legal Counsel and local counsel to take the appropriate legal actions against the unauthorised sellers and online third party platforms;</li> </ol>

Question	The Company's response
	<p>2. Product traceability - implement new technology to track and trace the source of the products in order to take appropriate actions against the unauthorised sellers or ABOs.</p> <p>3. Education and training awareness - continue to educate and train ABOs, customers and the general public that Amway does not provide any guarantee for products sold on third party online platforms as the source of these products are unknown.</p>
<p><b>14. Is there a possibility that Amway Malaysia imports variety of / more products from other countries or cooperate with local companies to provide more products to increase the sales? Or are there any other ways for management to expand your businesses to increase the net profit of the Company?</b></p>	<p>About 75% to 80% of Amway products are sourced from ABGIL. Amway's unique Nutrilite products are traceable all the way from the source of the seeds, farm, time of harvest and throughout the supply chain.</p> <p>Amway Malaysia also works with affiliates from other markets. Recently, Amway has sourced some Nutrilite products in cooperation with scientists from Amway Wuxi in China. The Company is also working with Amway India on Ayurvedic supplements and traditional supplements.</p> <p>Amway Malaysia also works with local suppliers and partners who meet Amway's high standards on quality and efficacy. Under the Catalogue portfolio, products are sourced from local suppliers and partners which offer products with the best-selling value and unique features.</p> <p>The Group will continue to focus on ongoing sales efforts and provide support to ABOs whilst prudently manage expenses and concentrate on the right areas of investment.</p> <p>Amway Malaysia will continue to help new ABOs to build their businesses with the right structure, invest in product portfolio and e-Commerce platform to ensure the Amway's business stays relevant in order to achieve long-term sustainability, well beyond the Company's 50th anniversary.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
**REGISTRATION NO. 199501011153 (340354-U)**  
**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> OF THE COMPANY**  
**HELD ON TUESDAY, 25 MAY 2021**

Question	The Company's response
<b>15. What is the main cause in the drop of gross profit margin to 19%++ versus 25%++ in year 2019 as US Dollar ("USD") and Singapore Dollar ("SGD") foreign exchange rate is considered stable during the period?</b>	<p>The decline in gross profit margin was mainly due to the increase in Core Plus Incentives and in line with higher sales in 2020. These sales incentives are included in cost of goods sold, which form part of gross profit.</p>
<b>16. Although revenue grow 19.4% but profit down by 3.4%, how much the company spent on infrastructure to enhanced e-Commerce and digital experiences? Why expense-off instead of part of capex?</b>  <b>17. Why investment on infrastructure is not capitalised? How much of these expenses had been expensed off in FY2020?</b>	<p>During FY2020, the Group has incurred approximately RM14 million to further enhance its e-Commerce and digital infrastructure and to improve user experience (please refer to Note 15 of the AFS 2020).</p> <p>The Group's capitalisation policy is in line with the requirements set out in the Malaysian Financial Reporting Standards.</p>
<b>18. Page 13 of the annual report mentioned that despite double digit growth in revenue, profit before tax dropped due to investment on infrastructure, higher ABO incentives, higher import costs due to forex rate. Please elaborate:</b>  <ul style="list-style-type: none"> <li>• What is the total amount of ABO incentives paid for FY2019 and FY2020?</li> <li>• What is the effective forex rate for FY2019 and FY2020?</li> </ul> <b>19. How much additional ABO incentives paid which impact this year earning?</b>  <b>20. What is the exchange rate (USD/MYR) in use? Fixed or float?</b>	<p>The decline in PBT in FY2020 was largely attributable to higher cost of ABO incentives (new sales incentive plan i.e. Core Plus), higher import costs due to unfavourable forex rate. Prior to FY2020, the Group adopted a fixed forex rate which was negotiated and agreed yearly with Headquarters' supplier, ABGIL in the USA to reduce the risks exposure to forex fluctuation.</p> <p>In July 2020, the Group adopted the LRD transfer pricing methodology, whereby Amway's operating margin is benchmarked against comparable third-party companies in Malaysia. The purchase price of the products is negotiated with ABGIL in RM and are invoiced in RM.</p> <p>This will provide greater certainty to profitability and minimize the forex risk.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
**REGISTRATION NO. 199501011153 (340354-U)**  
**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> OF THE COMPANY**  
**HELD ON TUESDAY, 25 MAY 2021**

