



Bridging Opportunities **Expanding Dreams**

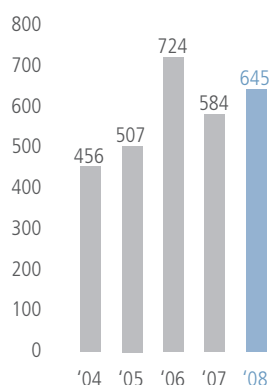
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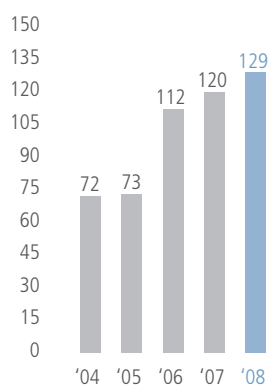
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5 Year Financial Highlights

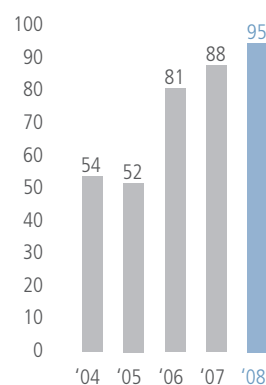
	2004	2005	2006	2007	2008
Sales Revenue (RM Million)	456	507	724	584	645
Profit Before Taxation (RM Million)	72	73	112	120	129
Net Profit (RM Million)	54	52	81	88	95
Net Earnings Per Share (Sen)	32.6	31.6	49.0	53.5	57.8
Core Distributor Force (In Thousand)	161	165	177*	188	195



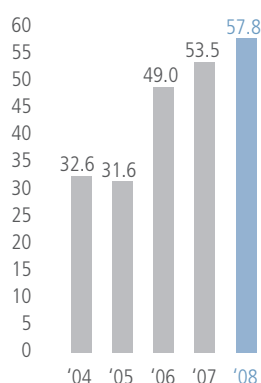
Sales Revenue (RM Million)



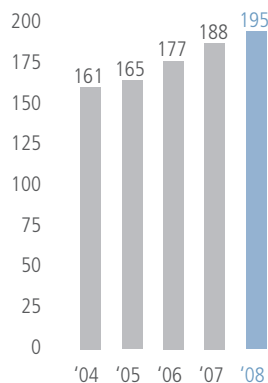
Profit Before Taxation (RM Million)



Net Profit (RM Million)



Net Earnings Per Share (Sen)



Core Distributor Force (In Thousand)

2004 - 2005

- Results for financial years ended 31st August

2006

- Results for 16-month period from 1st September 2005 to 31st December 2006

2007 - 2008

- Results for financial years ended 31st December

* Results for 12-month period from 1st January 2006 to 31st December 2006





Chairman's Statement

Dato' Ab. Halim Bin Mohyiddin

On behalf of the Board of Directors ("Board") of Amway (Malaysia) Holdings Berhad ("Amway"), I am pleased to present the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2008.

For the year under review, I am proud to report that Amway continued with its consistent track record of 29 out of 32 years of growth. Against the backdrop of rising costs and unfolding uncertainties in the global economy, Amway's financial performance surpassed expectations yet again, testament to the resilience and viability of the Amway business in Malaysia and the strength of the Amway brand. This winning formula continues to deliver new sales revenue records and draw motivated entrepreneurs to this unique business opportunity.

The Company undertook several initiatives during the year aimed at preserving its market share and encouraging Distributor productivity. A bold investment for the Company in 2008 was the expansion of our distribution channels with the opening of Amway shops instead of the usual Regional Distribution Centres. This, supported by aggressive promotions and new product introductions stimulated demand and increased sales. Incentives and development programmes helped maintain retailing momentum and support Distributor motivation.

Powered by the determination and enduring loyalty of the Amway Distributor force, these key sales and marketing programmes provided the thrust to deliver yet another impressive performance for the Company and reaffirm our position as the clear market leader in Malaysia.

Financial Performance

For the year under review, I am delighted to be able to report that the Company's sales revenue achieved a double digit growth of 10.5% to reach an all-time high of RM645.5 million from RM584.3 million achieved in the previous year. Profit before tax for the year expanded from RM120.3 million in 2007 by 7.4% to reach RM129.2 million, while profit after tax rose by 8.2% from RM87.9 million in 2007 to RM95.1 million in 2008. It is worth noting that the profit from our operating activities registered a growth of 12.5% in 2008 over our performance in the previous year. This can be arrived at after excluding from profit before tax, an interest income of RM8.3 million and unrealised gain from foreign exchange amounting to RM2.0 million in 2008, against an interest income totalling RM7.4 million and a RM7.2 million gain on the disposal of the Amway headquarters in 2007.

The improvement in sales revenue and profit performance was buoyed by strong Distributor productivity and an increase in new applications, which remains the cornerstone of the Company's profitability. The rise in productivity and new applications were primarily driven by enhanced sales, marketing and sponsoring programmes initiated by the Company.

Dividend

In line with our results, your Board of Directors is recommending a 4th interim single tier dividend of

7.0 sen net per share, by election subsequent to the balance sheet date. Taken together with the interim and special dividends declared earlier in the year, the total dividend for the financial year ended 31 December 2008 amounts to 41.78 sen net per share. The total net dividend payout of RM68.7 million to shareholders would translate into a net yield of 6.4%, which is in accordance with your Company's desire to consistently return earnings to its shareholders in a systematic and orderly manner.

Operational Review

The year saw the implementation of significant initiatives by the Company designed to stimulate growth amidst economic uncertainty and softening consumer sentiment, as well as strengthen its leadership position in a still intensely competitive marketplace.

A major highlight of the year was the launch of our shops, a new and refreshing shopping concept aimed at expanding our presence and making our products more accessible to the marketplace. The opening of Amway shops in Seremban, Kuala Terengganu, Kota Bharu and Batu Pahat proved to be a successful strategy, generating excitement among the Distributor force, enhancing consumer access and providing greater visibility for the Amway brand.



New product launches, which included the eagerly awaited NUTRILITE™ Glucosamine HCl, and attractive product promotions provided impetus to Distributors' retailing activities. The national level Product Expo with additional Regional Product Expos rolled-out in 2008 also enabled Distributors to showcase Amway products and benefits to their customers and prospects through demonstrations, makeover sessions and exciting activities. The continuing appeal of Amway products yet again received consumer recognition in 2008, when NUTRILITE and eSpring™ were awarded the Reader's Digest Trusted Brand Gold Awards for Malaysia and Asia in the health food supplement and water purifier categories respectively for the fourth consecutive year.

During the year in review, the excitement level amongst Distributors continued to remain high, driven mainly by enhanced Sales Incentive Programmes ("SIP") and Non-Cash Awards ("NCA") as well as the highly anticipated Global 50th Anniversary celebrations in 2009, which led to a significant increase in new Diamond qualifiers for the forthcoming special events held in conjunction with these celebrations. The number of new applications has also risen by 15% over the previous year, while the Core Distributor Force ("CDF") has grown by 3.7% to a total of about 195,000. This is a noteworthy achievement for the Company, a sign that several programmes put in place to drive new applications and increase the Distributor force are yielding results, and one we expect will translate into a steady increase in the CDF in subsequent years.

Corporate Governance

At Amway, we acknowledge the importance of corporate governance in enhancing shareholder value, establishing consumer trust and building a competitive organisation to support the Company in achieving its financial and operational targets. The Company's corporate governance framework is directed towards realising the Company's key business objectives in a manner that is responsible and in accordance with high standards of integrity, fairness and accountability.

Mandated with the overall responsibility for maintaining sound internal controls covering financial controls, operational and compliance controls and risk management, the Board of Directors has been steadfast in their commitment to ensuring shareholders' investments, customer interests and the Company's assets are safeguarded. Amway

Directors have also undertaken the responsibility of further enhancing their skills and knowledge on relevant new laws and regulations, as well as keeping abreast with developments in the business environment through their participation in training programmes and professional seminars.

During the year under review, the Company also continued to apply the principles and best practices as specified in the revised 2007 Malaysian Code on Corporate Governance, while the public release of announcements on quarterly financial statements were made to ensure timely and adequate disclosures to stakeholders and regulatory authorities.

Corporate Responsibility

The Amway business is built on the driving principle of "Helping People Live Better Lives". With a philosophy that centres around people - our customers, Distributors, employees and society, we are clearly aware of our corporate responsibility obligations and believe in conducting our business in an economically, socially and environmentally sustainable manner.



In the year under review, the Company continued to engage with our stakeholders, through the implementation of initiatives aimed at building enduring relationships and creating value for our stakeholders. Our activities in 2008 saw Amway's contribution, participation and support in programmes and projects to enhance healthcare, professional development, disaster relief and the preservation of the environment, all geared towards the benefit and betterment of the lives we touch. Further on in this report, you would be able to view in detail our continuous efforts in fulfilling our corporate responsibilities to the people, society and environment in which we operate.



We are also pleased to note that during the year our corporate responsibility efforts received external recognition through the StarBiz-ICR Malaysia Corporate Responsibility Awards 2008. Amway is indeed honoured to have been selected as a finalist for the Marketplace Award for companies with a market capitalisation exceeding RM1 billion, affirming our commitment to integrating corporate responsibility practices into our operations and carrying out our role as a good corporate citizen.

Outlook

In view of the uncertain and turbulent global economy, your Company expects 2009 to present a more challenging operating environment. As the economic slowdown intensifies in the coming year, consumer sentiment could be adversely impacted resulting in more intense competition for a tightened consumer budget.

Although the economic climate will pose challenges for all, the Company will remain alert to opportunities that may be presented in these uncertain times. The direct selling business has in the past proven to be particularly resilient in the face of such difficulty as many look to alternative ways to supplement their income. In such circumstances, we believe the Amway business offers a uniquely attractive opportunity for people to build a business, which in turn can help mitigate the impact of an economic slowdown for the Company and provide renewed opportunity for future growth.

Still, as we move forward into 2009 we must brace ourselves for significantly more challenging times as the full effects of this global economic crisis unfold.

As such, we will seek to position the Company to cope with these challenges that lie ahead by taking necessary measures to mitigate the adverse effects of a slowing economy. The Company will continue investing in growth strategies to support Distributor productivity, building our brand equity as well as enhancing our accessibility and service delivery, but will remain prudent and vigilant in cost management to ensure sustainable long-term growth. We will also continue to draw on the strength of the Amway brand as well as the entrepreneurial spirit, dynamic leadership and loyal support of the Distributor force. We believe that all this should stand us in good stead to weather the tough environment and deliver satisfactory results for the Company in the year ahead.

Appreciation

On behalf of the Board, I would like to express our appreciation to the Management and staff of Amway for their dedication, hard work and commitment to the continuing success of the Company. The Board also extends its sincere appreciation to Amway Distributors for placing their unwavering faith in the Amway business and for their loyal support to the Company. To all our stakeholders, including our shareholders, investors and business associates, thank you for your continued support as we forge ahead to grow and achieve greater success.

Last, but not least, I wish to thank my fellow Board members for their invaluable contribution and wise counsel in the course

of discharging their duties and responsibilities. I look forward to the continued support and commitment of all parties as we take on the opportunities and challenges the next year will bring.

Dato' Ab. Halim Bin Mohyiddin
Chairman



Penyata Pengerusi

Dato' Ab. Halim Bin Mohyiddin



Saya bagi pihak Lembaga Pengarah Amway (Malaysia) Holdings Berhad ("Amway"), dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Syarikat bagi tahun kewangan berakhir 31 Disember 2008.

Bagi tahun kewangan di bawah ulasan, saya berasa bangga melaporkan bahawa Amway telah meneruskan rekod pencapaiannya yang konsisten bagi 29 daripada 32 tahun peningkatan. Dalam keadaan kos yang semakin meningkat dan ketidakpastian yang melanda ekonomi global, prestasi kewangan Amway, sekali lagi melebihi jangkaan. Ini merupakan bukti keampuhan dan daya maju perniagaan Amway di Malaysia dan keteguhan jenama Amway. Formula cemerlang ini terus mencatat rekod hasil jualan baru dan menarik usahawan yang bermotivasi kepada peluang perniagaan unik ini.

Syarikat melaksanakan beberapa inisiatif pada tahun ini dengan tujuan untuk mengekalkan penguasaan pasarannya dan menggalakkan produktiviti pengedar. Syarikat juga membuat satu pelaburan berani pada tahun 2008 dengan mengembangkan saluran pengedarannya iaitu dengan membuka kedai-kedai Amway sebagai tambahan kepada Pusat Pengedaran Daerah sedia ada. Dengan sokongan promosi agresif dan pengenalan produk baru, pelaburan ini berjaya memungkinkan permintaan dan meningkatkan jualan. Insentif dan program pembangunan turut membantu mengekalkan



momentum jualan dan menyokong motivasi pengedar. Berbekalkan semangat dan kesetiaan teguh para pengedar Amway, program jualan dan pemasaran utama ini telah berjaya menjana satu lagi pencapaian yang mengagumkan bagi Syarikat dan mengukuhkan lagi kedudukan kami sebagai peneraju pasaran di Malaysia.

Prestasi Kewangan

Sukacita saya maklumkan bahawa bagi tahun yang diulas, hasil jualan Syarikat mencapai pertumbuhan dua digit iaitu 10.5%; yang merupakan pertumbuhan tertinggi pernah dicatat iaitu sebanyak RM645.5 juta berbanding RM584.3 juta yang dicapai pada tahun lepas. Keuntungan sebelum cukai meningkat kepada RM129.2 juta iaitu peningkatan sebanyak 7.4% daripada RM120.3 juta pada tahun 2007 sementara keuntungan selepas cukai adalah RM95.1 juta di mana peningkatan sebanyak 8.2% daripada RM87.9 juta pada tahun 2007. Keuntungan daripada aktiviti operasi pula mencatat pertumbuhan sebanyak 12.5% pada tahun 2008 berbanding pencapaian sebelumnya. Ini diperolehi selepas menolak pendapatan faedah sebanyak RM8.3 juta dan keuntungan tidak direalisasi daripada tukaran matawang asing berjumlah RM2.0 juta pada tahun 2008 daripada keuntungan sebelum cukai, dan dibandingkan dengan pendapatan faedah berjumlah RM7.4 juta dan keuntungan daripada pelupusan ibu pejabat

Amway pada tahun 2007 sebanyak RM7.2 juta.

Peningkatan prestasi hasil jualan dan keuntungan dijana oleh produktiviti pengedar dan peningkatan permohonan ahli baru, yang kekal sebagai mercu tanda keuntungan Syarikat. Peningkatan produktiviti dan bilangan ahli baru tersebut didorong khususnya oleh peningkatan program jualan, pemasaran dan penajaan yang diusahakan oleh Syarikat.

Dividen

Sejajar dengan keputusan Syarikat, Lembaga Pengarah anda mengesyorkan dividen interim satu peringkat yang keempat sebanyak 7.0 sen sesaham bersih, menerusi pilihan selepas tarikh kunci kira-kira. Jika dikira bersama dengan dividen interim dan khas yang telah diumumkan lebih awal pada tahun ini, jumlah dividen bagi tahun kewangan berakhir 31 Disember 2008 adalah berjumlah 41.78 sen sesaham bersih. Jumlah pembayaran dividen bersih sebanyak RM68.7 juta kepada para pemegang saham bermakna jumlah hasil bersih adalah sebanyak 6.4%, selaras dengan hasrat Syarikat untuk memulangkan pendapatan konsisten kepada para pemegang sahamnya secara sistematik dan tersusun.



Ulasan Operasi

Tahun ini menyaksikan pelaksanaan inisiatif penting oleh Syarikat yang dibentuk untuk memangkinkan pertumbuhan dalam keadaan ekonomi yang tidak menentu dan pengenduran sentimen pengguna, serta untuk mengukuhkan kedudukannya sebagai peneraju dalam pasaran yang kekal berdaya saing.

Satu daripada peristiwa penting pada tahun ini adalah pelancaran kedai-kedai Amway yang merupakan satu konsep membeli belah yang baru dan menarik, bertujuan untuk memperluaskan kewujudan Amway dan menjadikan produk Amway lebih mudah didapati di pasaran. Pembukaan kedai-kedai Amway di Seremban, Kuala Terengganu, Kota Bharu dan Batu Pahat terbukti sebagai satu strategi yang berjaya, meniup semangat di kalangan pasukan pengedar, mempertingkatkan akses pengguna dan meninggikan lagi keketaraan jenama Amway.

Pelancaran produk baru, termasuk NUTRILITE™ Glucosamine HCI yang dinanti-nantikan dan promosi produk yang menarik telah merancakkan aktiviti penjualan para pengedar. Ekspo Produk di peringkat kebangsaan serta Ekspo Produk Daerah



yang dilancarkan pada tahun 2008 turut membolehkan para pengedar mempamerkan produk dan manfaat Amway kepada para pelanggan dan prospek melalui demonstrasi, sesi solekan dan pelbagai aktiviti menarik. Kesenambungan daya tarikan produk-produk Amway sekali lagi menerima pengiktirafan pengguna pada tahun 2008, apabila NUTRILITE dan eSpring™ dianugerahkan Anugerah Emas Jenama Dipercayai Reader's Digest bagi Malaysia dan Asia, masing-masing dalam kategori makanan tambahan dan penulen air bagi empat tahun berturut-turut.

