Built on two plots of land totalling 4.5 acres that was bought in 2004, the new Headquarters is three times the build-up size of the old Headquarters. The construction of the building spanned three years to accommodate the level of thought and detail that went into the design, construction and interior furnishing which culminated in a Headquarters that will be the catalyst for future growth.

Functional yet environmentally-conscious with its floor-to-window ceiling and energy-efficient air-conditioning, the new Headquarters has many additional facilities that would enhance Distributors' experience and facilitate their retailing and sponsoring activities.

The new Training Centre which can accommodate 400 people will be the focal point for training activities, reinforcing the Group's emphasis on equipping Distributors with skills and product knowledge. The larger warehouse space has also

provided for greater centralisation of inventory and storage space which allows for faster turnaround time in product delivery. The first multi-level marketing company to invest in the highly-efficient Digital Picking System called Pick-To-Light, the Group is gearing itself to handle the potential increase in the packing of orders. Currently, the Pick-To-Light helps pack 2,000 orders a day but with the capacity to handle 6,000 orders a day, this System ensures that orders can be picked efficiently to fulfil the demands of Distributors and their customers quickly.

The new Headquarters also houses a shop facility where products are displayed in a pleasing retail environment for Distributors to pick-and-pay conveniently; a café for the ease of staff, Distributors and visitors as well as an up-coming Brand Centre, modelled after the concept of the one at Amway's World Headquarters in Ada, Michigan. The Brand Centre, to be housed in a 10,000 square feet of strategically located area on the ground floor of the new Headquarters, will be a dedicated showcase of the Amway business opportunity and products. This Brand Centre is expected to be a great sponsoring tool for Distributors as it is not just a physical demonstration of the success of the business but a strong reminder of an entrepreneurial opportunity for people who walk through the doors of the new Headquarters.

CORPORATE RESPONSIBILITY

Corporate responsibility is gaining firmer ground in Malaysia, so much so that companies are beginning to build corporate responsibility strategy into their business strategy. The Group subscribes to that because we believe that being a responsible corporate citizen is most successful when it is part of a long-term business strategy.

Business ethics

The Group remains committed to integrating ethical and sustainable practices to ensure that its various stakeholder groups receive the best possible outcome. Although we are governed under the Direct Sales Act which has clearly stipulated guidelines on how we should operate, we go one step further - we practise self-regulation. This means that we take accountability for our actions and the implication is far-reaching because we demand exacting standards of behaviour from ourselves as well as from Amway Distributors who are guided by the Rules of Conduct. We stand behind the quality of our products and guarantee customer satisfaction. We support ethical direct selling and that is evident from our tenureship as the President of the Direct Selling Association of Malaysia (DSAM), the de facto organisation of the direct selling industry recognised by the Ministry of Domestic Trade, Co-operatives and Consumerism. Through DSAM, Amway works to serve the public interest with education, information and research.

Even business associates are scrutinised to meet our standards, ensuring that they comply with all regulatory requirements set by the relevant authorities, meet Good Manufacturing Practices (GMP) or have ISO standards.

Effective communication is key to ensuring that information is given in a timely and effective manner, especially to the investing public. To that end, the Group has an Investor Relations Policy that provides a structured approach to the communication of material information to the investing public. We also use various communication tools such as the Group's website and Annual Reports to disseminate corporate information.

Employees – valuable assets

We work hard to maintain a safe, clean and friendly work environment for our employees. We believe in providing a stimulating work environment that creates opportunities for all employees to achieve their full professional potential. Apart from job-related enhancement workshops, employees also benefited from Leadership Training workshops which were organised by the Group.

Our approach to employee relations is based on respect, open communication and equal opportunity. Quarterly staff meetings, regular digital corporate updates and employee engagement activities are some of the platforms used to promote better employee communication. The Group is also committed to providing our employees with the tools they need to get and stay healthy. Employees receive

BLOOD DONATION BY STAFF

NUTRILITE FARMS

CHEER ACTIVITY AT A HOSPITAL

a complimentary box of NUTRILITE DOUBLE X™, multi-vitamins every month. Various company-sponsored outdoor and indoor games are organised regularly for employees while the new Headquarters has a Health and Fitness Centre that will provide employees the opportunity to engage in fitness activities.

Environmental stewardship

The Group recognises our responsibility and role in promoting environmental stewardship and protecting the health and safety of our people and the community where we operate. To that end, we are committed to complying with environmental, health and safety laws, reducing the impact of our operations on the environment by promoting recycling and using energy responsibly.