Question	The Company's response
<p><b>21. Profit before tax have been in downtrend for past 5 years from RM73 million in 2016 to RM62 million in 2020. What mitigation plan to address this?</b></p> <p><b>22. FY 2020 hit a record high revenue but net profit was a record low, what are the management strategies to increase the profit?</b></p> <p><b>23. With the pandemic still on, what will be the expected performance of the Group in the near future? What plan is in place to enhance it?</b></p>	<p>The Group has in place a long-term business plan that aims to grow our health and wellness business to drive customer acquisition, retention and increase productivity. By creating the value proposition for leading a healthy and wellness lifestyle, this will help grow our business and promote sustainability. At the same time, the Group will also continue to manage its operating expenses and strategically invest in ABO-centric incentive programmes, along with focus on improving efficiency in our offerings and operations, particularly on the digital front.</p>
<p><b>24. During Quarter 4, 2020, PBT dropped to RM5 million despite high revenue at RM316 million. This was partly contributed by high selling and administrative expenses of RM46m. Why were much higher expenses incurred in the Quarter 4, 2020? Is it one-off or more likely a new trend?</b></p>	<p>The higher selling and administrative expenses in Quarter 4, 2020 relates mainly to ABO related incentive cost and promotional expenses.</p>
<p><b>25. What is the estimated dividend (DPS) and estimated payout ratio for FY 2021?</b></p> <p><b>26. Would like to know do Amway have the dividend policy fix at 50%?</b></p> <p><b>27. Any plan to further boost up Amway's shareholder value? Increase dividend payout? stock split etc?</b></p>	<p>The Group has adopted a dividend policy of distributing dividend of no less than 80% of its annual net earnings. This is however dependent on the level of cash and retained earnings, business operations, financial performance, prospects and capital expenditure requirements.</p> <p>Currently, there is no plan for stock split.</p>

Question	The Company's response
<p><b>28. The Group has monitored and take actions on unauthorised selling. Can you quantify the scale of problem in 2020 versus 2019? Besides, how many times have legal actions been successfully taken against illegal operators?</b></p>	<p>Given the Malaysian public's increasing reliance on e-Commerce for their everyday necessities, the Group has doubled its efforts to mitigate the unauthorised selling of Amway products at reduced prices on third party websites. During FY2020, the Group has:</p> <ol style="list-style-type: none"> <li>1) Intensified our engagement efforts with the administrators of e-Commerce platforms and the relevant authorities to remove the unauthorised products from their platforms.</li> <li>2) Continued to improve our product traceability mechanisms by using invisible tracking markings on our product packaging.</li> <li>3) Implemented measures to elevate training and awareness on the unauthorised selling through continuous reminders to our ABOs and customers.</li> </ol> <p>The Group will continue to work closely with our legal firms on actions to be taken against both the unauthorised sellers and e-Commerce platforms that persist in infringing Amway's trademarks and copyrights.</p>
<p><b>29. Through data analytics, today retailers like Nike can tailor to individual consumer needs. Disintermediation is made possible by technology. But Amway business model relies on ABOs. Moving forward, would Amway also use technology to interact with end consumers? If yes, how would it balance between ABO and direct consumer interaction?</b></p>	<p>ABOs will continue to play an important role in Amway's business. Our goal is to use data analytics to support our ABO leaders to understand their own business dynamic more, so they can capitalise on their strength and overcome their weakness. With the launch of Amway Privilege Customers ("APC") segment in January 2021, our APC base has been growing. To support ABO in capturing more APC, we have also broadened our communication platform (such as Facebook or Instagram) to increase interaction with our potential customers or prospects. Moving forward, Customer Relationship Management program will also be one of the ways to promote engagement with customers.</p> <p>Amway will continue investing in data analytics technology and digital platforms, to enable end-to-end social community, connecting touchpoints across the ecosystem where ABOs and their customers interact. We always emphasize our partnership with ABOs to attract and retain loyal customers.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
**REGISTRATION NO. 199501011153 (340354-U)**  
**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> OF THE COMPANY**  
**HELD ON TUESDAY, 25 MAY 2021**