Pada tahun yang diulas, tahap semangat di kalangan pengedar kekal tinggi, didorong terutamanya oleh Program Insentif Jualan (SIP) yang dipertingkatkan dan Anugerah Bukan Tunai (NCA) serta Ulang Tahun Ke 50 Global pada tahun 2009 yang amat dinantikan. Kesemua ini membawa kepada peningkatan ketara dalam bilangan Pengedar Terus Intan baru yang layak ke acara khas yang bakal diadakan sempena sambutan ini. Bilangan pemohon baru juga meningkat sebanyak 15% daripada tahun lepas, manakala Pasukan Pengedar Teras (CDF) bertambah pada kadar 3.7% kepada kira-kira 195,000 pengedar. Ini adalah satu pencapaian membanggakan bagi Syarikat dan bukti kejayaan beberapa

program yang disediakan untuk mendorong minat pemohon baru, dan mempertingkatkan pasukan pengedar. Kami berharap kesemuanya ini akan menghasilkan peningkatan CDF yang sekata pada tahun-tahun mendatang.

Tadbir Urus Korporat

Di Amway, kami mengakui kepentingan tadbir urus korporat dalam mempertingkatkan nilai pemegang saham, mengukuhkan kepercayaan pengguna dan membina sebuah organisasi berdaya saing bagi menyokong Syarikat mencapai sasaran kewangan dan operasinya. Hala tuju rangka kerja tadbir urus korporat Syarikat adalah ke arah merealisasikan objektif perniagaan utama Syarikat secara bertanggungjawab dan selaras dengan piawaian kewibawaan, kesaksamaan dan kebertanggung-jawaban yang tinggi.

Diamanahkan dengan tanggung-jawab keseluruhan untuk mengekalkan kemantapan kawalan dalaman yang meliputi kawalan kewangan, operasi dan pematuhan serta pengurusan risiko, Lembaga Pengarah kekal komited dalam memastikan agar pelaburan pemegang saham, kepentingan pelanggan dan aset Syarikat dilindungi. Lembaga Pengarah Amway turut melunaskan tanggungjawabnya untuk mempertingkatkan lagi kemahiran dan pengetahuan mereka berhubung undang-undang dan peraturan baru yang berkaitan, serta sentiasa mengikuti perkembangan terkini dalam persekitaran perniagaan melalui penyertaan mereka dalam program-program latihan dan seminar profesional.

Pada tahun yang diulas, Syarikat juga terus menggunakan prinsip dan amalan terbaik seperti yang dinyatakan dalam Kod Tadbir

Urus Korporat Malaysia 2007 yang disemak semula, manakala siaran awam bagi pengumuman penyata kewangan suku tahun turut dibuat bagi memastikan pendedahan tepat pada masa dan mencukupi kepada para pihak berkepentingan dan pihak pengawal selia.

Tanggungjawab Korporat

Perniagaan Amway dibina berasaskan prinsip utama "Membantu Manusia Menjalani Kehidupan yang Lebih Baik". Dengan falsafah berteraskan manusia iaitu pelanggan, pengedar, kakitangan dan masyarakat, kami amat menyedari tuntutan tanggungjawab korporat kami dan percaya terhadap pelaksanaan operasi perniagaan yang bertanggungjawab dari segi ekonomi, sosial dan alam sekitar.

Syarikat terus mendekati para pihak berkepentingan, pada tahun yang diulas, melalui pelaksanaan inisiatif yang bertujuan membina hubungan jangka panjang yang erat dan mencipta nilai bagi pihak berkepentingan Syarikat. Aktiviti Syarikat pada tahun 2008 menyaksikan sumbangan, penyertaan dan sokongan Amway dalam program dan projek untuk mempertingkatkan penjagaan kesihatan, pembangunan profesional, bantuan bencana dan pemuliharaan alam sekitar yang kesemuanya dirangka agar dapat memberi manfaat dan memperbaiki kehidupan mereka yang kami dekati. Selain itu, dalam laporan ini, anda akan dapat mengetahui maklumat terperinci berkenaan usaha berterusan Syarikat memenuhi tanggungjawab korporat kepada orang ramai, masyarakat dan alam sekitar di mana kami beroperasi.

Sukacita juga kami maklumkan bahawa pada tahun ini, usaha tanggungjawab korporat Syarikat

telah menerima pengiktirafan dari pihak luar melalui Anugerah Tanggungjawab Korporat StarBiz-ICR Malaysia 2008. Amway sesungguhnya berbangga kerana telah dipilih sebagai peserta akhir dalam Anugerah Pasaran bagi syarikat-syarikat dengan permodalan pasaran melebihi RM1 bilion. Ini mengesahkan komitmen kami dalam menyepadukan amalan tanggungjawab korporat ke dalam operasi Syarikat dan memainkan peranan kami sebagai warga korporat yang baik.

Unjuran Masa Depan

Memandangkan ekonomi global yang masih dalam kegawatan dan ketidakpastian, Syarikat anda menjangka tahun 2009 bakal membawa cabaran persekitaran operasi yang lebih besar. Keadaan kelembapan ekonomi yang semakin berleluasa pada tahun depan boleh mendatangkan kesan negatif kepada sentimen pengguna, dan ini bakal mencetuskan persaingan yang lebih sengit bagi belanjawan pengguna yang lebih terhad.

Walaupun iklim ekonomi akan memberi cabaran kepada semua, namun Syarikat akan terus berusaha mencari peluang yang mungkin wujud dalam keadaan yang penuh ketidakpastian ini. Pada masa lalu, perniagaan jualan langsung terbukti kental dalam mengharungi kesukaran sedemikian kerana ramai yang mencari alternatif untuk menambah pendapatan mereka. Dalam keadaan sedemikian, kami percaya perniagaan Amway menawarkan peluang menarik lagi unik kepada orang ramai untuk membina perniagaan. Ini sebaliknya dapat membantu mengurangkan kesan kelembapan ekonomi bagi Syarikat dan menyediakan peluang baru untuk pertumbuhan masa depan.

Walau bagaimanapun, dalam Syarikat melangkah ke tahun 2009, kami perlu bersedia untuk menghadapi tempoh yang lebih mencabar apabila kesan penuh krisis ekonomi global melanda. Justeru, kami akan berusaha untuk mempersiapkan Syarikat mengharungi cabaran yang bakal melanda dengan mengambil langkah-langkah perlu untuk mengurangkan kesan kelembapan ekonomi. Syarikat akan terus melabur dalam strategi pertumbuhan untuk menyokong produktiviti pengedar, membina ekuiti jenama kami serta mempertingkatkan kemudahan mengakses dan penyediaan perkhidmatan, dan akan kekal berhemat dan berjaga-jaga dalam pengurusan kos bagi memastikan pertumbuhan jangka panjang yang mapan. Syarikat juga akan terus memanfaatkan keteguhan jenama Amway serta semangat keusahawanan, kepimpinan dinamik dan sokongan setia pasukan pengedar. Kami percaya bahawa semua ini akan memberi kekuatan kepada Syarikat untuk mengharungi persekitaran mencabar dan mencatat keputusan memuaskan bagi Syarikat pada tahun akan datang.

Penghargaan

Saya, bagi pihak Lembaga Pengarah, ingin menyampaikan ucapan penghargaan kami kepada pihak Pengurusan dan kakitangan Amway atas dedikasi, kerja keras dan komitmen mereka terhadap kejayaan berterusan Syarikat. Lembaga Pengarah juga ingin menyampaikan ucapan terima kasih tulus ikhlas kepada para Pengedar Amway kerana meletakkan sepenuh kepercayaan terhadap perniagaan Amway dan sokongan padu mereka kepada Syarikat. Kepada semua pihak berkepentingan, termasuk pemegang saham, pelabur dan rakan sekutu perniagaan, ribuan terima kasih atas sokongan anda terhadap usaha kami untuk terus berkembang dan lebih berjaya.

Akhir kata, saya ingin mengucapkan setinggi penghargaan kepada ahli Lembaga Pengarah atas sumbangan dan nasihat tidak ternilai semasa menjalankan tugas dan tanggungjawab mereka. Saya mengalu-alukan kesinambungan sokongan dan komitmen semua pihak dalam usaha kami meraih peluang dan mengharungi cabaran pada tahun depan.

Dato' Ab. Halim Bin Mohyiddin
Pengerusi





A woman with long dark hair is smiling and applying makeup with a brush. She is in a retail environment, likely a cosmetics store, with shelves of products visible in the background. The image is partially covered by a large white circular graphic on the right side, which contains the text.

We place great
emphasis on quality
and innovation... our
customers deserve
nothing less

Board of Directors



Corporate Information

Registered Office

Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

Place Of Incorporation

Malaysia

Principal Business Address

34 Jalan 223,
46100 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7964 5222
Fax : 03-7964 5199
E-mail : myhelpdesk@amway.com
Website : www.amway2u.com

Company Secretaries

Tai Yit Chan (MAICSA No. 7009143)
Liew Irene (MAICSA No. 7022609)

Share Registrars

Tenaga Koperat Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2264 3883
Fax : 03-2282 1886

**Dato' Ab.Halim
Bin Mohyiddin DPMS**

Chairman

Senior Independent | Non-Executive Director

1

**Abdul Wahab Bin Nasir
@ Mohd Nasir AMN , SMP**

Non-Independent | Non-Executive Director

4

Low Han Kee
Managing Director

2

Yee Kee Bing
Executive Director

5

Scott Russell Balfour

Non-Independent | Non-Executive Director

3

Eva Cheng Li Kam Fun

Non-Independent | Non-Executive Director

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**Prof. Datuk Dr. Nik Mohd Zain
Bin Nik Yusof**

Independent | Non-Executive Director

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**Dato' Cecil Wilbert
Mohanaraj Abraham**

Independent | Non-Executive Director

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Auditors

Ernst & Young
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Principal Bankers

Public Bank Berhad
Standard Chartered Bank Malaysia Berhad
Malayan Banking Berhad
AmBank (M) Berhad
CIMB Bank Berhad

Solicitors

Shearn Delamore & Co
7th Floor Wisma Hamzah-Kwong Hing
No 1 Leboh Ampang
50100 Kuala Lumpur

Stock Exchange Listing

Main Board of Bursa Malaysia
Securities Berhad
Stock Code: 6351

Profile of Directors

Dato' Ab. Halim Bin Mohyiddin DPMS

Chairman

Senior Independent, Non-Executive Director

Dato' Ab. Halim Bin Mohyiddin, a Malaysian, aged 63, was appointed Director of Amway (Malaysia) Holdings Berhad ("AMHB") on 25 November 2002. He was appointed the Chairman of AMHB on 12 January 2006 and is also the Senior Independent Director of AMHB. He also serves as the Chairman of the Audit Committee and member of the Remuneration Committee and Nominating Committee.

He graduated with a Bachelor of Economics (Accounting) from University of Malaya in 1971 and thereafter joined Universiti Kebangsaan Malaysia as a Faculty member of the Faculty of Economics. He obtained his Masters of Business Administration degree from University of Alberta, Edmonton, Alberta, Canada in 1973. He retired from KPMG/KPMG Desa Megat & Co. on 1 October 2001, a firm he joined in 1977 and had his early accounting training in both Malaysia and United States of America. He was made partner of the Firm in 1985. At the time of his retirement, he was Partner-in-Charge of the Assurance and Financial Advisory Services Divisions and was also looking after the Secured e-Commerce Practice of the Firm.

He is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and Malaysian Institute of Accountants ("MIA"). He is currently the Chairman of the Education and Training Committee of MICPA. He served as a member of the Education Committee of the International Federation of Accountants ("IFAC") from 2001 to 2005. He was the President of the MICPA from June 2004 to June 2007 and a Council Member of MIA from 2001 to 2007.

Presently, he is a Board member of Kumpulan Perangsang Selangor Berhad, MCM Technologies Berhad, HeiTech Padu Berhad, Utusan Melayu (Malaysia) Berhad, DiGi.Com Berhad, Idris Hydraulic (Malaysia) Berhad, KNM Group Berhad, Idaman Unggul Berhad, Bank Pembangunan Malaysia Berhad, BI Credit & Leasing Berhad, ECM Libra Financial Group Berhad and AMDB Berhad.

Dato' Ab. Halim Bin Mohyiddin 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 with the Company. He has no convictions for offences.

Dato' Ab. Halim Bin Mohyiddin attended all the four Board meetings held during the financial year ended 31 December 2008.

Low Han Kee

Managing Director

Low Han Kee, a Malaysian, aged 49, was appointed Director of AMHB and Amway (Malaysia) Sdn Bhd ("AMSB") on 6 June 1996 and 16 October 1995 respectively. On 1 September 1998, he took over the helm as the Managing Director of AMHB. He is also a Director of Amway (B) Sdn Bhd ("ABSB"), a subsidiary of AMSB since 1998.

He joined AMSB in 1990 as Divisional Manager, Finance & Administration and was promoted to General Manager responsible for Amway operations in Malaysia and Brunei, in January 1993. He qualified as a Certified Public Accountant in 1984 whilst serving in Ernst & Whinney (now known as Ernst & Young), an international accounting firm. He has since accumulated more than 20 years of financial expertise, having held senior positions in finance 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 AMSB.

Low Han Kee 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 with the Company. He has no convictions for offences.

Low Han Kee attended all the four Board meetings held during the financial year ended 31 December 2008.

Profile of Directors

Scott Russell Balfour

Non-Independent, Non-Executive Director

Scott Russell Balfour, an American, aged 47, was appointed Director of AMHB on 15 January 2004. He also serves as a member of the Audit Committee. He is a member of the American Bar Association, the Grand Rapids Bar and the Michigan Bar Association. He has authored several articles regarding Korean and Asian jurisprudence and co-authored the book entitled "Korean Labor and Employment Laws".

Currently, he is also the Deputy General Counsel and Vice President of International Legal of Alticor Inc. Through the International Legal Group, he coordinates and oversees Alticor's diverse legal issues for over 50 markets, including 13 Asian affiliates in Australia, China, Korea, India, Indonesia, Malaysia, Philippines, Singapore, Taiwan and Thailand.

Prior to joining Alticor in 1999, he spent 8 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, 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.

Scott Russell 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 with the Company. He has no convictions for offences.

Scott Russell Balfour attended all the four Board meetings held during the financial year ended 31 December 2008.

Abdul Wahab Bin Nasir

@ Mohd Nasir AMN, SMP

Non-Independent, Non-Executive Director

Abdul Wahab Bin Nasir @ Mohd Nasir, a Malaysian, aged 56, was appointed Director of AMHB on 18 June 2004.

He graduated with a Bachelor of Social Science (Hons), Sociology & Anthropology from Universiti Sains Malaysia in 1983. He obtained a Master of Development Administration from Western Michigan University, Kalamazoo, United States of America in 1995.

He is currently a Senior General Manager in Human Resource Department of Employees Provident Fund Malaysia ("EPF"). He held various positions in the Government sector, including the Education Ministry, Department of Fisheries, Department of Inland Revenue and National Institute of Public Administration ("INTAN") from 1972 till 1983.

Since 1983, he joined EPF Malaysia in the Training and Career Development Division as an Administrative Officer before becoming the Senior Manager of that Division in 1992. He was promoted to General Manager of Corporate Services Department in 1996 and thereafter the General Manager of Human Resource Department in 1999. He was promoted to Senior General Manager of Human Resource Department in 2001 and thereafter the Senior General Manager of Employees Provident Fund Social Security Training Institute ("ESSET") in 2006. In March 2008, he was transferred to head the Human Resource Department.

Abdul Wahab Bin Nasir @ Mohd Nasir 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 with the Company. He has no convictions for offences.

Abdul Wahab Bin Nasir @ Mohd Nasir attended all the four Board meetings held during the financial year ended 31 December 2008.

Profile of Directors

Yee Kee Bing

Executive Director

Yee Kee Bing, a Malaysian, aged 49, was appointed Director of AMSB on 28 November 2000. He was appointed Executive Director of AMHB on 16 July 2004. On 1 September 2004, he assumed his responsibility as the General Manager of AMSB.

He started his career as the Accounts Servicing Executive at Art Beat Communications Sdn Bhd in July 1983. He joined AMSB as Communications Executive, in November 1984 before being promoted to Communications Co-ordinator in 1988, and assuming the position of Communications Manager in 1990.

In 1992, he moved over to take the position of Group Product Manager and later became the Manager of Business Development Department in January 1993. He was subsequently promoted to Divisional Manager - Marketing Division in August 1994, and promoted again to Assistant General Manager for Marketing & Business Development in 1999 before taking over as General Manager (Operations) in January 2000.

He is currently the President of Direct Selling Association of Malaysia ("DSAM") and has held the position since 2001. He is also the Chairman of the Malaysia Chapter of the Asia Pacific Economic Cooperation Consumer Education and Protection Initiative ("APEC CEPI") Committee and a member of the Board of Directors of the World Federation of Direct Selling Associations.

He graduated with a Bachelor's Degree in Social Science (Major : Communications) from Universiti Kebangsaan Malaysia in 1983.

Yee Kee Bing 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 with the Company. He has no convictions for offences.

Yee Kee Bing attended all the four Board meetings held during the financial year ended 31 December 2008.

