

AMWAY (MALAYSIA) HOLDINGS BERHAD
Registration No. 199501011153 (340354-U)

MINUTES OF THE 27TH ANNUAL GENERAL MEETING (“27TH 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 WEDNESDAY, 25 MAY 2022 AT 9.35 A.M.

Present at Broadcast Venue	:	Tan Sri Faizah Binti Mohd Tahir – <i>Chairperson</i> Encik Abd Malik Bin A Rahman – <i>Independent Non-Executive Director/Audit Committee Chairman</i> Ms Ng Ai Lee – <i>Chief Financial Officer</i> Kuan Hui Fang – <i>Company Secretary</i>
Attended via video conferencing	:	Mr Michael Jonathan Duong – <i>Managing Director</i> Mr Scott Russell Balfour – <i>Non-Independent Non-Executive Director</i> Mr Low Han Kee – <i>Non-Independent Non-Executive Director</i> Dato’ Abdullah Thalith Bin Md Thani – <i>Independent Non-Executive Director</i> Datin Seri Azreen Binti Abu Noh – <i>Independent Non-Executive Director</i> Pn Aida Binti Md Daud – <i>Non-Independent Non-Executive Director</i>
In Attendance (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 27th AGM. The Chairperson informed that the 27th AGM was convened entirely through live streaming from the 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 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 12 in the Notice of the 27th 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 Scrutineers 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 2021 and Ms Ng Ai Lee, the Chief Financial Officer, presented the financial performance of the Group for the financial year ended 31 December 2021.

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (“AFS 2021”) TOGETHER WITH THE DIRECTORS’ AND THE AUDITORS’ REPORTS THEREON

The Chairperson informed that the AFS 2021 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 2021. Therefore, the item was not put forward for voting.

The Chairperson declared the AFS 2021 together with the Directors’ and Auditors’ Reports thereon be received.

**2. RESOLUTION 1
RE-ELECTION OF DATIN SERI AZREEN BINTI ABU NOH 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 Datin Seri Azreen Binti Abu Noh. She put the following motion to the meeting for consideration:

“THAT Datin Seri Azreen Binti Abu Noh 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 MR SCOTT RUSSELL BALFOUR 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 Mr Scott Russell Balfour 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 TAN SRI FAIZAH BINTI MOHD TAHIR WHO RETIRES BY ROTATION PURSUANT TO CLAUSE 76(3) OF THE CONSTITUTION OF THE COMPANY

As Resolution 3 was concerning the Chairperson's retirement by rotation, the Chairperson passed the chair to Encik Abd Malik Bin A Rahman, the Audit Committee Chairman, to take the meeting through the resolution.

Encik Abd Malik Bin A Rahman put the following motion to the meeting for consideration:

"THAT Tan Sri Faizah Binti Mohd Tahir 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' FEE OF UP TO RM122,000 PAYABLE TO TAN SRI FAIZAH BINTI MOHD TAHIR, THE CHAIRPERSON AND THE SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Resolution 4 was on payment of Directors' fee to the Chairperson. Encik Abd Malik Bin A Rahman put the following motion to the meeting for consideration:

"THAT the Directors' fee of up to RM122,000 payable to Tan Sri Faizah Binti Mohd Tahir, the Chairperson and the Senior Independent Non-Executive Director for the financial year ending 31 December 2022 be approved."

He then passed the chair back to the Chairperson.

6. **RESOLUTION 5**
DIRECTORS' FEE OF UP TO RM83,800 PAYABLE TO DATO' ABDULLAH THALITH BIN MD THANI, THE NOMINATING COMMITTEE CHAIRMAN AND THE INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The Chairperson proceeded to the next item on the agenda which was on payment of Directors' fee to Dato' Abdullah Thalith Bin Md Thani. She put the following motion to the meeting for consideration:

"THAT the Directors' fee of up to RM83,800 payable to Dato' Abdullah Thalith Bin Md Thani, the Nominating Committee Chairman and the Independent Non-Executive Director for the financial year ending 31 December 2022 be approved."