Question	The Company's response
<b>30. Why do some of the good Nutrilite products such as Nutrilite Nutri Bifidus, Bilberry Plus are always out of stocks? Hence, my question is that, how does the management ensure the supply chain is not affected?</b>	<p>Amway has stopped selling Nutri Bifidus since 2019 and replaced it with Mixed Probiotic with Chicory Root Extract.</p> <p>As for the Bilberry Plus, this product is no longer available due to raw material challenges.</p> <p>Amway is constantly exploring alternative products to replace where possible. The COVID-19 pandemic has posed challenges for supply chains globally. It has also led to temporary disruption to the supply of some Amway products. The Group has been working closely with suppliers to bring in the products as soon as possible and expediting the importation by air freight.</p>
<b>31. Does the HybrisCore platform launched in Nov 2020 originate from HQ? How much did Amway Malaysia pay the parent company for the platform? What are the future plan on leveraging on the parent company for latest technology adoption?</b>	<p>Hybris Core is a multi-market platform rolled out by our Headquarters to Amway affiliates in a number of countries, including Malaysia. The Group did not pay our Headquarters for the platform. The investment incurred by the Group is for the additional development and enhancement of the system functionality to suit our e-Commerce environment and to meet local statutory requirements. The Group will continue to leverage on our parent company in order to maximize the adoption of innovative technology.</p>
<b>32. Kindly elaborate the financial impact as a result of Covid on the restaurant run at HQ.</b>	<p>The R&amp;J restaurant at PJ HQ is operated by a third party. There is no financial impact to the Group.</p>
<b>33. What is the percentages of Malaysian holding in Amway? Any bonus shares in 2021?</b>	<p>As of April 2021, approximately 45% of the shares in the Company are held by Malaysians.</p> <p>Currently, the Group does not have any plan to issue bonus shares.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
**REGISTRATION NO. 199501011153 (340354-U)**  
**QUESTION AND ANSWER SESSION OF THE 26<sup>TH</sup> OF THE COMPANY**  
**HELD ON TUESDAY, 25 MAY 2021**

---

Question	The Company's response
<b>34. Due to the onset of the Covid pandemic, there was a surge in demand for immunity boosting-related health supplements, air treatment systems, home appliances, and catalogue products. Can I know, which of these products form the highest proportion of new demand (as a % of turnover)?</b>	<p>Generally we have higher demand from most of the product categories mentioned.</p>
<b>35. Are board members being evaluated on yearly basis by independent party and how is the result?</b>	<p>The Board and individual members are assessed annually by the Nominating Committee via a Board Effectiveness Evaluation exercise, which covers among others, self and peer assessment, mix of skills and experience, independence and time commitment. No independent party is appointed for the annual evaluation.</p>
<b>36. Noted insensible ads posted on Facebook on 16th May 2021 (al-Quran placed on the floor); is the management aware of this? Who should take responsibility of this? Please be reminded that the consequences will be extremely high.</b>	<p>With regards to the recent Floor Shine Cleaner post on our Facebook, Amway regrets the insensitivity on the design direction and it was never Amway's intention to offend anyone. The post has been removed immediately followed by a public apology. We will take precautions to prevent the repeat of such incident.</p>

**AMWAY (MALAYSIA) HOLDINGS BERHAD**  
(340354-U)

**26th Annual General Meeting**  
Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd.,  
28 Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan,  
On 25-May-2021 at 09:30AM

**Result On Voting By Poll**

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Ordinary Resolution 1	143,880,660	99.9875	282	84.4311	18,037	0.0125	52	15.5689	143,898,697	100.0000	334	100.0000
Ordinary Resolution 2	143,878,758	99.9861	277	82.9341	19,939	0.0139	57	17.0659	143,898,697	100.0000	334	100.0000
Ordinary Resolution 3	143,878,758	99.9861	277	82.9341	19,939	0.0139	57	17.0659	143,898,697	100.0000	334	100.0000
Ordinary Resolution 4	143,977,997	99.9842	257	77.6435	22,810	0.0158	74	22.3565	144,000,807	100.0000	331	100.0000
Ordinary Resolution 5	143,991,834	99.9882	283	84.4776	16,963	0.0118	52	15.5224	144,008,797	100.0000	335	100.0000
Ordinary Resolution 6	58,999,399	99.9693	285	85.5856	18,125	0.0307	48	14.4144	59,017,524	100.0000	333	100.0000