Our environmental concerns continue to be reflected in our products and philosophies. For example, L.O.C.™ Multi-Purpose Cleaner, Amway's very first product, established our environmental commitment because only biodegradable clearing agents are used. Our NUTRILITE farms are certified organic while our line of ARTISTRY skincare and cosmetic products is not tested on animals unless required by government regulations.

Even our new Headquarters has embraced the green message by reflecting in its designs floor-to-ceiling windows to allow natural light to come in as well as energy-efficient air-conditioning, therefore reducing electricity consumption.

Making a Difference… One By One

We are in the business of providing opportunity, one person at a time. The One By One Campaign for Children is a reflection of our business model – individuals working together to provide an opportunity for a better life, one child at a time.

We have been involved in community initiatives since we opened our doors in Malaysia in 1976. Our history of community engagement has covered a wide area of causes and when our parent company in the United States decided to focus their philanthropic efforts on children, we felt that this was also the direction we wanted because most of our initiatives had been aimed at protecting and nurturing this future generation of ours.

When we researched children's issues to spearhead the Group's One By One Campaign for Children in 2003, we were shown a study which found that one in five children in Malaysia have a tendency for depression, low self-esteem and low self-confidence. We knew then we had found a cause we wanted to champion, in which we felt we could make a difference. We also wanted to make sure we do it right, so we worked with psychologists to develop a blue print for our community initiatives and since then, we have rolled out projects that help to address the growing number of children's mental health problems.

The Happy Healthy Minds workshops and camps have been excellent platforms for Amway staff and Distributors to volunteer their time to help conduct therapeutic play sessions to boost children's self-esteem. The Happy Healthy Wards project is a physical extension of the camps and workshops where the Group refurbishes facilities at paediatric wards of government hospitals to create a more conducive environment for convalescing children, which in turn will help to provide some mental relief and comfort. Our work is by no means exhaustive nor far-reaching and that's not our intention. As long as we can make a meaningful difference, we will continue to help these children One By One.

Amway One BY One CAMPAIGN FOR CHILDREN

BRINGING CHEER TO CHILDREN AT HOSPITALS

STATEMENT ON CORPORATE GOVERNANCE

Amway (Malaysia) Holdings Berhad ("AMHB") fully subscribes to the recommendations of the Malaysian Code on Corporate Governance (the "Code"). The Board of Directors ("Board") of AMHB is committed to ensure that good governance is practised to enhance shareholders 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 it plays in charting the strategic direction, development and control of the Group and has adopted the six specific responsibilities as listed in the Code.

Board balance

The Board currently has eight (8) members, comprising six (6) Non-Executive Directors, including the Senior Independent Non-Executive Chairman, and two (2) Executive Directors. Of the six (6) Non-Executive Directors, three (3) are independent. The profile of each Director is set out on pages 14 and 17 of this annual report.

The concept of independence for Independent Non-Executive Directors, and its composition, i.e. comprising at least one third of Board membership, adopted by the Board satisfies the criteria as specified by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board is guided by a charter which sets out the practices and processes in the discharge of its responsibilities, the role of the Chairman and authorities delegated to the Managing Director. There is clear division of responsibilities between the Chairman and the Managing Director to ensure balance of power and authority. The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board and acts as a facilitator at Board meetings to ensure no Board member dominates discussion. The Managing Director supported by the Executive Management team implements the policies and decision adopted by the Board and oversees the operations and business development. He also has the responsibility of reporting, clarifying and communicating matters to the Board.

The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business and also the various issues dealt with at the Board and Board Committees. Dato' Ab. Halim Bin Mohyiddin, is the Chairman and also the 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 through their participation in the Audit, Remuneration and Nominating Committees.

Independent Non-Executive Directors together with the other Non-Independent 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. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings.

Due notice is given of scheduled meetings and matters to be dealt with. The relevant reports and Board papers will be distributed to all Directors in advance of the Board Meetings to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. All pertinent issues discussed at the Meetings in arriving at the decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities. Board meetings for each year are scheduled well ahead before the end of the preceding year in order for the Directors to plan according to their schedules.