7. **RESOLUTION 6**
DIRECTORS' FEE OF UP TO RM76,100 PAYABLE TO MR LOW HAN KEE, THE NON-INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The Chairperson moved on to the next item on the agenda i.e. Resolution 6, which was on the payment of Directors' fee to Mr Low Han Kee.

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

“THAT the Directors’ fee of up to RM76,100 payable to Mr Low Han Kee, the Non-Independent Non-Executive Director for the financial year ending 31 December 2022 be approved.”

8. **RESOLUTION 7**

DIRECTORS’ FEE OF UP TO RM92,750 PAYABLE TO EN ABD MALIK BIN A RAHMAN, THE AUDIT COMMITTEE CHAIRMAN AND THE INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The next item on the agenda was on the payment of Directors’ fee to Encik Abd Malik Bin A Rahman.

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

“THAT the Directors’ fee of up to RM92,750 payable to En Abd Malik Bin A Rahman, the Audit Committee Chairman and the Independent Non-Executive Director for the financial year ending 31 December 2022 be approved.”

9. **RESOLUTION 8**

DIRECTORS’ FEE OF UP TO RM81,300 PAYABLE TO DATIN SERI AZREEN BINTI ABU NOH, THE INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The Chairperson moved on to Resolution 8 on the payment of Directors’ fee to Datin Seri Azreen Binti Abu Noh. She put the following motion to the meeting for consideration:

“THAT the Directors’ fee of up to RM81,300 payable to Datin Seri Azreen Binti Abu Noh, the Independent Non-Executive Director for the financial year ending 31 December 2022 be approved.”

10. **RESOLUTION 9**

DIRECTORS’ FEE OF UP TO RM69,500 PAYABLE TO PN AIDA BINTI MD DAUD, THE NON-INDEPENDENT NON-EXECUTIVE DIRECTOR FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The Chairperson proceeded to the next item on the agenda i.e. Resolution 9 on the payment of Directors’ fee to Pn Aida Binti Md Daud. She put the following motion to the meeting for consideration:

“THAT the Directors’ fee of up to RM69,500 payable to Pn Aida Binti Md Daud, the Non-Independent Non-Executive Director for the financial year ending 31 December 2022 be approved.”

11. **RESOLUTION 10**

DIRECTORS’ BENEFITS OF UP TO RM124,550 FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

The next item on the agenda was on the payment of Directors’ benefits.

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

“THAT the payment of Directors’ benefits of up to RM124,550 for the financial year ending 31 December 2022 be approved.”

12. RESOLUTION 11
RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE COMPANY

The Chairperson moved on to Resolution 11 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.”

13. RESOLUTION 12
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 22 April 2022.

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 27th 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 22 April 2022, 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 27th AGM by the shareholders. Questions that could not be addressed during the Q&A session due to time constraint would be 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 12 by poll. The Chairperson adjourned the meeting at 10.48 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 11.13 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 12 carried.

CLOSURE

The Chairperson thanked those present for their attendance and closed the meeting at 11.14 a.m.

AMWAY (MALAYSIA) HOLDINGS BERHAD

Registration No. 199501011153 (340354-U)

QUESTION AND ANSWER SESSION OF THE 27TH ANNUAL GENERAL MEETING (“27th AGM”) OF THE COMPANY HELD ON WEDNESDAY, 25 MAY 2022 AT 9.30 A.M.