Eva Cheng Li Kam Fun

Non-Independent, Non-Executive Director

Eva Cheng Li Kam Fun, a British National (Overseas), aged 56, was appointed Director of AMHB on 19 October 2005. She also serves as the Chairperson of the Remuneration Committee, and the Nominating Committee and an alternate member of the Audit Committee. Eva currently serves as Executive Vice President of Alticor Global Holdings Inc, the ultimate holding company, and is part of its senior management team responsible for Amway's global business development. She is also the Chairperson of Amway (China) Co. Ltd.

Since the beginning of her career with Amway in 1977, Eva has held senior management positions within the Amway Group. In the early 1990s, it was her enthusiasm for the China market that led Amway to invest in manufacturing facilities in Guangzhou and launch sales operations throughout China. Today, Amway China is one of the top 100 foreign invested enterprises in China and the largest market for Amway.

Eva Cheng's leadership and achievement is well recognized in the business community. She was listed in Forbes Magazine's "World's 100 Most Powerful Women" in 2008. Eva was also honored with many awards, including CNBC's "China Talent Management Award" in 2007 and was named "Honorary Citizen of Guangzhou City" by the Guangzhou Municipal Government. Eva is active in public and community service, and is currently a Member of the Executive Committee of the All-China Women's Federation.

Eva Cheng graduated with a Bachelor of Arts Degree (Hons) in 1975 and obtained a Master's Degree in Business Administration in 1989 from the University of Hong Kong. Eva 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 with the Company. She has no convictions for offences.

Eva Cheng attended all the four Board meetings held during the financial year ended 31 December 2008.

Profile of Directors

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof

Independent, Non-Executive Director

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof, a Malaysian, aged 62, was appointed Director of AMHB on 9 February 2006. He also serves as a member of the Audit Committee and Remuneration Committee. He graduated with a Bachelor of Arts (Honours) from Universiti Malaya in 1969. He obtained a Master of Arts from the University of Wisconsin, Madison, United States of America in 1979 and later gained a PhD in Law from the University of Kent, Canterbury United Kingdom in 1989.

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof has vast local and international experience through his years of involvement in various councils, committees and land settlement schemes. He previously held key positions in both private and government bodies including being the Director of Bank Rakyat, Director of FELDA Group of Companies, Director of Land Settlement Scheme of Perlis and Kelantan and Director General of Department of Land and Mines, Malaysia. Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof was the Secretary General of the Ministry of Land and Cooperative Development, Malaysia from 1995 to 2002.

Presently, he is a Board member of Island and Peninsular Berhad and Fututech Berhad. He is the Chairman of Yayasan Peneroka Negara, Malaysia since 2000 and an Adjunct Professor for Universiti Putra Malaysia since 2006.

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof 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 with the Company. He has no convictions for offences.

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof attended three of the four Board meetings held during the financial year ended 31 December 2008.

Dato' Cecil Wilbert Mohanaraj Abraham

Independent, Non-Executive Director

Dato' Cecil Wilbert Mohanaraj Abraham, a Malaysian, aged 63, was appointed Director of AMHB on 9 February 2006. He also serves as a member of the Audit Committee and Nominating Committee.


Dato' Cecil Wilbert Mohanaraj Abraham had his tertiary education in Malaysia and the schools which he attended include, inter-alia, the Federation Military College, now known as the Royal Military College, which is one of the premier schools in the country. He read law at Queen Mary College, University of London and graduated with an LL.B Hons. Degree in 1968. He was called by the Honourable Society of Middle Temple as a Barrister at Law in May 1969. He was admitted as an Advocate & Solicitor of the High Court of Malaya in February 1970. He was a Partner of Shearn Delamore & Co. from 1976 to 31 July 2007.

He is currently a Consultant of Zul Rafique & Partners. He has an extensive litigation as well as domestic and international arbitration practice.

Dato' Cecil Wilbert Mohanaraj Abraham 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 with the Company. He has no convictions for offences.

Dato' Cecil Wilbert Mohanaraj Abraham attended all the four Board meetings held during the financial year ended 31 December 2008.





It is only when
we embrace our
customers' dreams
can we give them
the future



Operations Review

The financial year 2008 witnessed numerous challenges, as escalating fuel, rising inflation and the unfolding global financial crisis softened market conditions and dampened consumer confidence. Amidst these external factors, the Company was able to achieve another year of strong earnings growth, affirming the strong underlying fundamentals and the success of strategic initiatives embarked on.

During the year, the Company took bold strides through a multi-dimensional strategic approach - expanding its distribution channel network for greater consumer access, implementing new measures to grow the Distributor force as well as introducing new products and enhancing promotion activities to encourage retailing and excite the field. These measures bore positive results for the Company as Distributor activity and productivity increased and the appeal for Amway products and the business opportunity continued to strengthen.

Staying ahead with infrastructure expansion

Since Amway began operations in Malaysia in 1976, it has been a core business strategy for the Company to ensure continued accessibility of Amway products and the business opportunity. The establishment of 13 Regional Distribution Centres (RDCs) throughout key locations in Malaysia and Brunei has been a major aspect of this strategy.

In 2008, the Company expanded its distribution channel concept with the opening of shops, bringing with it a brand new concept and shopping experience. The shops are located in town centres with easy accessibility and strong visibility while consumers are able to browse and pick up products they need in a relaxing and conducive shopping environment.

The first shop opened its doors in Seremban on 4 August, followed by the launch of three others in Kuala Terengganu, Kota Bharu and Batu Pahat over the next two months.





The opening of the shops in each location was greeted with much excitement and enthusiasm from the field, with Distributor leaders lending their support, a strong testimony of their loyal support and confidence in this new strategic initiative.

The shops are not only a move to expand the Company's geographical reach to new strategic locations and increase accessibility, but also form part of the Company's efforts to be more consumer focused. With a pick-and-pay concept, these shops offer Distributors the opportunity to see, touch and feel Amway products via contemporary yet functional merchandising displays in a welcoming setting. Operating hours are also expanded covering Monday to Saturday, 10am to 9pm, and offer greater shopping convenience, particularly for the working population. These shops provide additional opportunities for the Company to leverage off its outdoor and in-store areas to build brand presence for Amway and its power brands.

In just a few short months, the newly-opened shops have been successful in generating an increase in Distributor activity and a revival for some who were motivated by the physical presence of Amway in their neighbourhoods to reconnect with Amway products and further build their businesses. Together with the RDCs and access to 24-hour online shopping via Amway Malaysia's website, these shops have better positioned Amway to continue to maintain its competitive edge and improved accessibility to Amway products and services.

In line with its expansion strategy, the construction of the new corporate headquarters continued to make headway during the year. Key milestones in 2008 included the conclusion of piling and pile cap works in February, commencement of physical construction to the main building in April and completion of precast works in August. Currently, brickworks and plastering as well as external works including drainage, sewage lines and the treatment plant are making good progress, with partial installation of mechanical and electrical services in place. With this, the shell and core of the main building construction works are targeted for completion by the first quarter of 2009.

By the second quarter of 2009, interior design works are expected to begin, keeping progress on track for the final completion of the entire project towards the end of the same year. Once in operation, Amway Malaysia's new headquarters will house a larger warehouse and a Brand Experience Centre, as well as enhanced facilities such as a dedicated training and meeting centre to provide a higher level of service to Distributors and better manage the anticipated growth in the business.



Powering Distributors for performance growth

In 2008, new applications grew by 15.0% while the Core Distributor Force (CDF) reached a new high of 195,000. The encouraging growth in new applications can be attributed to the Amway Join and Save Promotion, which offered new Distributors RM250 worth of savings on products purchased within 60 days of joining. This benefited newly joined Distributors and encouraged them to experience a variety of Amway products.

It was also a milestone year for Amway Brunei in more ways than one, as Amway not only celebrated its 15th anniversary of operations in Brunei but also recorded outstanding business growth during the year. Achieving an increase of 85.6% in new applications, this remarkable achievement for Amway Brunei was a result of the successful implementation of several Company initiatives to build the business there and stimulate growth.

In Malaysia, the Company also saw the continued improvement of Distributor productivity during the year with an increase in the number of new qualifiers at many levels across the board. These achievements were largely spurred by the much anticipated once-in-a-lifetime Global 50th Anniversary celebrations in 2009 that will include the first ever Diamond Invitational to be held in Las Vegas which gathers Diamonds from around the globe and the Executive Diamond Forum at the Amway World headquarters in



the NUTRILITE Glucosamine HCl, a supplement for joint health, and the NUTRILITE Concentrated Fruits and Vegetables, a convenient means of consuming essential nutrients.

For ARTISTRY™, Amway's beauty and skincare brand, an improved Pure White range of products was launched during the year, making significant contribution to the coreline's overall sales performance. Using key technology in the new formulations to provide natural white beauty through a holistic, balanced approach, the range of Pure White products work synergistically in preventing, treating and protecting skin from hyper-pigmentation and discolouration.

In the Home Tech business line, a double digit growth over last year affirmed customer preference for Amway's scientifically-proven and technologically-superior products, namely the ATMOSPHERE™ Air Purifier, eSpring™ Water Treatment System and the Home Alarm System. These products continue to be aggressively retailed by Distributors given their high retail value which would significantly impact their individual businesses.

The Personal Care business line recorded an impressive performance despite the trend for consumers to opt for cheaper mass market products amidst the softening of consumer confidence in challenging times. A similar pattern was also seen in the Home Care business line that turned in a reasonable growth in 2008, supported by the Company's efforts to re-focus Distributors' retailing efforts to these products by featuring them in the Amagram. Meanwhile, Houseware recorded an outstanding achievement over the previous year, driven by the Company's Easy Payment Plans offered throughout the year for the iCook™ range of cookware.

Personal Shoppers Catalogue continued to complement the Company's business lines, registering strong performance with an impressive growth of 28% from attractive promotions, new product introductions and greater emphasis on demonstrations and sampling activities. Among the new introductions that received favourable response were the MyBodyShaper Beauty Garments for Women, a specially woven poly-directional compression garment that sculpts and contours the body, thus enhancing one's beauty and confidence.

As part of the Company's efforts to bring Amway brands and products closer to the customer, a national level Product Expo was held in June during the National Convention weekend. This two-day event showcased our products to Distributors, potential customers and the public, while on-site product demonstrations and consultations further engaged participants on product features and benefits. Regional Product Expos, similar in concept but on a smaller scale, were also organised during the year in Kuantan, Johor Bahru, Penang and Kuching. Attracting strong Distributor and customer participation, these regional expos were well-attended with a total of 10,600 participants at the four events.

The Company continued with its brand building initiatives during the year to enhance awareness levels and articulate the brand strengths of the Amway power brands. Riding on the success of the previous year's television presence, the eSpring infomercials were once again broadcast over selected Astro channels to communicate eSpring's product

benefits and boost brand recognition. Strategically-located outdoor media in the form of high visibility billboards in Kuala Lumpur and Petaling Jaya also continued into 2008, featuring NUTRILITE™ and eSpring advertisements.

The effectiveness of the multi-year branding campaign again proved a success with NUTRILITE and eSpring receiving recognition in the Reader's Digest Trusted Brand Awards for the fourth consecutive year by claiming the Gold Awards in the Vitamin / Health Supplement and Water Purifier categories respectively for Malaysia and Asia. In conjunction with the awards, print advertisements were placed in major newspapers and the magazine to further advance the reputation of the brands to the larger public. Future branding initiatives are expected to leverage on NUTRILITE's global endorsement agreement with two-time FIFA Player of the Year and AC Milan star Ronaldinho and its sponsorship agreement with AC Milan that brands NUTRILITE the "Official Nutrition Supplement of AC Milan".

Whilst 2009 is expected to be more challenging as compared to previous years, the Company will continue to tap on its recently expanded distribution channels, highly committed Distributor force and wide array of innovative products and promotions to provide opportunities for increased Distributor productivity and drive growth. With the capacity to flexibly implement key strategic initiatives to ride out the current economic uncertainty and backed by its solid reputation, Amway Malaysia is in a strong position to continue to maintain its lead status in the industry.



Corporate Responsibility

At Amway, we believe that our reputation is as important as our brands, and as we pursue our business objectives we are ever mindful of the need to prove ourselves to be a responsible corporate citizen. Thus, we recognise corporate responsibility (CR) as an integral part to our approach in managing our business, creating value for our stakeholders and enhancing the long-term sustainability of our Company.

Carving this out into the areas of Marketplace, Workplace, Community and Environment, we believe in undertaking good CR practices in every area and strive to improve on the practices that we already have in place.

Marketplace: Responsible Practices and Stakeholder Engagement

In the marketplace, we remain committed to acting responsibly in every aspect of our business, integrating ethical and sustainable practices to deliver positive outcomes to our customers, Distributors, business associates and shareholders, as well as actively communicating with our diverse stakeholders through various platforms to build rapport and solicit constructive feedback.

The development and management of a culture of integrity, ethical behaviour and honesty is something we take seriously. Towards this end, we have taken it upon ourselves to practice self-regulation of our behaviour and accept accountability for our actions and practices in the marketplace. The Company therefore, has in place Rules of Conduct to guide Amway Distributors as they build their business. Amway advocacy of ethical and responsible direct selling practices is communicated to its Distributors through training sessions, periodicals and its website. Similarly, Amway's Standards of Business Conduct which guides and shapes our day-to-day behaviour and give clear guidelines for employees as they work with vendors and business associates.





We are also conscious of the need to achieve high standards in our supply chain. To meet the expectations set by our Company and stakeholders, our suppliers comply with all regulatory requirements set by relevant authorities, practise Good Manufacturing Practices (GMP), meet international certifications such as Hazard Analysis and Critical Control Points (HACCP) and/or ISO standards. We assess compliance through regular supplier assessments and periodical audits of suppliers' facilities.

The Company also recognises the importance of being accountable to its investors and as such has in place a communication policy that enables the Board and management to communicate effectively with its investors, stakeholders and the public generally. Our Investor Relations Policy provides a structured approach on the communication of material information to its investors and potential investors. The various channels of communication are through the quarterly announcements on the Company's financial results to Bursa Malaysia Securities Berhad (Bursa Securities), relevant announcements and circulars, when necessary, bi-annual briefings to the financial community, Annual General Meetings and through our website, www.amway2u.com where shareholders have access to corporate information, press releases, financial information, share prices and social responsibility reporting. At the same time we are conscious of not divulging any information that may be regarded as undisclosed material information about the Group to any single shareholder or shareholder group.

Workplace: Building Our Human Capital

The unique partnership between the Company and the Distributor organisation resonates our belief in the capabilities of our people and the importance we place on them. Similarly, the Company's greatest asset is our employees. Employees contribute to the success of the Company and we are committed to ensuring that they have access to ongoing training, learning and development opportunities. In-house and external corporate training programmes are organised throughout the year to strengthen the competencies and capabilities of our people and ensure that they are given ample opportunities to grow within the organisation.

At Amway, we encourage open communication between various levels. Quarterly staff meetings serve as a platform where employees are updated about developments in the Company, given the opportunity to better understand the Company's direction and are able to align their expectations with the Company's goals and strategies. Question and answer sessions are viewed as a healthy means of promoting open dialogue between management and staff. Spouses of the employees were also invited to attend the Annual Dinner and Dance in an effort to promote greater understanding about the Company among them.

Long service with the Company is recognised tangibly at intervals of five years with specially crafted Amway service pins with gold or cash incentives. In 2008, the Company awarded 48 employees for their loyalty and commitment towards the organisation.

We take great pride in our nutrition and wellness products and as such our employees are also provided with NUTRILITE™ multi-vitamin and mineral supplements. In addition, Amway also ensures that our employees' well-being and health is well cared for by providing Company-wide employee benefits that include medical care and hospitalisation, personal accident insurance, maternity and paternity leave. Amway recognises that employees need to keep fit and are encouraged to take up sports interests such as badminton, bowling or yoga, activities of which the Company subsidises the sessions or rents facilities for their benefit.

Environment: Supporting Sustainability

On the environmental front, Amway's product range reflects our continued concern for the environment as they are developed to not only bring innovation, quality and exceptional value to our consumers in a way that enhances their well-being but also to minimise impact on the environment and safeguard our natural resources.





This stems from Amway's realisation and understanding of its responsibility and role in fostering and promoting sound environmental practices given its global position as a trusted manufacturer of consumer goods with a large direct sales network operating in over 80 countries and territories worldwide. In recognition of its environmental stewardship, Amway at the parent company level, has received worldwide recognition with awards such as the United Nations Environment Programme Achievement Award in 1989 and a Certificate of Commendation from United Earth in 1993 in recognition of Amway's significant contributions to the cause of the environment.

Among the environmental causes that Amway continues to champion till today through products available in Malaysia are the use of biodegradable surfactants in Amway's Home Care products, the elimination of Chlorofluorocarbons (CFCs) in our aerosol products, and a policy of non-animal testing in the ARTISTRY™ range of skin care products and cosmetics. In addition, NUTRILITE™ products are manufactured using

our own organic farm-grown produce while each NUTRILITE farm adheres to strict guidelines that emphasise responsible management of natural resources and respect for nature's processes, including natural pest control, natural fertilisers, soil health and the maintenance of natural plant and animal habitats to sustain the diversity of native plants and animal species.