Question	The Company’s response
<p>1. Can the Company consider providing e-vouchers/e-wallet/door gifts to shareholders who attend the virtual AGM?</p>	<p>The 27th AGM is held virtually as Malaysia is still in the transition to the endemic phase and the Company takes the safety and wellbeing of its shareholders with utmost importance. In addition, a virtual AGM enables greater participation as it allows shareholders to join the meeting without having to deal with traffic and logistic issues.</p> <p>The cost to convene a virtual AGM is higher as the Company needs to pay for the online participation and voting facilities, AV production and equipment, etc. The Board takes note of the shareholders’ request and will take that into consideration in future AGMs including holding a hybrid meeting.</p>
<p>2. (i) With the recent slowdown of the Ringgit against the US Dollar, according to the management’s statement every year, the Company has done a good job of hedging, but it is not the same in the accounts. As a shareholder of Amway Malaysia, I definitely think the beneficiary of this hedging is not Amway Malaysia, but the parent company. Can you please explain more clearly why the management thinks such hedging is beneficial to the Company?</p> <p>(ii) What is the impact of Ringgit depreciation against the USD towards the net profit for the end of 2022? Why share price of Amway does not reflect the true value of the Company?</p>	<p>The Group does not perform foreign exchange (“forex”) hedging in Malaysia. In the past, Amway Malaysia adopted a forex mechanism by agreeing on a fixed exchange rate as part of the purchasing terms with Amway HQ in the US to minimize exposure to forex fluctuations. With effect from July 2020, the Group has adopted a new transfer pricing methodology, whereby the products purchased from Amway HQ are paid in Ringgit Malaysia (“RM”) and the operating margin of Amway Malaysia is benchmarked against comparable third-party companies in Malaysia. The Group negotiates the price of products with Amway HQ to reflect an arms-length results.</p> <p>The share price of Amway is subject to investor sentiment. The Company will continue to focus on the dividend payout, long-term financial health, business growth and managing challenges.</p>

Question	The Company's response
<p>3. The Company's current revenue is about doubled compared to what it was 10 years ago but in terms of net profit in fiscal year 2021, there is only about 35% of what it was 10 years ago, and this trend is not a matter of one or two years, it is close to 10 years of continuous slowing net profit. In the fourth quarter of fiscal year 2021, the Company also handed over the worst quarter of net profit in the past 10 to 20 years. Does the management still think that the current operating method works?</p>	<p>The following are the three (3) major factors that have had an impact on the operating margin of the Company over the past 10 years:</p> <ol style="list-style-type: none"> 1. Depreciation of RM and the rising cost of products – The depreciation of RM is an external factor. As for rising costs, the Company has recently in 2022 adjusted upwards some of our product prices for the first time in six (6) years. Management will continue to manage the rising costs while minimizing price increases. 2. Investment in digital infrastructure - The Company has invested and continues to invest in digital platforms, IT infrastructure and warehousing & logistics to support business operations and growth. 3. Investment in Amway Business Owners ("ABOs") - Amway Malaysia has made significant investments over the years to provide entrepreneurship opportunities to ABOs to build their businesses and to ensure the Amway business stays relevant in order to achieve long-term sustainability. <p>The fourth quarter of fiscal year 2021 recorded a low net profit largely due to the timing of expenses.</p>
<p>4. Any plan to increase dividend?</p>	<p>The Company has adopted a dividend policy of distributing dividend of no less than 80% of its annual net earnings. The Company would continue to manage the business and invest prudently to ensure dividend is paid in accordance with the dividend policy.</p>
<p>5. May I know what is the reason of net profit keep decreasing along the way although the revenue is increasing? What is the suggestion or plan to increase Company's net profit in future?</p>	<p>The reasons for the declining net profit have been addressed in question 3 above. The Company will continue to focus on growing its business and the cost associated with the sales incentives plan rolled out in prior years are expected to normalise in 2022, which will help to improve our net profit.</p>