During the year, Amway Malaysia also initiated efforts to promote recycling among Amway Distributors. Recycle bins were placed at the headquarters to facilitate the collection of recyclable paper, glass and plastic waste. The Company also featured articles in the monthly Amagram to promote greater awareness on environmental issues like global warming and waste disposal, as well as provide handy tips for Distributors in an effort to encourage energy conservation and preservation of our environment for future generations.

Community: Helping Others Live Better Lives

For the community, efforts centre around our successful One By One Campaign, Amway's global community programme to provide children in need with the opportunity to live more fulfilling lives, one child at a time.

One By One also actively seeks the involvement of Amway Distributors and employees as volunteers in the worldwide campaign and five years on from its establishment, the results are impressive. As at the end of 2008, One By One had impacted 6 million children around the world, and clocked an impressive 1 million volunteer hours globally, and close to 1,800 volunteer hours in Malaysia.

Since 2003, the Company has been an advocate for children's mental wellbeing. Through the series of Happy Healthy Minds Camps, more than 1,300 children have learnt the meaning of basic social skills such as positive thinking, teamwork and effective communication and have had the opportunity to put these skills into practice through interactive group activities. Complementing this effort were large scale seminars aimed at teaching and equipping close to 2,000 parents, caregivers and teachers with useful skills to cultivate closer relationships with the children under their care and ways in which to harness a child's full potential.

Following on from the success of these camps, in 2006 the Company embarked on a more ambitious initiative with the Happy Healthy Wards project – a holistic programme to soften the



impact of a clinical environment on recovering children at hospitals. This is done through improvements to the physical surroundings at paediatric facilities and various support activities aimed at creating a more conducive environment for the healing and recovery of children.

In 2008, the Company achieved its three-year target of refurbishing paediatric facilities at six government hospitals with the addition of Hospital Sultanah Aminah, Johor Bahru and Hospital Seberang Jaya, Pulau Pinang as our fifth and sixth Happy Healthy Wards. Over 12,000 children receiving treatment yearly at the Hospital Sultanah Aminah's Paediatric Specialist Clinic are now welcomed by cheerful under-sea themed murals at the clinic's waiting area, treatment and doctor's consultation rooms. In Hospital Seberang Jaya, the refurbishment was carried out at the main ward, treatment and isolation rooms of Paediatric Ward 2 to benefit over 3,500 new patients who come through the ward annually.



Additionally, this project has provided yet another platform for Amway Distributors to volunteer their personal time to children in need through their participation in cheer activities for the day care and in-patients of these hospitals. At these events, Distributors partner with the children in completing arts and craft activities and participating in the interactive clown performances.

As a result of the overwhelming response we have received on this project from the hospital administration, doctors, nurses, patients and parents, the Company has further committed to extending the Happy Healthy Wards project for an additional two years with a target of refurbishing six more government paediatric facilities up until 2010. Plans are also in the pipeline to add on support activities and materials that are designed to deliver positive messages which will instil confidence, improve self-esteem and alleviate boredom among child patients receiving treatment at these hospitals.

During the year, the Company also extended a helping hand to victims of the Sichuan earthquake and the Myanmar cyclone, two major disasters in the year that brought death and suffering to millions of our fellow mankind. As part of a collective effort by Amway affiliates in the region, Amway Malaysia donated USD25,000 to relief funds in China, while our Distributors and employees at home donated RM35,772 to MERCY Malaysia in contribution towards relief efforts for victims in these disaster areas.

Closer to home, the Company also continued to provide financial assistance and support to underprivileged children via its long standing commitment to Rumah Tunas Harapan. Since its direct involvement in the pioneering of the homes' unique concept in 1986 and subsequently funding its construction Amway Malaysia makes an annual contribution in cash and kind to the home. Amway Distributors also take a keen interest in the well-being of the children at the home, organising regular activities for them and donating generously to Rumah Tunas Harapan.

Ultimately, Amway is a business built on the driving principle of "Helping People Live Better Lives" and this shapes how we positively impact our stakeholders. From past to present and moving forward, our commitment to helping people live better lives is weaved into everything that we do. Be it our Distributors, customers, business associates, shareholders or the local community, at Amway we aim to have their best interests at heart every step of the way.



The act of providing
for another's
needs is in itself
sufficient reward





Statement on Corporate Governance

Amway (Malaysia) Holdings Berhad ("AMHB") fully subscribes to the recommendations of the revised 2007 Malaysian Code on Corporate Governance (the "Code"). The Board of Directors ("Board") of AMHB is committed to ensure that good governance is practised to maximise shareholder value.

In view of this, AMHB has, during the year under review, applied the principles and best practices as enumerated under the Code, details of which are described in this statement.

Board Of Directors

The Board

The Board recognises the key role they play in charting the strategic direction, development and control of the Group and have adopted the six specific responsibilities as prescribed in the Code.

Board balance

The Board currently has eight members, comprising six Non-Executive Directors, including the Chairman, and two Executive Directors. Of the six Non-Executive Directors, three are independent, satisfying the requirement of the Code and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for Independent Non-Executive Directors to make up at least one third of the Board membership.

There is clear division of responsibility between the Chairman and the Managing Director to ensure a balance of power and authority. The Managing Director implements the policies and decisions of the Board and oversees operations and business development. He also has the responsibility of reporting, clarifying and communicating matters to the Board.

The Independent Directors bring to bear objective and independent judgement on various issues dealt with by the Board and Board Committees, with Dato' Ab. Halim Bin Mohyiddin as the Chairman and Senior Independent Non-Executive Director to whom concerns may be conveyed. They play a strong and vital role in entrenching good governance practices in the affairs of the Group and through their participation in the Audit, Remuneration and Nominating Committees.

Independent Directors, together with the other Non-Executive Directors, also contribute significantly in the areas of policy, performance monitoring and allocation of resources and enhancement of controls and governance. The Board is satisfied that the current Board composition fairly reflects the interests of minority shareholders in the Company.

Board meetings

The Board meets at least quarterly to review and approve the quarterly results of the Group for announcement. Due notice is given of scheduled meetings and matters to be dealt with. Additional meetings are convened when urgent and important decisions need to be taken between scheduled meetings.

For the financial year ended 31 December 2008, the Board met four (4) times with details and attendance as follows:

Directors	No. of Meetings attended
Dato' Ab. Halim Bin Mohyiddin (Chairman)	4/4
Low Han Kee (Managing Director)	4/4
Scott Russell Balfour	4/4
Abdul Wahab Bin Nasir @ Mohd Nasir	4/4
Yee Kee Bing	4/4
Eva Cheng Li Kam Fun	4/4
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof	3/4
Dato' Cecil Wilbert Mohanaraj Abraham	4/4



Statement on Corporate Governance

Supply of information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for informed decision making and effective discharge of Board's responsibilities.

Procedures have been established for timely dissemination of such information and reports for the Board or Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. Directors may obtain independent professional advice in accordance with established procedure which has been communicated to them in furtherance of their duties.

The Board has access to the advice and services of both Company Secretaries, who are considered capable of carrying out the duties to which the post entails. The removal of Company Secretaries, if any, is a matter for the Board, as a whole, to decide.

Board Committees

The Board has in place a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Group are firmly in its hand. To promote business and corporate efficacy and efficiency, specific responsibilities or authorities are also delegated to Board Committees and Management, where appropriate. Key matters reserved for the Board include approving strategic plans, annual operating and capital budgets, quarterly and annual financial statements and monitoring of financial and operating performance.

Board Committees, namely Audit Committee, Remuneration Committee and Nominating Committee, examine specific issues and report to the Board with their recommendations. The ultimate responsibility for decision-making lies with the Board.

Nominating Committee

The Nominating Committee comprises wholly Non-Executive Directors, with the majority consisting of Independent Non-Executive Directors as follows:

1. Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director; appointed Chairperson of the Committee on 12 January 2006)
2. Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director; appointed on 19 October 2005)
3. Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director; appointed on 9 February 2006)

Appointments to the Board

A selection process for new appointees to the Board as recommended by the Nominating Committee has been adopted by the Board.

The Committee is responsible for making recommendation to the Board on the optimum size of the Board, formalising a transparent procedure for proposing new nominees to the Board and Board Committees and ensuring that the investment of the minority shareholders are fairly reflected on the Board. The Committee will review annually the required mix of skills, experience and other qualities of the Board including core-competencies which Non-Executive Directors should bring to the Board. The Committee also assesses annually the effectiveness of the Board as a whole, the Committees of the Board and contribution of each individual Director and the effectiveness and performance of the Executive Directors.

During the financial year ended 31 December 2008, one (1) Nominating Committee meeting was held and was attended by all its members. During the year, the Nominating Committee had reviewed and assessed the mix of skills and experience and size of the Board, contribution of each director and effectiveness of the Board and Board Committees and also reviewed the retirement of directors by rotation eligible for re-election.

Statement on Corporate Governance

Re-election of Directors

In accordance with the Company's Articles of Association, any new Director appointed by the Board shall hold office only until the next following Annual General Meeting of the Company and shall be eligible for re-election.

The Company's Articles of Association provide that one-third of the Directors shall retire from office by rotation at each Annual General Meeting and all Directors shall retire from office at least once every three years but shall be eligible for re-election.

The following Directors shall retire at the Fourteenth Annual General Meeting of the Company and shall be eligible for re-election:

- Dato' Ab. Halim Bin Mohyiddin
- Scott Russell Balfour
- Eva Cheng Li Kam Fun

Directors' Training

All Directors have successfully completed the Mandatory Accreditation Programme. The Board continues to identify and attend appropriate seminars, conferences and courses to keep abreast of changes in legislation and regulations affecting the Group.

The Directors are committed to continue undergo other relevant training programmes as appropriate to keep abreast with the developments of the business environment and further enhance their skills and knowledge. The training programmes, seminars and conferences attended by the Directors during the financial year were in areas relating to business and consumer marketing, regulatory and corporate governance and finance related topics such as risk management.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's references and briefed the Board on these updates quarterly.

Directors' Remuneration

Level and make up of remuneration

The Group has adopted the best practice as recommended by the Code to determine the remuneration of the Board so as to ensure that the Group attracts and retains its Directors needed to run the Group successfully. The component parts of their remuneration are structured so as to link rewards to corporate and individual performance in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the individual Non-Executive Director concerned.

Procedures

The Remuneration Committee comprises wholly Non-Executive Directors as follows:

1. Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director; appointed as Chairperson of the Committee on 19 October 2005)
2. Dato' Ab. Halim Bin Mohyiddin (Senior Independent Non-Executive Director; appointed on 19 October 2005)
3. Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director; appointed on 9 February 2006)

Statement on Corporate Governance

The Remuneration Committee is responsible for recommending to the Board, the remuneration of Executive Directors and Non-Executive Directors of the Group in all its forms. The Executive Directors concerned play no part in the decision of their own remuneration but may attend the committee meetings at the invitation of the Chairperson of the Committee if their presence is required. The determination of remuneration of the Independent Non-Executive Directors is a matter for the Board, as a whole, with individual Director abstaining from discussion of their own remuneration. The Company's Articles of Association provide that any increase in Directors' fees should be approved at a general meeting.

During the financial year ended 31 December 2008, one (1) Remuneration Committee meeting was held and was attended by all its members. During the year, the Remuneration Committee reviewed and recommended to the Board, the remuneration for the Managing Director and Executive Director of the Group and further recommended the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's Annual General Meeting.

Disclosure

The details of remuneration of Directors of the Company for the financial year ended 31 December 2008 are as follows:

	Group		Company	
	Executive RM'000	Non-Executive RM'000	Executive RM'000	Non-Executive RM'000
Director fees	-	230	-	211
Salaries	946	-	-	-
Bonuses	434	-	-	-
EPF (Employer)	230	-	-	-
Allowances	53	15	-	15
Benefits-in-kind	53	-	-	-
Total	1,716	245	-	226

Bonuses are performance based and related to individual and Company achievement of specific goals. The Non-Executive Directors do not receive any performance related remuneration.

The number of directors in each remuneration band is as follows:

	Group		Company	
	Executive	Non-Executive	Executive	Non-Executive
RM0 - RM50,000	-	6	-	5
RM50,001 – RM100,000	-	1	-	1
RM600,001 – RM650,000	1	-	-	-
RM1,050,001 – RM1,100,000	1	-	-	-
Total	2	7	-	6



Statement on Corporate Governance

Shareholders, Investors and Financial Community

Communication with Shareholders, Investors and Financial Community

The Company recognises the importance of being transparent and accountable to its shareholders and investors and as such has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with its investors, stakeholders and the public generally. The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, bi-annual briefings to the financial community, Annual General Meetings and through the Group's website at www.amway2u.com where shareholders have easy and convenient access to the corporate information, annual reports, press releases, financial information, company announcements, share prices and social responsibility reporting.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal forum for dialogue with public shareholders. There is an open question and answer session in which shareholders may ask about the resolutions being proposed at the meeting, the financial performance and business operations in general. Notice of the AGM is circulated at least 21 days prior to the meeting.

Each item of special business included in the notice of meeting will be accompanied with an explanatory statement on the effect of the proposed resolution.

Investor Relations Policy

The Group has an Investor Relations Policy to enable the Group to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a clear picture of the Group's performance and operations.

The Board has also adopted a written policies and procedures in corporate disclosure setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders. Any shareholder or investor of the Company can forward their queries to the e-mail address myhelpdesk@amway.com.

Accountability and Audit

Audit Committee

The Audit Committee comprises wholly Non-Executive Directors, majority Independent, with Dato' Ab. Halim Bin Mohyiddin as Chairman. The composition of the Audit Committee is set out on page 36 of the annual report. The Audit Committee met four times during the financial year ended 31 December 2008.

Financial Reporting

In presenting the annual audited financial statements to shareholders, the Board aims to present a clear, balanced and understandable assessment of the Group's position and prospects. The Statement by Directors pursuant to section 169 of the Companies Act, 1965 is set out on page 47 of the annual report.



Statement on Corporate Governance

Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets by identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, and reviewing the adequacy and integrity of the system of internal control. A Statement on Internal Control is set out on page 41 of the annual report.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is stated on pages 36 to 40 of the annual report.

Compliance with the Code

The Group has complied with the best practices of the Code throughout the financial year ended 31 December 2008.

Statement of Directors' Responsibility for Preparing the Financial Statements

The Directors are required by the Companies Act, 1965 to prepare financial statements which are in accordance with applicable approved accounting standards and 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 suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed; and
- prepared the financial statements on the going concern basis.

The Directors have prepared the annual financial statements in compliance with the Companies Act, 1965 and applicable approved accounting standards.

Audit Committee Report

Membership

The composition of the Company's Audit Committee, appointed by the Board from amongst its members, comprises the following members, the majority of whom are Independent Non-Executive Directors.

Composition

Chairman of the Audit Committee

Dato' Ab. Halim Bin Mohyiddin
- appointed on 25 November 2002

Senior Independent Non-Executive Director

Members of the Audit Committee

Scott Russell Balfour
- appointed on 19 October 2005

Non-Independent Non-Executive Director

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof
- appointed on 9 February 2006

Independent Non-Executive Director

Dato' Cecil Wilbert Mohanaraj Abraham
- appointed on 14 February 2006

Independent Non-Executive Director

Eva Cheng Li Kam Fun
- alternate to Scott Russell Balfour
- appointed on 19 October 2005

Non-Independent Non-Executive Director

Terms of Reference for Audit Committee

1. Objectives

The primary function of the Audit Committee (the "Committee") is to assist the Board of Directors in fulfilling its fiduciary duties as well as the following oversight objectives on the activities of the Group [comprising AMHB and its subsidiaries]:

- oversee financial reporting; and
- evaluate the internal and external audit processes, including issues pertaining to the system of internal control and risk management within the Group.

2. Composition

The Board shall elect the Committee members from amongst themselves, comprising no fewer than three (3) Directors (none of whom shall be Executive) and the majority shall be Independent Non-Executive Directors. In this respect, the Board adopts the definition of "independent directors" under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). All the members shall be financially literate and at least one (1) member of the Committee shall be:

- a member of Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least three (3) years of working experience and:
 - he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - he must be a member of the associations of accountants specified in Part II of the Accountants Act, 1967; or
 - fulfils such other requirements as prescribed or approved by Bursa Securities.

Audit Committee Report

If a member of the Committee resigns, dies or for any reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall within three (3) months of the event appoint such new members as may be required to fill the vacancy.

The Chairman of the Committee shall be an Independent Non-Executive Director. No alternate Director of the Board shall be appointed a member of the Committee.

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board at least once in every three (3) years to determine whether the Committee and its members have carried out their duties in accordance with the terms of reference.

3. Quorum and Meeting Procedures

Meetings shall be conducted at least four (4) times annually, and more frequently as circumstances dictate. The Chairman may call for a meeting of the Committee if a request is made by any Committee member, the Managing Director, or the internal or external auditors.

In order to form a quorum for the meeting, the majority of the members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

The Company Secretary shall be appointed Secretary of the Committee (the "Secretary"). The Secretary, in conjunction with the Chairman shall draw up an agenda, which shall be circulated together with the relevant support papers, at least one (1) week prior to each meeting to the members of the Committee. The minutes of all Committee meetings shall be circulated to members of the Board.

The Committee may, as and when deemed necessary, invite other Board members and Senior Management members to attend the meetings.

The Chairman shall submit an annual report to the Board, summarising the Committee's activities during the year and the related significant results and findings thereof, including details of relevant training attended by each Committee member.

The Committee shall meet at least twice annually with the external and internal auditors without the presence of any executive Board members, Management or employees. In addition, Management, the external and internal auditors may request for a private session with the Committee to discuss any matter of concern.

The Committee shall regulate the manner of proceedings of its meetings, having regard to normal conventions on such matter.

4. Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is also authorised to seek any information it requires from any employee and employees are directed to co-operate with any request made by the Committee. The Committee can obtain, at the expense of the Company, outside legal or other independent professional advice it considers necessary in the discharge of its responsibilities.

The Committee shall have full and unlimited access to any information pertaining to the Group. The Committee shall have direct communication channels with the internal and external auditors and with Senior Management of the Group and shall be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary. The Committee shall have the resources that are required to perform its duties.

Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Committee shall promptly report such matter to Bursa Securities.

Audit Committee Report

5. Responsibilities and duties

In fulfilling its primary objectives, the Committee shall undertake the following responsibilities and duties:

- review the Committee's terms of reference as conditions dictate;
- review with the external auditors, the audit scope and plan, including any changes to the scope of the audit plan;
- ensure the internal audit function is independent of the activities it audits and the head of internal audit reports functionally to the Audit Committee directly, which reviews its performance on an annual basis. The head of internal audit shall be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control, and governance processes within the Company;
- take cognisance of resignations of any internal audit member and provide the resigning internal audit member an opportunity to submit his reasons for resigning;
- review the adequacy of the internal audit scope and plan, including the internal audit programme; functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the external and internal audit reports to ensure that appropriate and prompt remedial action is taken by Management on major deficiencies in controls or procedures that are identified;
- review major audit findings and Management's response during the year with Management, external and internal auditors, including the status of previous audit recommendations;
- review the assistance given by the Group's officers to the auditors, and any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
- review the independence and objectivity of the external auditors and their services, including non-audit services and the professional fees, so as to ensure a proper balance between objectivity and value for money;
- review the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- review the risk profile of the Group (including risk registers) and the Risk Management team's plans to mitigate business risks as identified from time to time;
- review the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information system, and the internal auditors' and/or external auditors' evaluation of the said systems;
- direct and, where appropriate, supervise any special projects or investigation considered necessary, and review investigation reports on any major defalcations, frauds and thefts;
- review the quarterly results and the year-end financial statements, prior to approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant or unusual events; and
 - compliance with accounting standards and other legal requirements;
- review procedures in place to ensure that the Group is in compliance with the Companies Act 1965, Listing Requirements of Bursa Securities and other legislative and reporting requirements;
- review any related party transaction and conflict of interest situation that may arise within the Company or the Group, including any transaction, procedure or course of conduct that raises question on Management's integrity;
- prepare reports, at least once (1) a year, to the Board summarising the activities/work performed in fulfilling the Committee's primary responsibilities, including details of relevant training attended by each Committee member; and

Audit Committee Report

- any other activities, as authorised by the Board.

The Chairman of the Committee shall engage on a continuous basis with Senior Management, such as the Managing Director, Financial Controller, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

During the financial year ended 31 December 2008, the Committee held four (4) meetings as follows:

25 February 2008

21 May 2008

30 July 2008

10 November 2008

Audit Committee	No. of Meetings attended
Dato' Ab. Halim Bin Mohyiddin (Chairman)	4/4
Scott Russell Balfour	4/4
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof	3/4
Dato' Cecil Wilbert Mohanaraj Abraham	4/4

The Executive Directors, Senior Management, External and Internal Auditors were in attendance at the meetings, as appropriate. The Committee had also met with the External Auditors separately on two occasions without the presence of the Executive Directors and Senior Management.

Summary of Activities

The below is a summary of principal activities carried out by the Committee during the year:

- reviewed the revised Term of Reference for Audit Committee pursuant to the amendments to the Listing Requirements of Bursa Securities and the revised 2007 Malaysian Code on Corporate Governance;
- reviewed and deliberated the capital expenditure and awards for the new headquarters;
- reviewed the external auditors' scope of work, audit plan and report for the year;
- reviewed with the external auditors the result of the audit, their audit report and management letter including management's responses;
- reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services. Non-audit fees totalling RM10,500 were paid to the external auditors during the financial year for the provision of professional advisory services for the review of the Statement on Internal Control pursuant to the Listing Requirements of Bursa Securities;
- reviewed the internal audit reports prepared by the independent professional firm and the Internal Audit team from Alticor Inc (the parent Company of the Group), which highlighted the audit issues, recommendations and management's response. Discussed with management actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports;
- reviewed the effectiveness of the risk management system and the risk assessment reports from the Risk Management team. Significant risk issues were summarized and communicated to the Board for consideration and resolution;
- reviewed the annual report and the audited financial statements of the Company prior to submission to the Board for their consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards;

Audit Committee Report

Summary of Activities (contd.)

- reviewed the quarterly unaudited financial results announcements before recommending them for the Board's approval; and
- reviewed the related party transactions entered into by the Group.

Audit Committee Training and Education

The Audit Committee members have attended the relevant training programmes and seminars relating to areas of business, corporate governance and finance during the year to enhance their knowledge to enable them to discharge their duties more effectively.

Internal Audit Function

The internal audit function of the Group is outsourced to an independent professional services firm to carry out internal audit services for the Group. Internal audit reports are presented, together with Management's response and proposed action plans to the Audit Committee quarterly.

To further complement the above in maintaining a sound system of internal control, the Internal Audit team from Alticor Inc. (the parent Company of the Group) carries out rotational audits guided by the global Internal Audit Programme and enterprise risks assessment of the Group. This team is staffed by highly competent personnel with wide knowledge of the industry to assess business and operational risks of the Group and to benchmark global affiliates efficiencies and controls to best practices. During the year, the internal audit report from this team was shared with the Audit Committee.

The Internal Auditors undertake internal audit functions based on the operational, compliance and risk-based audit plan that is reviewed by the Audit Committee and approved by the Board. The risk-based audit plan covers the review of key operational and financial activities including the efficacy of risk management practices, efficiency and effectiveness of operational controls and compliance with relevant laws and regulations.

During the year, the internal audit function carried out internal audit projects to assess the adequacy and integrity of the system of internal control as established by the Management. The scope of work, as approved by the Audit Committee, was essentially based on the risk profiles of significant companies in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management.

The cost incurred in outsourcing of the internal audit function to an independent professional firm during the financial year amounted to approximately RM94,000 which included expenses.

Risk Management and Business Continuity Plan

The Risk Management team met four (4) times during the financial year to review the business risk register. At the meeting, the Risk Management team and Management jointly updated the risk register and risk mitigation action plans.

During the year, selected business continuity plans were tested to enhance the Group's crisis readiness. The divisional/departmental heads presented their respective business continuity plans on their crisis preparedness during the business continuity plans testing session.

The Audit Committee was briefed by the Management on the Group's risk register in May 2008 and November 2008.



Statement on Internal Control

Board Responsibilities

The Board of Directors acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its adequacy and integrity.

The Board has an established on-going process for identifying, evaluating and managing the significant risks encountered by the Group. The Board through its Audit Committee regularly reviews the results of this process.

The system of internal control covers not only financial controls but operational and compliance controls and risk management procedures. In view of the limitations inherent in any system of internal controls, the system is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. The systems can therefore only provide reasonable, and not absolute assurance, against material misstatement or loss.

The Audit Committee assists the Board to review the adequacy and integrity of the system of internal controls in the Group and to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board.

Risk Management

The Group has formalised an Enterprise Risk Management framework. This framework includes a risk management process which is on-going and has resulted in the compilation of a Corporate Risk Register with specific risk profiles and action plans for mitigating the identified risks. The risk responses and internal controls that Management has taken and/or is taking are documented in the minutes of the Risk Management Committee ("RMC") meetings. For each of the risks identified, the divisional head or manager is assigned to ensure appropriate risk response actions are carried out.

During the year, the RMC met to review the Risk Register in accordance with the terms of reference of Enterprise Risk Management framework. Existing risks were reassessed with the appropriate actions to mitigate the risks discussed at these meetings.

The results of this process are regularly reviewed by the Board through the Audit Committee which is periodically informed of the progress of plans for mitigation of all business risks identified.

Statement on Internal Control

Other Key Elements of Internal Control

The other key elements of the Group's internal control systems are described below:

- Clearly defined delegation of responsibilities to the Board and Management, including charters/terms of reference, organisational structures and appropriate authority limits;
- Clearly defined documented internal policies and procedures which are in place and updated to reflect changing risks or resolve operational deficiencies;
- Comprehensive information provided to Management for monitoring of performance against strategic plan, covering all key financial and operational indicators;
- Established strategic planning and budgeting process requiring all functional divisions to prepare annual operating and capital budgets which are discussed and approved by the Board;
- A reporting system to generate monthly performance and variance reports for review by Management and action taken, where necessary;
- Established capital expenditure approval process with set authority limits and Board's approval;
- Established management information systems with documented processes, including change request to computer programmes and access to data files;
- Established Business Continuity Plan to ensure that the essential business functions are able to continue in the event of unforeseen circumstances;
- Independent internal audit function that provides assurance to the Audit Committee through the execution of internal audit visits based on an approved risk-based internal audit plan. Findings arising from these visits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

The system of internal control is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Group continues to take measures to strengthen the internal control environment.

Pursuant to paragraph 15.24 of the Listing Requirements, the external auditors have reviewed this statement for inclusion in the annual report of the Group for the year ended 31 December 2008 and 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 process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.



Compliance with Listing Requirements of Bursa Malaysia Securities Berhad

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided:

Share Buy-Back

There was no share buy-back effected during the financial year ended 31 December 2008.

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2008.

American Depositary Receipt ("ADR") or Global Depositary Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme.

Imposition of Sanctions and / or Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, directors or management, by the relevant regulatory bodies.

Non-audit Fees

The amount of non-audit fees incurred for services rendered to the Company or its subsidiaries for the financial year amounted to not more than RM46,200 by the Company's Auditors or a firm or a company affiliated to the Auditor's firm.

Profit Guarantee

There were no profit guarantees during the financial year ended 31 December 2008 by the Company.

Material Contracts

There were no material contracts by the Company or its subsidiaries involving the Directors' and major shareholders' interests, either still subsisting at the end of the financial year ended 31 December 2008 or entered into since the end of the previous financial year.

Contracts Relating to Loans

There were no contracts relating to loans by the Company involving Directors' and major shareholders' interests.

Revaluation policy

The Company does not have a revaluation policy on its landed properties.

Recurrent Related Party Transactions of a Revenue or Trading Nature

At an Annual General Meeting ("AGM") held on 21 May 2008, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

The disclosure of the recurrent related party transactions conducted during the financial year ended 31 December 2008 is set out on page 84 of the annual report.

Corporate Social Responsibility

The disclosure on the Corporate Social Responsibility ("CSR") activities or practices undertaken during the financial year ended 31 December 2008 is stated on pages 24 to 27 of the annual report.

Directors' Report

The directors present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

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.

Results

	Group RM'000	Company RM'000
Profit for the year	95,095	85,411

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 amount of dividends paid by the Company since 31 December 2007 were as follows:

In respect of the financial year ended 31 December 2007 as reported in the directors' report of that year.

	RM'000
i) Fourth interim dividend of 9.0 sen per share less 26% taxation, on 164,385,645 ordinary shares, declared on 25 February 2008 and paid on 28 March 2008.	10,948
In respect of the financial year ended 31 December 2008 were as follows:	
i) First interim dividend of 9.0 sen per share less 26% taxation, on 164,385,645 ordinary shares, declared on 21 May 2008 and paid on 19 June 2008;	10,948
ii) Second interim dividend of 9.0 sen per share less 26% taxation, on 164,385,645 ordinary shares, declared on 30 July 2008 and paid on 29 August 2008;	10,948
iii) Third interim dividend of 9.0 sen per share less 26% taxation, on 164,385,645 ordinary shares, declared on 10 November 2008 and paid on 16 December 2008; and	10,948
iv) Special interim dividend of 20.0 sen per share less 26% taxation, on 164,385,645 ordinary shares, declared on 10 November 2008 and paid on 16 December 2008;	24,329
	57,173
Total dividends paid	68,121

Directors' Report

Subsequent to balance sheet date the directors declared a fourth interim dividend on a single tier basis in respect of the financial year ended 31 December 2008, of 7.0 sen net per share by election on 164,385,645 ordinary shares, amounting to RM11,507,000.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Ab. Halim Bin Mohyiddin
Low Han Kee (Managing Director)
Scott Russell Balfour
Abdul Wahab Bin Nasir @ Mohd Nasir
Yee Kee Bing
Eva Cheng Li Kam Fun
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof
Dato' Cecil Wilbert Mohanaraj Abraham

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 in Note 8 to the financial statements) 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.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM1 each			
	At 1.1.2008	Acquired	Sold	At 31.12.2008
The Company				
Direct interest				
Dato' Ab. Halim Bin Mohyiddin	1,000	-	-	1,000
Low Han Kee	20,000	-	-	20,000

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Directors' Report

Other statutory information

- a) Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:
- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision 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) it necessary to write off any bad debts or the amount of the provision for doubtful debts 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.
- 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:
- i) 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

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 February 2009.

Dato' Ab. Halim Bin Mohyiddin

Low Han Kee

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Ab. Halim Bin Mohyiddin and Low Han Kee, 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 49 to 81 are drawn up in accordance with the provisions of Companies Act, 1965 and applicable Financial Reporting Standards 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 2008 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 February 2009.

Dato' Ab. Halim Bin Mohyiddin

Low Han Kee

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, Lim Ai Lin, 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 49 to 81 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 Lim Ai Lin at
Kuala Lumpur in the Federal Territory
on 23 February 2009

Lim Ai Lin

Before me,

R.Vasugi Ammal
Commissioner for Oaths
Kuala Lumpur

Independent Auditors' Report to the members of Amway (Malaysia) Holdings Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Amway (Malaysia) Holdings Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 81.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 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 2008 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditor's report of a subsidiary of which we have not acted as auditors, which is indicated in Note 15 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- d) The auditors' reports on the accounts of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young

AF: 0039

Chartered Accountants, Kuala Lumpur, Malaysia

23 February 2009

George Koshy

No. 1846/07/09(J)

Chartered Accountant

Income Statements for the year ended 31 December 2008

	Note	Group		Company	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	3	645,458	584,251	112,887	84,488
Cost of sales	4	(446,462)	(401,839)	-	-
Gross profit		198,996	182,412	112,887	84,488
Other income	5	10,641	13,771	2,890	2,929
Distribution expenses		(23,319)	(18,852)	-	-
Selling and administrative expenses		(57,069)	(57,019)	(558)	(602)
Profit before tax	6	129,249	120,312	115,219	86,815
Income tax expense	9	(34,154)	(32,400)	(29,808)	(23,523)
Profit for the year		95,095	87,912	85,411	63,292
Earnings per share attributable to equity holders of the Company (sen)					
- Basic, for profit for the year	10	57.8	53.5		

The accompanying notes form an integral part of the financial statements.

Balance Sheets as at 31 December 2008

		Group		Company	
	Note	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	30,929	6,677	-	-
Intangible asset	13	4,782	4,782	-	-
Prepaid land lease payments	14	16,557	16,827	-	-
Investment in subsidiaries	15	-	-	86,202	86,202
Deferred tax assets	16	3,623	11,757	-	-
		55,891	40,043	86,202	86,202
Current assets					
Inventories	17	54,795	46,997	-	-
Tax recoverable		5,414	-	5,414	-
Trade and other receivables	18	9,961	19,146	16,711	448
Cash and cash equivalents	19	222,241	201,623	83,459	82,484
		292,411	267,766	105,584	82,932
Total assets		348,302	307,809	191,786	169,134
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	20	164,386	164,386	164,386	164,386
Share premium		685	685	685	685
Other reserves		1,621	1,497	1,365	1,365
Retained earnings	21	68,033	59,346	1,277	2,274
Total equity		234,725	225,914	167,713	168,710
Current liabilities					
Trade and other payables	22	107,119	72,819	18,526	316
Deferred tax liabilities	16	-	-	5,414	-
Income tax payable		6,458	9,076	133	108
Total liabilities		113,577	81,895	24,073	424
Total equity and liabilities		348,302	307,809	191,786	169,134

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity for the year ended 31 December 2008

Note	Share capital	← Non - Distributable →		Translation reserve	Distributable Retained earnings	Total equity
		Share premium	Capital redemption reserve			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
At 1 January 2007	164,386	685	1,365	161	37,435	204,032
Foreign exchange translation differences	-	-	-	(29)	-	(29)
Profit for the year	-	-	-	-	87,912	87,912
Dividends 11	-	-	-	-	(66,001)	(66,001)
At 31 December 2007	164,386	685	1,365	132	59,346	225,914
Foreign exchange translation differences	-	-	-	124	-	124
Profit for the year	-	-	-	-	95,095	95,095
Dividends 11	-	-	-	-	(86,408)	(86,408)
At 31 December 2008	164,386	685	1,365	256	68,033	234,725

		← Non - Distributable →		Distributable		
	Note	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000
Company						
At 1 January 2007		164,386	685	1,365	4,983	171,419
Profit for the year		-	-	-	63,292	63,292
Dividends	11	-	-	-	(66,001)	(66,001)
At 31 December 2007		164,386	685	1,365	2,274	168,710
Profit for the year		-	-	-	85,411	85,411
Dividends	11	-	-	-	(86,408)	(86,408)
At 31 December 2008		164,386	685	1,365	1,277	167,713

The accompanying notes form an integral part of the financial statements.