Question	The Company's response
6. After Covid, most of new MLM is using internet, WeChat or social media to close sales. Will face to face sale get eliminated? How does Amway as a leading company cope with this challenge or any new alternative to follow this change?	Social media is a great way to share and promote a brand or a lifestyle. However, signing up a prospect as an ABO or customer or making a product sale requires more commitment, relationship and direct interaction.
7. In view of current situation, what are the prospects?	The Board of Directors and Management are positive in delivering moderate sales growth for the current year 2022. Management is also committed to taking measures to improve the operating margin. The sales incentives (which were a key factor for the lower net profit in 2021) are expected to normalise in 2022 while sales return to moderate growth.
8. With net profit continues to decline and giving negative impact to the share price performance, is there any potential corporate exercise being explored to change the status quo?	<p>As discussed in our response to question 3 above, the Company will continue to focus on improving digital infrastructure, delivery channels and operational efficiency. The Company is not aware of any corporate exercise.</p> <p>The Company has also adopted the Limited Risk Distributor transfer pricing methodology which will provide Amway Malaysia with greater certainty to profitability. At the same time, the Company will continue to invest in its growth and to manage cost to improve net profit.</p>

AMWAY (MALAYSIA) HOLDINGS BERHAD

(340354-U)

27th Annual General Meeting

Van Andel & DeVos Training Centre, Amway (Malaysia) Sdn. Bhd., 28, Jalan 223,

46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia

On 25-May-2022 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	143,717,822	99.9807	291	78.4367	27,756	0.0193	80	21.5633	143,745,578	100.0000	371	100.0000
Ordinary Resolution 2	143,701,723	99.9695	292	78.7062	43,855	0.0305	79	21.2938	143,745,578	100.0000	371	100.0000
Ordinary Resolution 3	132,661,689	99.9652	287	77.7778	46,156	0.0348	82	22.2222	132,707,845	100.0000	369	100.0000
Ordinary Resolution 4	143,539,553	99.8566	269	71.9251	206,062	0.1434	105	28.0749	143,745,615	100.0000	374	100.0000
Ordinary Resolution 5	143,539,553	99.8566	269	71.9251	206,062	0.1434	105	28.0749	143,745,615	100.0000	374	100.0000
Ordinary Resolution 6	143,540,554	99.8573	271	72.4599	205,061	0.1427	103	27.5401	143,745,615	100.0000	374	100.0000
Ordinary Resolution 7	143,538,553	99.8566	268	71.8499	206,062	0.1434	105	28.1501	143,744,615	100.0000	373	100.0000
Ordinary Resolution 8	143,539,553	99.8566	269	71.9251	206,062	0.1434	105	28.0749	143,745,615	100.0000	374	100.0000
Ordinary Resolution 9	143,539,553	99.8566	269	71.9251	206,062	0.1434	105	28.0749	143,745,615	100.0000	374	100.0000
Ordinary Resolution 10	143,510,253	99.8370	268	71.8499	234,362	0.1630	105	28.1501	143,744,615	100.0000	373	100.0000
Ordinary Resolution 11	143,705,245	99.9719	309	82.6203	40,370	0.0281	65	17.3797	143,745,615	100.0000	374	100.0000
Ordinary Resolution 12	58,549,158	99.6496	295	79.3011	205,874	0.3504	77	20.6989	58,755,032	100.0000	372	100.0000



Resolution (s)	Pre-determined Abstain *		Abstain / Spoilt #	
	No of Units	No of P/S	No of Units	No of P/S
Ordinary Resolution 1	0	0	717	7
Ordinary Resolution 2	0	0	717	7
Ordinary Resolution 3	11,033,733	1	4,717	8
Ordinary Resolution 4	0	0	680	4
Ordinary Resolution 5	0	0	680	4
Ordinary Resolution 6	0	0	680	4
Ordinary Resolution 7	1,000	1	680	4
Ordinary Resolution 8	0	0	680	4
Ordinary Resolution 9	0	0	680	4
Ordinary Resolution 10	1,000	1	680	4
Ordinary Resolution 11	0	0	680	4
Ordinary Resolution 12	84,990,283	1	980	5

* These votes refer to holders who have pre-determined abstain from voting in proxy forms or holders refrained from voting due to conflict of interest.

These refer to:

- 1) Holders who have chosen not to vote (e-voting) or
- 2) Abstain / Spoilt votes as reflected in poll slips (poll slip voting)