Cash Flow Statements for the year ended 31 December 2008

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from operating activities				
Profit before tax	129,249	120,312	115,219	86,815
Adjustments for:				
Amortisation of prepaid land lease payments	270	301	-	-
Depreciation of property, plant and equipment	1,498	2,292	-	-
Gain on disposal of prepaid land lease payments, property, plant and equipment	(38)	(7,282)	-	-
Interest income	(8,333)	(7,355)	(2,871)	(2,953)
Dividend income	-	-	(112,887)	(84,488)
Net writeback of provision for doubtful debts	(77)	(88)	-	-
Inventories written down	420	672	-	-
Inventories written off	-	303	-	-
Unrealised foreign exchange (gain)/loss	(2,036)	(256)	(19)	24
Operating profit/(loss) before working capital changes	120,953	108,899	(558)	(602)
Decrease/(increase) in receivables	9,210	(12,558)	(16,263)	(296)
Increase in inventories	(8,218)	(2,421)	-	-
Increase/(decrease) in payables	8,019	10,764	(66)	(52)
Cash generated from/(used in) operations	129,964	104,684	(16,887)	(950)
Tax paid	(34,052)	(27,995)	(649)	(712)
Net cash generated from/(used in) operating activities	95,912	76,689	(17,536)	(1,662)

Cash Flow Statements for the year ended 31 December 2008

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Cash flows from investing activities				
Acquisition of property, plant and equipment	(25,756)	(1,375)	-	-
Proceeds from disposal of prepaid land lease payments, property, plant and equipment	44	13,540	-	-
Dividend received	-	-	83,753	61,676
Interest received	8,333	7,355	2,871	2,953
Net cash (used in)/generated from investing activities	(17,379)	19,520	86,624	64,629
Cash flows from financing activities				
Dividends paid	(68,121)	(66,001)	(68,121)	(66,001)
Payments made on behalf by related companies	8,531	4,481	-	-
Payments made on behalf by/(repayment to) penultimate holding company	52	(144)	-	-
(Repayment to)/payments made on behalf by subsidiary	-	-	(11)	43
Net cash used in financing activities	(59,538)	(61,664)	(68,132)	(65,958)
Net increase/(decrease) in cash and cash equivalents	18,995	34,545	956	(2,991)
Effects of foreign exchange rate changes	1,623	(29)	19	(24)
Cash and cash equivalents at beginning of year	201,623	167,107	82,484	85,499
Cash and cash equivalents at end of year (Note 19)	222,241	201,623	83,459	82,484

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements 31 December 2008

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The principal place of business of the Company is located at No 34, 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 Company is the parent company of Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd.. 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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 February 2009.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards ("FRS") in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical basis unless otherwise indicated in the summary of significant 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 Summary of significant accounting policies

a) Subsidiaries and basis of consolidation

i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

a) Subsidiaries and basis of consolidation (contd.)

ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd. are accounted for using the merger and the purchase methods of consolidation respectively. Under the merger method of accounting, the cost of the merger is cancelled with the nominal values of the shares received. Any resulting credit difference is clarified as equity and reported as a non-distributable reserve. Any resulting debit differences is adjusted against any suitable reserve.

The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

b) Intangible asset

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Capital work in progress comprises the construction of buildings and renovation in progress which have not been commissioned. Capital work in progress is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2%
Building improvements	10%
Leasehold fixtures and improvements	33%
Furniture, fittings and equipment	10% - 33%
Motor vehicles	25%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

d) 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.

e) Leases

i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

e) Leases (contd.)

ii) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

iii) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(h)(iii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

f) 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 balance sheet 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.

g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest is the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i) Sale of goods

Revenue is recognised net of discounts upon the transfer of significant risks and rewards of ownership to the buyer. 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.

ii) Interest income

Interest is recognised on an accrual basis using the effective interest method.

iii) Rental

Rental income is recognised on a straight-line basis over the term of the lease.

i) Foreign currencies

i) Functional and presentation currency

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 consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

j) Impairment of non-financial assets

The carrying amounts of the Company's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in profit or loss in the period in which it arises. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

k) Employee benefits

i) 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.

ii) 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 funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The Group's foreign subsidiary also make contributions to the country's statutory pension schemes.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

i) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

i) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents include cash on hand and at bank and deposit at call which have an insignificant risk of changes in value.

ii) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

iii) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

iv) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared. The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2. Significant accounting policies (contd.)

2.3 Changes in accounting policies and effects arising from adoption of new and revised FRSs

On 1 January 2008, the Group and the Company adopted the following revised FRS, amendment to FRS and Interpretations:

FRS 107: Cash Flow Statements
 FRS 111: Construction Contracts
 FRS 112: Income Taxes
 FRS 118: Revenue
 FRS 120: Accounting for Government Grants and Disclosure of Government Assistance
 FRS 134: Interim Financial Reporting
 FRS 137: Provisions, Contingent Liabilities and Contingent Assets
 Amendment to FRS 121: The Effects of Changes in Foreign Exchange Rates –
 Net Investment in a Foreign Operation
 IC Interpretation 1: Changes in Existing Decommissioning, Restoration and Similar Liabilities
 IC Interpretation 2: Members' Shares in Co-operative Entities and Similar Instruments
 IC Interpretation 5: Rights to Interests arising from Decommissioning, Restoration and
 Environmental Rehabilitation Funds
 IC Interpretation 6: Liabilities arising from Participating in a Specific Market –
 Waste Electrical and Electronic Equipment
 IC Interpretation 7: Applying the Restatement Approach under FRS 129
 Financial Reporting in Hyperinflationary Economies
 IC Interpretation 8: Scope of FRS 2

The revised FRS, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group and the Company.

2.4 Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRS and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS, Amendment to FRS and Interpretations	Effective for financial periods beginning on or after
FRS 7: Financial Instruments: Disclosures	1 January 2010
FRS 8: Operating Segments	1 July 2009
FRS 139: Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10: Interim Financial Reporting and Impairment	1 January 2010

The new FRS and Interpretations 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 disclosures arising from the adoption of FRS 7.

The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

Notes to the financial statements 31 December 2008

2. Significant accounting policies (contd.)

2.5 Significant accounting judgements and estimates

a) Use of estimates and judgements

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.

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

- i) As disclosed in Note 22(e), the Company is currently seeking a determination from the relevant authorities in respect of the changes in the Income Tax Act 1967 introduced in Budget 2008 dealing with the availability of Section 108 tax credits after 31 December 2007 and other possible tax exposure, if any, arising from the tax law changes. The consequences of these changes require management to make significant judgements and estimates. Management has assessed all available information and carefully considered the advice from their advisors and concluded that other than as disclosed in Note 22(e), no further amount needs to be accrued and no further disclosures are required in the financial statements.
- ii) The measurement of the recoverable amounts of cash-generating units is described in Note 13.

3. Revenue

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Sales of consumer products	645,458	584,251	-	-
Dividends	-	-	112,887	84,488
	645,458	584,251	112,887	84,488

4. Cost of sales

Cost of sales represent cost of inventories sold and attributable cost relating to the sale of consumer products.

Notes to the financial statements 31 December 2008

5. Other income

Included in other income are the following:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Interest income	8,333	7,355	2,871	2,953
Realised gain/(loss) on foreign exchange	171	(1,448)	-	-
Unrealised gain/(loss) on foreign exchange	2,036	256	19	(24)
Gain on disposal of prepaid land lease payments, property, plant and equipment	38	7,282	-	-

6. Profit before tax

The following amounts have been included at arriving at profit before tax:

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Employee benefits expense (Note 7)	22,946	18,782	-	-
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	245	215	226	204
Auditors' remuneration				
- statutory	107	100	20	20
- other services	10	10	10	10
Inventories written down	420	672	-	-
Inventories written off	-	303	-	-
Rental of premises	2,222	982	-	-
Rental of equipment	(742)	(742)	-	-
Amortisation of prepaid land lease payments	270	301	-	-
Depreciation of property, plant and equipment	1,498	2,292	-	-
Net writeback of provision for doubtful debts	(77)	(88)	-	-
Support charges paid/payable to related companies	5,817	4,210	-	-

Notes to the financial statements 31 December 2008

7. Employee benefits expense

	Group	
	2008 RM'000	2007 RM'000
Wages, salaries and others	20,298	16,434
Contribution to defined contribution plan	2,648	2,348
	<u>22,946</u>	<u>18,782</u>

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,663,000 (2007: RM1,581,000) as further disclosed in Note 8.

8. Directors' remuneration

The directors' remuneration are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive directors' remuneration (Note 7):				
Other emoluments	1,663	1,581	-	-
Non-executive directors' remuneration (Note 6):				
Fees	230	200	211	189
Other emoluments	15	15	15	15
	<u>245</u>	<u>215</u>	<u>226</u>	<u>204</u>
Total directors' remuneration	1,908	1,796	226	204
Estimated money value of benefit-in-kind	53	51	-	-
Total directors' remuneration including benefit-in-kind	1,961	1,847	226	204

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Executive:				
Salaries and other emoluments	946	889	-	-
Bonus	434	431	-	-
Defined contribution plan	230	218	-	-
Allowances	53	43	-	-
Estimated money value of benefit-in-kind	53	51	-	-
	<u>1,716</u>	<u>1,632</u>	<u>-</u>	<u>-</u>
Non-Executive:				
Fees	230	200	211	189
Allowances	15	15	15	15
	<u>1,961</u>	<u>1,847</u>	<u>226</u>	<u>204</u>

Notes to the financial statements 31 December 2008

8. Directors' remuneration (contd.)

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of directors Company	
	2008	2007
Executive directors:		
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	1	-
RM1,050,001 - RM1,100,000	1	1
Non-executive directors:		
RM0 - RM50,000	5	5
RM50,001 - RM100,000	1	1
	8	8

9. Income tax expense

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current tax expense:				
Malaysian income tax	25,749	33,928	24,394	23,523
Foreign tax	341	340	-	-
	26,090	34,268	24,394	23,523
(Over)/underprovision in prior years				
Malaysian income tax	-	369	-	-
Foreign tax	(70)	(3)	-	-
	26,020	34,634	24,394	23,523
Deferred tax (Note 16)				
Relating to origination and reversal of temporary differences	7,707	(3,257)	5,414	-
(Over)/underprovision in prior years	(27)	697	-	-
Reduction in Malaysian income tax rate	454	326	-	-
	8,134	(2,234)	5,414	-
Total income tax expense	34,154	32,400	29,808	23,523

Domestic income tax is calculated at the Malaysian statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 25% from the current year's rate of 26% with effect from the year of assessment 2009. The computation of deferred tax as at 31 December 2008 has reflected these changes.

Notes to the financial statements 31 December 2008

9. Income tax expense (contd.)

Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdiction. Companies in Brunei are taxed where for the first BND50,000 of the chargeable income, only 25% is taxable, the next BND50,000 only 50% is taxable and 100% is taxable for any remaining balance. During the financial year, the income tax rate applicable to companies in Brunei had reduced from 30% to 25.5%.

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		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Profit before Tax	129,249	120,312	115,219	86,815
Taxation at Malaysian statutory tax rate of 26% (2007: 27%)	33,605	32,484	29,957	23,440
Effect of tax rate structure in other jurisdiction	(45)	33	-	-
Deferred tax recognised at reduced tax rates	454	326	-	-
Effect of change in tax rates	(91)	125	(217)	-
Income not subject to tax	(344)	(2,231)	(3)	(5)
Expenses not deductible for tax purposes	672	600	71	88
(Over)/under provision of deferred tax in prior years	(27)	697	-	-
(Over)/under provision of tax expense in prior years	(70)	366	-	-
Income tax expense	34,154	32,400	29,808	23,523

10. Earnings per share

Basic earnings per share amounts are 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 held by the Company.

	Group	
	2008 RM'000	2007 RM'000
Profit attributable to ordinary equity holders of the Company	95,095	87,912
Weighted average number of ordinary shares in issue (number)	164,386	164,386
	Group	
	2008 Sen	2007 Sen
Basic earnings per share	57.8	53.5

There are no shares in issuance which have a dilutive effect to the earnings per share of the Group.

Notes to the financial statements 31 December 2008

11.Dividends

	Sen Per Share	Total Amount RM'000	Date of payment
Year ended 31 December 2008			
Fourth quarter interim 2007 ordinary	9.0	10,948	28 March 2008
First quarter interim 2008 ordinary	9.0	10,948	19 June 2008
Second quarter interim 2008 ordinary	9.0	10,948	29 August 2008
Third quarter interim 2008 ordinary	9.0	10,948	16 December 2008
Special interim 2008 ordinary	20.0	24,329	16 December 2008
Total amount on dividend		68,121	
Effects of tax on dividend (Note 22(e))		18,287	
		86,408	
Year ended 31 December 2007			
Fifth quarter interim 2006 ordinary	7.5	9,000	20 March 2007
First quarter interim 2007 ordinary	7.5	9,000	1 June 2007
Second quarter interim 2007 ordinary	7.5	9,000	20 September 2007
Third quarter interim 2007 ordinary	7.5	9,000	18 December 2007
Special interim 2007 ordinary	25.0	30,001	18 December 2007
Total amount		66,001	

Subsequent to balance sheet date the directors declared a fourth interim dividend on a single tier basis in respect of the financial year ended 31 December 2008, of 7.0 sen net per share by election on 164,385,645 ordinary shares, amounting to RM11,507,000.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2009.

	Net Sen Per Share	Total amount RM'000
Fourth interim dividend	7.0	11,507

Notes to the financial statements 31 December 2008

12. Property, plant and equipment

Group	Freehold land	Buildings	Building improvements	Leasehold fixtures & improvements	Furniture, fittings & equipment	Motor vehicles	Capital work-in- progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2008								
Cost								
At 1 January 2008	1,420	2,245	1,579	1,457	14,613	2,026	897	24,237
Additions	-	-	3	444	1,275	335	23,699	25,756
Disposals	-	-	-	-	(146)	(146)	-	(292)
Write-offs	-	-	-	-	(343)	-	-	(343)
Effect of movements in exchange rates	-	-	-	11	12	-	-	23
At 31 December 2008	1,420	2,245	1,582	1,912	15,411	2,215	24,596	49,381
Accumulated depreciation								
At 1 January 2008	-	431	1,025	1,395	13,265	1,444	-	17,560
Charge for the year	-	44	121	97	869	367	-	1,498
Disposals	-	-	-	-	(140)	(146)	-	(286)
Write-offs	-	-	-	-	(343)	-	-	(343)
Effect of movements in exchange rates	-	-	-	11	12	-	-	23
At 31 December 2008	-	475	1,146	1,503	13,663	1,665	-	18,452
Net carrying amount	1,420	1,770	436	409	1,748	550	24,596	30,929

Notes to the financial statements 31 December 2008

12. Property, plant and equipment (contd.)

Group (contd.)	Freehold land	Buildings	Building improvements	Leasehold fixtures & improvements	Furniture, fittings & equipment	Motor vehicles	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 December 2007								
Cost								
At 1 January 2007	1,420	7,781	3,211	1,455	15,443	1,999	-	31,309
Additions	-	-	37	3	332	106	897	1,375
Disposals	-	(5,536)	(1,669)	-	(1,161)	(79)	-	(8,445)
Effect of movements in exchange rates	-	-	-	(1)	(1)	-	-	(2)
At 31 December 2007	1,420	2,245	1,579	1,457	14,613	2,026	897	24,237
Accumulated depreciation and impairment losses								
At 1 January 2007	-	2,333	1,857	1,259	13,026	1,102	-	19,577
Charge for the year	-	146	228	137	1,360	421	-	2,292
Disposals	-	(2,048)	(1,060)	-	(1,120)	(79)	-	(4,307)
Effect of movements in exchange rates	-	-	-	(1)	(1)	-	-	(2)
At 31 December 2007	-	431	1,025	1,395	13,265	1,444	-	17,560
Net carrying amount	1,420	1,814	554	62	1,348	582	897	6,677

Notes to the financial statements 31 December 2008

12. Property, plant and equipment (contd.)

- i) The capital work-in-progress of the Group is in relation to the construction of the new headquarters building.
- ii) Included in the cost of property, plant and equipment of the Group are cost of fully depreciated plant and equipment which are still in use amounting to RM13,562,000 (2007: RM11,486,000).
- iii) In the prior year, a subsidiary entered into a sale and purchase agreement to dispose the land and building for a consideration of RM13,500,000. The disposal was completed on 20 November 2007 and at the same time the Group entered into a tenancy agreement with the party concerned to rent the building for a period of 2 years. Details of the lease obligations are disclosed in Note 25 (a).

13. Intangible asset

	Group	
	2008	2007
	RM'000	RM'000
Goodwill		
Cost/carrying amount	4,782	4,782

- i) This represents the unamortised balance of goodwill arising from consolidation of Amway (B) Sdn. Bhd.
- ii) Value in use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:
 - Cash flows were projected based on actual operating results.
 - The subsidiary will continue its operation indefinitely.
 - The size of operation will remain with at least or not lower than the current results.

The key assumptions represent management's assessment of future trends in the direct selling industry and are based on both external sources and internal sources (historical data).

Notes to the financial statements 31 December 2008

14. Prepaid land lease payments

	Group Leasehold Land RM'000
At 31 December 2008	
Cost	
At 1 January/December 2008	<u>17,493</u>
Accumulated amortisation	
At 1 January 2008	666
Amortisation for the year	<u>270</u>
At 31 December 2008	<u>936</u>
Net carrying amount	<u>16,557</u>
At 31 December 2007	
Cost	
At 1 January 2007	19,993
Disposal	<u>(2,500)</u>
At 31 December 2007	<u>17,493</u>
Accumulated amortisation	
At 1 January 2007	745
Amortisation for the year	301
Disposal	<u>(380)</u>
At 31 December 2007	<u>666</u>
Net carrying amount	<u>16,827</u>

All leasehold land have unexpired period of more than 50 years.

Notes to the financial statements 31 December 2008

15. Investment in subsidiaries

	Company	
	2008 RM'000	2007 RM'000
Unquoted shares at cost	86,202	86,202

Details of the subsidiaries are as follows:

Name of subsidiaries	Issued and paid-up share capital	Proportion of ownership interest		Principal activities
		2008 %	2007 %	
Held by the Company:				
Amway (Malaysia) Sdn. Bhd., incorporated in Malaysia	RM35,499,000	100	100	Distribution of consumer products principally under the “AMWAY” trademark
Amway (B) Sdn. Bhd., incorporated in Negara Brunei Darussalam*	BND10,000	100	100	Distribution of consumer products principally under the “AMWAY” trademark

* Audited by a member firm of Ernst & Young Global.

16. Deferred tax assets

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
At 1 January	11,757	9,523	-	-
Recognised in income statement (Note 9)	(8,134)	2,234	(5,414)	-
At 31 December	3,623	11,757	(5,414)	-

Presented after appropriate offsetting as follows:

Deferred tax assets	9,649	12,096	-	-
Deferred tax liabilities	(6,026)	(339)	(5,414)	-
	3,623	11,757	(5,414)	-

Notes to the financial statements 31 December 2008

16. Deferred tax assets (contd.)

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:

	Other assets RM'000	Property, plant and equipment RM'000	Total RM'000
At 1 January 2008	-	339	339
Recognised in income statement	5,414	273	5,687
At 31 December 2008	5,414	612	6,026
At 1 January 2007	-	365	365
Recognised in income statement	-	(26)	(26)
At 31 December 2007	-	339	339

Deferred tax assets of the Group:

	Accrued expenses RM'000	Total RM'000
At 1 January 2008	(12,096)	(12,096)
Recognised in income statement	2,447	2,447
At 31 December 2008	(9,649)	(9,649)
At 1 January 2007	(9,888)	(9,888)
Recognised in income statement	(2,208)	(2,208)
At 31 December 2007	(12,096)	(12,096)

Deferred tax liability of the Company:

	Other assets RM'000
At 1 January 2008	-
Recognised in income statement	5,414
At 31 December 2008	5,414

Notes to the financial statements 31 December 2008

17. Inventories

	Group	
	2008 RM'000	2007 RM'000
Consumer products:		
At cost	54,722	46,855
At net realisable value	73	142
	54,795	46,997

During the financial year, inventories recognised as cost of sales amounted to RM260,000,000 (2007: RM240,000,000). The write-down of inventories to net realisable value amounted to RM420,000 (2007: RM672,000) and is included in cost of sales.

18. Trade and other receivables

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade receivables				
Third parties	4,771	15,351	-	-
Less: Provision for doubtful debts	(218)	(295)	-	-
	4,553	15,056	-	-
Due from related companies	262	352	-	-
	4,815	15,408	-	-
Other receivables				
Amount due from related parties:				
- Due from related companies	930	892	-	-
- Due from subsidiary company	-	-	16,241	-
Sundry receivables	1,427	884	470	443
Deposits	513	437	-	5
Prepayments	2,276	1,525	-	-
	5,146	3,738	16,711	448
	9,961	19,146	16,711	448

The movement in provision for doubtful debts is as follows:

	Group	
	2008 RM'000	2007 RM'000
At beginning of year	295	383
Add: Provision during the year	86	30
Less: Writeback of provision	(163)	(118)
At end of year	218	295

Notes to the financial statements 31 December 2008

18. Trade and other receivables (contd.)

a) Credit risk

Trade receivables are non-interest bearing and a significant amount of the outstanding balance is repayable by way of monthly instalment plans within 120 (2007: 120 to 180) days. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

b) Due from related companies

Related companies are companies within the Alticor Global Holdings Inc. group of companies. Amount due from certain related parties are unsecured and bear interest equal to the Base Lending Rate set by the Central Bank of Malaysia plus 0.5% per annum, compounded on a monthly basis on overdue balances exceeding 30 to 90 (2007: 30 to 90) days from the date of invoice. The non-trade amounts due from related companies are mainly in respect of leases, support charges and payments made on behalf. These amounts are to be settled in cash.

Further details on related party transactions are disclosed in Note 26.

Other information on financial risks of other receivables are disclosed in Note 27.

19. Cash and cash equivalents

	Group		Company	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	11,873	7,933	224	218
Deposits with :				
Licensed banks	184,506	193,318	73,289	82,266
Licensed financial institutions	25,862	372	9,946	-
Cash and bank balances	222,241	201,623	83,459	82,484

Other information on financial notes of cash and cash equivalents are disclosed in Note 27.

20. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2008	2007	2008	2007
	000	000	RM'000	RM'000
Authorised share capital:				
At 1 January/31 December	250,000	250,000	250,000	250,000
Issued and fully paid:				
At 1 January/31 December	164,386	164,386	164,386	164,386

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 rank equally with regard to the Company's residual assets.

Notes to the financial statements 31 December 2008

21. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2008 without any restrictions.

22. Trade and other payables

	Group		Company	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Trade payables				
Third parties	21,955	12,398	-	-
Due to related companies	15,390	8,117	-	-
	37,345	20,515	-	-
Other payables				
Amount due to related parties:				
Penultimate holding company	151	103	-	-
Subsidiary	-	-	32	43
Related companies	824	151	-	-
Sundry payables	6,521	349	21	-
Accruals	62,278	51,701	18,473	273
	69,774	52,304	18,526	316
Total	107,119	72,819	18,526	316

a) Trade payables

Amount due to third parties are non-interest bearing and the normal credit term granted to the Group range from 30 to 90 (2007: 30 to 90) days.

b) Due to related companies

The amount 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 90 (2007: 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) Due to penultimate holding company

The amount due to penultimate holding company is in respect of support charges payable, which 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 90 (2007: 90) days from the date of invoice. These amounts are to be settled in cash.

d) Due to subsidiary

The amount due to subsidiary is in respect of advances, which are unsecured, interest free and repayable on demand.

Notes to the financial statements 31 December 2008

22. Trade and other payables (contd.)

e) Accruals

Included in accruals is RM18.3 million arising from the effects of insufficient tax credit under Section 108 of the Income Tax Act, 1967 in respect of payment of interim dividends during the financial year based on the interpretation of recent tax law changes by the relevant authorities. Although the above amount has been accrued, the Company is currently seeking a determination from the relevant authorities on the interpretation and application of the tax law changes to the Company on the basis that the subsidiary, if permitted by the tax law changes or the tax authorities, has sufficient section 108 tax credits to pass on to the Company via dividends after 31 December 2007.

In addition, accruals amounting to RM36,569,000 (2007: RM43,926,000) are in respect of distributors' bonuses, seminars and other expenses.

Further details on related party transactions are disclosed in Note 26. Other information on financial risks of other payables are disclosed in Note 27.

23. Segment reporting

The Group operates solely in the direct selling industry and distribution of its products in Malaysia and Brunei. The results and total assets of the subsidiary in Negara Brunei Darussalam are insignificant to the Group. Accordingly, information on geographical and business segments of the Group's operations are not presented.

24. Capital commitments

	Group	
	2008 RM'000	2007 RM'000
Capital expenditure in respect of		
Property, plant and equipment including the construction of headquarters building		
- Approved and contracted for	21,225	3,596
- Approved and not contracted for	36,509	35,666

25. Operating lease arrangements

a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of land, building and equipment. These leases have an average life of between 3 and 5 years with renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

The future aggregate minimum lease payments under the non-cancellable operating lease contracted as at the balance sheet date but not recognised as liabilities are as follows:

	Group	
	2008 RM'000	2007 RM'000
Future minimum rentals payments		
Not later than 1 year	2,097	1,869
Later than 1 year and not later than 5 years	1,820	1,310
	3,917	3,179

The lease payments recognised in profit or loss during the financial year are disclosed in Note 6.

Notes to the financial statements 31 December 2008

25. Operating lease arrangements (contd.)

b) The Group as lessor

The Group has entered into non-cancellable operating lease agreements on its equipment. These leases have remaining non-cancellable lease term of 3 years.

The future minimum lease payments receivable under non-cancellable operating leases contracted as at the balance sheet date but not recognised as receivables, are as follows:

	Group	
	2008 RM'000	2007 RM'000
Not later than 1 year	680	742
Later than 1 year and not later than 5 years	-	680
	680	1,422

Rental income recognised in profit or loss during the financial year is disclosed in Note 6.

The Group leases a number of shop offices cum warehouse and shop lots under operating leases. The leases typically run for initial periods ranging from three (3) to five (5) years with the following options upon expiry of the initial lease periods:

Two (2) leases	renew the lease for a further term by notifying the lessor in writing at least three (3) months before expiry.
One (1) lease	renew the lease for a period of twelve (12) months by notifying the lessor in writing at least two (2) months before expiry.
One (1) lease	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least one (1) month before expiry.
Three (3) leases	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least three (3) months before expiry.
Two (2) leases	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least three (3) months before expiry.
Two (2) leases	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least six (6) months before expiry.
One (1) lease	renew the lease for a period of forty eight (48) months by notifying the lessor in writing at least three (3) months before expiry.
One (1) lease	renew the lease for a period of twenty four (24) months by notifying the lessor in writing at least three (3) months before expiry or the lease will be renewed automatically in absence of written notice.
Two (2) leases	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least three (3) months before expiry or the lease will be renewed automatically in absence of written notice.
Two (2) leases	renew the lease for a period of thirty six (36) months by notifying the lessor in writing at least six (6) months before expiry or the lease will be renewed automatically in absence of written notice.

Notes to the financial statements 31 December 2008

26. 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	
	2008 RM'000	2007 RM'000
Sales of goods and services		
- Related company, Amway (Singapore) Pte. Ltd.	(2,783)	(3,399)
Purchases		
- Related company, Access Business Group International LLC	177,191	165,237
Support charges		
- Penultimate holding company, Alticor Inc.	575	515
- Intermediate holding company, Amway International Inc. (formerly known as Amway Corporation)	690	324
- Related company, Amway IT Services Sdn. Bhd.	4,854	3,777
- Related company, Amway Vietnam Co. Ltd.	(347)	(788)
Rental of equipment		
- Related company, Amway IT Services Sdn. Bhd.	(742)	(742)
Royalties paid		
- Related company, Access Business Group International LLC	956	519

Information regarding outstanding balances arising from related party transaction as at 31 December 2008 are disclosed in Notes 18 and 22.

b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group	
	2008 RM'000	2007 RM'000
Short-term employee benefits	2,359	2,300
Post-employment benefits:		
Defined contribution plan	393	381
Allowances	217	106
	<u>2,969</u>	<u>2,787</u>

Included in the total key management personnel are:

Executive directors' remuneration (Note 7)	<u>1,663</u>	<u>1,581</u>
--------------------------------------------	--------------	--------------

27. Financial instruments

a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group and Company's policy that no trading in derivative financial instruments shall be undertaken.

b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The weighted average effective interest rates ("WAEIR") during the year and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk are as follows:

	WAEIR	Within 1 year	Total
	%	RM'000	RM'000
At 31 December 2008			
Group			
Deposits with licensed banks and financial institutions	3.48	210,368	210,368
Company			
Deposits with licensed banks and financial institutions	3.50	83,235	83,235
At 31 December 2007			
Group			
Deposits with licensed banks and financial institutions	3.78	193,690	193,690
Company			
Deposits with licensed banks and financial institutions	3.49	82,266	82,266

Notes to the financial statements 31 December 2008

27. Financial instruments (contd.)

c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through purchases and payments on behalf that are denominated in a currency other than the functional currency to which they relate. The currency giving rise to this risk is primarily United States Dollar.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group	
	2008 RM'000	2007 RM'000
Due from related companies		
Singapore Dollar	785	650
United States Dollar	196	534
Due to penultimate company		
United States Dollar	151	103
Due to related companies		
United States Dollar	16,163	8,087
Cash and bank balances		
United States Dollar	25,671	28,468
Euro	653	451

d) Liquidity risk

The Group manages operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

e) Credit risk

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 comprise 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.

f) Fair values

The carrying amounts of financial assets and liabilities of the Company at the balance sheet date approximated their fair values.

Regional Distribution Centres / Amway Shops

31 December 2008

Regional Distribution Centres

Headquarters

34, Jalan 223
46100 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 - 7964 5222
Fax : 03 - 7964 5199

Butterworth

10, Lorong Nagasari 4
Taman Nagasari
13600 Prai, Penang
Tel : 04 - 390 5222
Fax : 04 - 390 5688

Johor Bahru

1, Jalan Sri Plentong 5
Taman Perindustrian Sri Plentong
81750 Masai, Johor Darul Takzim
Tel : 07 - 388 5111
Fax : 07 - 387 5111

Ipoh

34, Hala Rapat Baru 22
Taman Perusahaan Ringan Kinta Jaya
Off Jalan Gopeng, 31350 Ipoh
Perak Darul Ridzuan
Tel : 05 - 313 8222
Fax : 05 - 313 3111

Kuantan

Lot 48/4, 48/5 & 48/6
Kawasan Perindustrian Semambu 5
25350 Kuantan
Pahang Darul Makmur
Tel : 09 - 568 1111
Fax : 09 - 566 0555

Malacca

18, 18-1, 20 & 22
Jalan PPM 2, Plaza Pandan
Malim Business Park
75250 Melaka
Tel : 06 - 336 3600
Fax : 06 - 335 7096

Alor Star

No. 179, 179A & 180,
Jalan Shahab 5, Shahab Perdana
Jalan Sultanah Sambungan
05150 Alor Star
Kedah Darul Aman
Tel : 04 - 735 4255
Fax : 04 - 732 4277

Miri

Lot 302 Ricemill Road
MCLD, 98000 Miri
Sarawak
Tel : 085 - 429 222
Fax : 085 - 427 222

Kuching

Lot 40 & 41
Jalan Tun Ahmad Zaidi Adruce
93200 Kuching, Sarawak
Tel : 082 - 418 932
Fax : 082 - 248 244

Kota Kinabalu

Lot 30 Jalan Sembulan Lama
Karamunsing
88000 Kota Kinabalu, Sabah
Tel : 088 - 245 222
Fax : 088 - 245 666

Sandakan

Lot 7 & 8, Block 12, Mile 4
Jalan Labuk, Bandar Indah
90000 Sandakan, Sabah
Tel : 089 - 236 222
Fax : 089 - 238 222

Sibu

No. 7 & 9, Ground floor
Lorong Chew Siik Hiong 1
96000 Sibu, Sarawak
Tel : 084 - 218 222
Fax : 084 - 210 222

Brunei

No. 6 & 7, Block A
Kompleks Shakirin
Kampong Kiulap
Bandar Seri Begawan BE1518
Brunei Darussalam
Tel : 00 - 673 - 2 - 236 165
Fax : 00 - 673 - 2 - 236 167

Amway Shops

Seremban

No. 38, G/F, Jalan S2 B18
Biz Avenue, Seremban 2
70300 Seremban, Negeri Sembilan

Batu Pahat

No. 26 & 27, Jalan Flora Utama 1
Taman Flora Utama
83000 Batu Pahat, Johor

Kuala Terengganu

No. 24, Tingkat Bawah
Pusat Niaga Paya Keladi
Bandar Kuala Terengganu
20000 Kuala Terengganu
Terengganu

Kota Bharu

No. 10 & 11, Bangunan Yakin
Jalan Raja Perempuan Zainab 2
Bandar Baru Kubang Kerian
16150 Kota Bharu, Kelantan

Particulars of Properties

The properties held by the Group and the Company as at 31 December 2008 are as follows:

Location	Usage	Land Area (Sq. Metres)	Land Tenure	Year Of Expiry	Net Book Value RM'000	Age of building (Years)	Date of Acquisition
No. 28, Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	Construction in Progress	10,007	Leasehold expiring 2 May 2071	2071	20,198	N/A	9/3/06
No. 26 & 26A Jalan 223, Section 51A 46100 Petaling Jaya Selangor Darul Ehsan	Construction in Progress	7,934	Leasehold expiring 26 March 2069	2069	20,835	N/A	19/11/04
1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai Johor	Office & Warehouse	3,841	Freehold	-	2,446	8	6/3/00
34, Hala Rapat Baru 22 Taman Perusahaan Ringan Kinta Jaya Off Jalan Gopeng 31350 Ipoh Perak	Office & Warehouse	1,271	Leasehold expiring 18 August 2094	2094	607	13	21/8/95
10, Lorong Nagasari 4 Taman Nagasari 13600 Prai Penang	Office & Warehouse	975	Freehold	-	693	17	19/6/91

Disclosure of Recurrent Related Party Transactions

At the Thirteenth Annual General Meeting held on 21 May 2008, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transaction of a revenue or trading nature.

In accordance with Paragraph 4.1.5 of Practice Note No. 12/2001 of Listing Requirements of Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the financial year ended 31 December 2008 pursuant to the shareholders' mandate are disclosed as follows:

Transacting Parties				
Related Parties	Companies within our Group	Name of other Related Parties	Amount transacted during the financial year RM'000	Nature of transactions by companies within our Group
Access Business Group International LLC ("ABGIL")	Amway (Malaysia) Sdn Bhd ("AMSB") and Amway (B) Sdn Bhd ("ABSB")	Alticor Global Holdings Inc. ("AGH"), Solstice Holdings Inc. ("SHI"), Alticor Inc. ("Alticor"), Amway International Inc. (formerly known as Amway Corporation) ("Amway International"), Amway Nederland Ltd. ("Amway Nederland") and GDA B.V. ("GDA").	38	(i) Payment of Royalty Fees on any Substitute Products or Additional Products incorporating or manufactured using any ABGIL Intellectual Property and bearing the sublicensed trademarks to ABGIL.
			918	(ii) Payment of Royalty Fees on Substitute Products and Additional Products that are distributed under the "AMWAY" trade name.

Disclosure of Recurrent Related Party Transactions

Transacting Parties				
Related Parties	Companies within our Group	Name of other Related Parties	Amount transacted during the financial year RM'000	Nature of transactions by companies within our Group
ABGIL	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA.	177,191	Purchase of consumer products from ABGIL.
Amway (Singapore) Pte Ltd ("ASPL")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA.	2,783	Sale of products to ASPL.
Amway IT Services Sdn Bhd ("AITS")	AMSB and ABSB	AGH, SHI, Alticor, Amway International, Amway Nederland, GDA and Amway International Development Inc ("AID").	4,854	(i) Procurement of IT support services from AITS.
			742	(ii) Lease rental of IT equipment from AMSB.

Notes :

1. ABGIL, a company incorporated in the United States of America, is effectively a wholly-owned subsidiary of AGH which is also the ultimate holding company of the Company.
2. Alticor, a company incorporated in the United States of America, is a wholly-owned subsidiary of SHI which is in turn a wholly-owned subsidiary of AGH.
3. Amway International, a company incorporated in the United States of America, is a wholly-owned subsidiary of Alticor.
4. ASPL, a company incorporated in Singapore, is a wholly-owned subsidiary of Amway International.
5. AITS, a wholly-owned subsidiary of AID which is in turn 60%-owned by Amway International and 40%-owned by Alticor.
6. 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 United States of America, is a wholly-owned subsidiary of Amway International, which in turn is wholly-owned by Alticor. Further, Alticor is an indirect holding company of ABGIL.

Notice of Annual General Meeting

Notice is hereby given that the Fourteenth Annual General Meeting of Amway (Malaysia) Holdings Berhad ("Amway" or the "Company") will be held at the Ballroom, Mezzanine Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 13 May 2009 at 9.30 a.m. for the following purposes:

Agenda

As Ordinary Business

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2008 together with the Directors' and the Auditors' Reports thereon. | Ordinary Resolution 1 |
| 2. To re-elect Dato' Ab. Halim Bin Mohyiddin who is retiring pursuant to Article 87.1 of the Company's Articles of Association. | Ordinary Resolution 2 |
| 3. To re-elect Mr Scott Russell Balfour who is retiring pursuant to Article 87.1 of the Company's Articles of Association. | Ordinary Resolution 3 |
| 4. To re-elect Mrs Eva Cheng Li Kam Fun who is retiring pursuant to Article 87.1 of the Company's Articles of Association. | Ordinary Resolution 4 |
| 5. To approve the payment of Directors' fees for the financial year ending 31 December 2009. | Ordinary Resolution 5 |
| 6. To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and, if thought fit, to pass the following resolution:

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| 7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC ("ABGIL"), Alticor Inc. ("ALTICOR"), Amway International Inc. (formerly known as Amway Corporation) ("Amway International"), Amway (Singapore) Pte Ltd ("AMWAY (S)"), Amway IT Services Sdn Bhd ("AMWAY IT") and Amway Vietnam Co Ltd ("AMWAY (V)") | Ordinary Resolution 7 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|

(The detailed text and rationale on Item 7 are contained in the Circular dated 15 April 2009 which is enclosed together with the Annual Report)

By Order of The Board

Tai Yit Chan (MAICSA 7009143)
Liew Irene (MAICSA 7022609)
Company Secretaries

Date : 15 April 2009

Notice of Annual General Meeting

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited with the Share Registrar of the Company at Tenaga Koperat Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

Explanatory Notes on the Special Business

5. Ordinary Resolution 7, if passed, will allow the Group to enter into recurrent related party transactions with ABGIL, Alticor, Amway International, Amway (S), Amway IT and Amway (V) 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 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.

Statement Accompanying Notice of Annual General Meeting

Pursuant to the Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad appended hereunder are:

a) Further details of Directors standing for re-election at the Fourteenth Annual General Meeting are as follows:

Dato' Ab. Halim Bin Mohyiddin

Chairman, Senior Independent Non-Executive Director

- Malaysian, aged 63.
- Graduated with a Bachelor of Economics (Accounting) from University of Malaya in 1971 and thereafter joined Universiti Kebangsaan Malaysia as a Faculty member of the Faculty of Economics.
- Obtained Masters of Business Administration degree from University of Alberta, Edmonton, Alberta, Canada in 1973.
- Retired from KPMG/KPMG Desa Megat & Co. on 1 October 2001, a firm he joined in 1977 and had his early accounting training in both Malaysia and United States of America. Made partner of the Firm in 1985. At the time of his retirement, he was Partner-in-Charge of the Assurance and Financial Advisory Services Divisions and was also looking after the Secured e-Commerce Practice of the Firm.
- Currently the Chairman of the Education and Training Committee of the Malaysian Institute of Certified Public Accountant ("MICPA") and a member of the Malaysian Institute of Accountants ("MIA"). A member of the Education Committee of the International Federation of Accountants ("IFAC") from 2001 to 2005. The President of the MICPA from June 2004 to June 2007 and a Council Member of MIA from 2001 to 2007.
- Presently a Board member of Kumpulan Perangsang Selangor Berhad, MCM Technologies Berhad, HeiTech Padu Berhad, Utusan Melayu (Malaysia) Berhad, DiGi.Com Berhad, Idris Hydraulic (Malaysia) Berhad, KNM Group Berhad, Idaman Unggul Berhad, Bank Pembangunan Malaysia Berhad, BI Credit & Leasing Berhad, ECM Libra Financial Group Berhad and AMDB Berhad.
- Appointed Director of AMHB on 25 November 2002 and Chairman of AMHB on 12 January 2006.
- Holds 1,000 shares, directly in the Company, however does not hold shares in any of its subsidiaries.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- No convictions for offences.



Statement Accompanying Notice of Annual General Meeting

Mr Scott Russell Balfour*Non-Independent Non-Executive Director*

- American, aged 47.
- Obtained 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.
- A member of the American Bar Association, the Grand Rapids Bar and the Michigan Bar Association. Authored several articles regarding Korean and Asian jurisprudence and co-authored the book entitled "Korean Labor and Employment Laws".
- Currently the Deputy General Counsel and Vice President of International Legal of Alticor Inc. He coordinates and oversees Alticor's diverse legal issues for over 50 markets, including 13 Asian affiliates in Australia, China, Korea, India, Indonesia, Malaysia, Philippines, Singapore, Taiwan and Thailand.
- Prior to joining Alticor in 1999, he spent 8 years as a Senior Foreign Legal Consultant for the law firm of Kim & Chang in Seoul, South Korea.
- Appointed Director of AMHB on 15 January 2004. No directorship in other public listed companies.
- Does not hold shares in the Company or any of its subsidiaries.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- No convictions for offences.

Mrs Eva Cheng Li Kam Fun*Non-Independent Non-Executive Director*

- British National (Overseas), aged 56.
- Graduated with a Bachelor of Arts Degree (Hons) in 1975. Obtained a Master's Degree in Business Administration from the University of Hong Kong in 1989.
- Currently the Executive Vice President of Alticor Global Holdings Inc, the ultimate holding company, and is part of its senior management team responsible for Amway's global business development.
- She is also the Chairperson of Amway (China) Co. Ltd. Since the beginning of her career with Amway in 1977, she has held senior management positions within the Amway Group.
- Appointed Director of AMHB on 19 October 2005. No directorship in other public listed companies.
- Does not hold shares in the Company or any of its subsidiaries.
- No family relationship with any Director and/or major shareholder of the Company.
- No conflict of interest with the Company.
- No convictions for offences.

Analysis of Shareholdings as at 11 March 2009

Authorised Share Capital	:	RM250,000,000
Issued and Paid-Up Share Capital	:	RM164,385,645
Class of Shares	:	Ordinary Share of RM1.00 each
Voting Rights	:	One vote per share

Analysis of Shareholdings

Distribution of shareholdings according to size:

Size of Holdings	No. Of Shareholders/ Depositors	% Of Shareholders/ Depositors	No. Of Shares Held	% Of Issued Capital
1 - 99	152	4.6441	6,145	0.0037
100 - 1,000	1,052	32.1418	855,112	0.5202
1,001 - 10,000	1,891	57.7757	5,935,890	3.6110
10,001 - 100,000	141	4.3080	4,125,486	2.5096
100,001 - 8,219,281	34	1.0388	32,056,396	19.5007
8,219,282 and above	3	0.0916	121,406,616	73.8548
Total	3,273	100.0000	164,385,645	100.0000

Substantial Shareholders

Name Of Shareholders (As per Register of Substantial Shareholders)	Direct		Indirect	
	No. of Shares held	%	No. of Shares held	%
GDA B.V. ("GDA")	84,990,283	51.7018	-	-
Amway Nederland Ltd ("Amway Nederland")	-	-	*i 84,990,283	51.7018
Amway International Inc (formerly known as Amway Corporation) ("Amway International")	-	-	*ii 84,990,283	51.7018
Alticor Inc. ("Alticor")	-	-	*iii 84,990,283	51.7018
Solstice Holdings Inc ("SHI")	-	-	*iv 84,990,283	51.7018
Alticor Global Holdings Inc ("AGH")*vi	-	-	*v 84,990,283	51.7018
Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	29,027,900	17.6584	-	-
Employees Provident Fund Board	8,978,333	5.4618	-	-

Analysis of Shareholdings as at 11 March 2009

Notes:

- *i Deemed interested by virtue of interest in GDA pursuant to Section 6A of the Companies Act, 1965.
- *ii Deemed interested by virtue of interest in Amway Nederland pursuant to Section 6A of the Companies Act, 1965.
- *iii Deemed interested by virtue of interest in Amway International pursuant to Section 6A of the Companies Act, 1965.
- *iv Deemed interested by virtue of interest in Alticor pursuant to Section 6A of the Companies Act, 1965.
- *v Deemed interested by virtue of interest in SHI pursuant to Section 6A of the Companies Act, 1965.
- *vi 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.

Shareholding of Directors

(As per Register of Directors' Shareholdings)

Name Of Directors	No. Of Shares Held	% Of Issued Capital
1 Dato' Ab. Halim Bin Mohyiddin	1,000	**
2 Low Han Kee	20,000	0.0122
3 Scott Russell Balfour	-	-
4 Abdul Wahab Bin Nasir @ Mohd Nasir	-	-
5 Yee Kee Bing	-	-
6 Eva Cheng Li Kam Fun	-	-
7 Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof	-	-
8 Dato' Cecil Wilbert Mohanaraj Abraham	-	-

** Negligible

Analysis of Shareholdings as at 11 March 2009

Thirty Largest Shareholders

	No. Of Shares Held	% Of Issued Capital
1 GDA B.V.	84,990,283	51.7018
2 Amanah Raya Nominees (Tempatan) Sdn Bhd		
- Skim Amanah Saham Bumiputera	27,938,000	16.9954
3 Employees Provident Fund Board	8,478,333	5.1576
4 Valuecap Sdn Bhd	6,824,900	4.1518
5 Lembaga Tabung Haji	6,246,331	3.7998
6 Amanah Raya Nominees (Tempatan) Sdn Bhd		
- Amanah Saham Malaysia	5,271,166	3.2066
7 Amanah Raya Nominees (Tempatan) Sdn Bhd		
- Amanah Saham Didik	2,348,700	1.4288
8 Permodalan Nasional Berhad	1,227,466	0.7467
9 Kumpulan Wang Persaraan (Diperbadankan)	1,224,600	0.7450
10 MIDF Amanah Investment Bank Berhad		
- CLR For Amanah Saham Malaysia	900,000	0.5475
11 MCIS Zurich Insurance Berhad	707,700	0.4305
12 MCIS Zurich Insurance Berhad	524,400	0.3190
13 Malaysian Reinsurance Berhad	500,000	0.3042
14 Kumpulan Wang Simpanan Pekerja	500,000	0.3042
15 Cartaban Nominees (Tempatan) Sdn Bhd		
- Petroliam Nasional Berhad (Trading PF)	473,000	0.2877
16 Citigroup Nominees (Asing) Sdn Bhd		
- CBNY For DFA Emerging Markets Small Cap Series	396,700	0.2413
17 Cartaban Nominees (Tempatan) Sdn Bhd		
- Petronas For Petroliam Research Fund	392,633	0.2388
18 Amanah Saham Mara Berhad	389,500	0.2369
19 HSBC Nominees (Tempatan) Sdn Bhd		
- HSBC (M) Trustee Bhd For MAAKL Al-Fauzan (5170)	380,000	0.2312
20 Citigroup Nominees (Asing) Sdn Bhd		
- Goldman Sachs International	374,000	0.2275
21 OCBC Bank (Malaysia) Berhad		
- As Beneficial Owner (Prop)	360,300	0.2192
22 Amanah Raya Nominees (Tempatan) Sdn Bhd		
- Dana Al-Aiman	360,000	0.2190
23 Kurnia Insurans (Malaysia) Berhad	338,900	0.2062
24 HLB Nominees (Tempatan) Sdn Bhd		
- Pledged Securities Account For Ho Teik Chuan @ Ho Sonney	291,000	0.1770
25 Citigroup Nominees (Tempatan) Sdn Bhd		
- Uni.Asia Life Assurance Berhad (Life Fund)	274,500	0.1670
26 Tabung Amanah Warisan Negeri Johor	194,500	0.1183
27 Malaysian Reinsurance Berhad		
- As Beneficial Owner (MMIP Fund)	185,900	0.1131
28 HSBC Nominees (Tempatan) Sdn Bhd		
- HSBC (M) Trustee Bhd For MAAKL Dividend Fund (5311-401)	180,000	0.1095
29 PM Nominees (Tempatan) Sdn Bhd		
- PCB Asset Management Sdn Bhd For MUI Continental Insurance Berhad	160,000	0.0973
30 Amanah Raya Nominees (Tempatan) Sdn Bhd		
- Amanah Saham Nasional 3 Imbang	145,000	0.0882
	152,577,812	92.8171

Proxy Form

I/We, _____ (name of shareholder as per NRIC, in capital letters)
 IC No./ID No./Company No. _____ (new) _____ (old) of
 _____ (full address)

being a member of AMWAY (MALAYSIA) HOLDINGS BERHAD, hereby appoint _____
 (name of proxy as per NRIC, in capital letters) IC No. _____ (new) _____ (old)
 of _____ (full address)

or failing him/her _____ (name of proxy as per NRIC, in capital letters)
 IC No. _____ (new) _____ (old) of _____
 _____ (full address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at the Ballroom, Mezzanine Floor, Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Wednesday, 13 May 2009 at 9.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below.

Resolutions		For	Against
1. Adoption of Audited Financial Statements and Directors' and Auditors' Reports for the financial year ended 31 December 2008	Ordinary Resolution 1		
2. Re-election of Dato' Ab. Halim Bin Mohyiddin as Director	Ordinary Resolution 2		
3. Re-election of Mr Scott Russell Balfour as Director	Ordinary Resolution 3		
4. Re-election of Mrs Eva Cheng Li Kam Fun as Director	Ordinary Resolution 4		
5. Approval of Directors' fees for the financial year ending 31 December 2009	Ordinary Resolution 5		
6. Re-appointment of Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration	Ordinary Resolution 6		
7. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC, Alticor Inc., Amway International Inc. (formerly known as Amway Corporation), Amway (Singapore) Pte Ltd, Amway IT Services Sdn Bhd and Amway Vietnam Co. Ltd.	Ordinary Resolution 7		

(Please indicate with an "X" in the spaces provided on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signature/Common Seal

Number of Shares Held :

Date :

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
- A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
- The instrument appointing a proxy must be deposited with the Share Registrar of the Company at Tenaga Koperat Sdn Bhd, Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

Fold this flap for sealing

Then fold here

The Share Registrars

TENAGA KOPERAT SDN. BHD. (118401-V)
Level 17, The Gardens North Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur



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