During the financial year ended 31 December 2009, five (5) Board meetings were held and the details of attendance of each individual Director are as follows:

Directors	Number of meetings attended
Dato' Ab. Halim Bin Mohyiddin (Chairman, Senior Independent Non-Executive Director)	5/5
Low Han Kee (Managing Director)	5/5
Scott Russell Balfour (Non-Independent Non-Executive Director)	5/5
Yee Kee Bing (Executive Director)	5/5
Eva Cheng Li Kam Fun (Non-Independent Non-Executive Director)	4/5
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director)	5/5
Dato' Cecil Wilbert Mohanaraj Abraham (Independent Non-Executive Director)	4/5
Mohammad Bin Hussin (Non-Independent Non-Executive Director) (Appointed on 10 June 2009)	2/2
Abdul Wahab Bin Nasir @ Mohd Nasir (Non-Independent Non-Executive Director) (Resigned on 14 May 2009)	3/3

Supply of and Access to 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. Besides direct access to the Management, the Directors may obtain independent professional advice at the Company's expense, if necessary in accordance with established procedures which have been communicated to them in furtherance of their duties.

The Board has ready and unrestricted access to the advice and services of both Company Secretaries, who are considered capable to 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.

Whistle blowing policy

The whistle blowing policy was established as the Board believes this will strengthen, support good management and at the same time demonstrate accountability, good risk management and sound corporate governance practices.

The policy outlines when, how and to whom a concern may be properly raised about the actual or potential corporate fraud involving the employee or Management in the Group. The identity of the whistle-blower is kept confidential and protection is accorded to the whistle-blower against any form of reprisal or retribution. All such concerns shall be set forth in writing and forwarded in a sealed envelope to the Chairman of the Audit Committee.

Code of Ethics

The Company has in place Code of Ethics for Directors and employees which governs the standards of ethics and good conduct expected from Directors and employees respectively, with the aim to continue to enhance the standard of corporate governance and corporate behaviour at the workplace.

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); and
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 will assess the suitability of candidates and recommend to the Board for appointment.

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 recommend to the Board for Directors due for retirement by rotation, whether to be re-elected or otherwise ensuring that the investment of the minority shareholders are fairly reflected on the Board.

The Committee reviews 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.

The evaluation process is led by the Nominating Committee Chairperson and supported by the Company Secretary annually. The Directors complete a questionnaire regarding the effectiveness of the Board and its Board Committees. This process includes a peer review in which the Directors assess their own and also fellow Directors' performance. The assessment and comments by all Directors are summarized and discussed at the Nominating Committee meeting and reported at a Board Meeting by the Nominating Committee Chairperson.

During the financial year ended 31 December 2009, two (2) Committee meetings were held and attended by all its members. In 2009, the Nominating Committee reviewed the proposed appointment of Encik Mohammad Bin Hussin and recommended his appointment to the Board as Non-Independent Non-Executive Director of the Company. The Board approved the recommendation.

During the year, the Nominating Committee had also reviewed and assessed the mix of skills and experience of the Board including the core-competencies of both Executive and Non-Executive Directors and size of the Board, contribution of each individual director and effectiveness of the Board as a whole and the Board Committees and also reviewed the retirement of directors by rotation eligible for re-election.

Based on the assessment, the Nominating Committee was satisfied that the size of the Company's Board is optimum and all the Directors and Board Committees of the Company had discharged their responsibilities in a commendable manner and had performed competently and effectively.

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.

In accordance with the above, three (3) Directors shall retire at the Fifteenth Annual General Meeting of the Company and shall be eligible for re-election:

1. Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof
2. Dato' Cecil Wilbert Mohanaraj Abraham
3. Mohammad Bin Hussin

Directors' training and induction

The Board continues to identify and attend appropriate seminars, conferences and courses to keep abreast of changes in legislation and regulations affecting the Group.

All Directors have successfully completed the Mandatory Accreditation Programme including Encik Mohammad Bin Hussin who was appointed on 10 June 2009.

As an integral part of the orientation and education programme for new Director, the Management briefed Encik Mohammad Bin Hussin on the Group's critical success factors and key strategies for the business.

All the Directors had during the financial year ended 31 December 2009 attended development and training programmes as well as conferences in areas of finance, corporate governance, leadership, industry and regulatory developments, including updates on Financial Reporting Standards and the Main Market Listing Requirements of Bursa Securities.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time for the Board's reference and briefed the Board quarterly on these updates at the Board meetings. The External Auditors also briefed the Board members on any new Financial Reporting Standards that would affect the Group's financial statements during the year. The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge.

DIRECTORS' REMUNERATION

Level and make up of remuneration

The Company has adopted the Best Practice as recommended by the Code to determine the remuneration of Directors so as to ensure that it attracts and retains its Directors needed to run the Group successfully. The components 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); and
3. Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director; appointed on 9 February 2006).

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 his/her own remuneration. The Company's Articles of Association provides that any payment of Directors' fees should be approved at a general meeting.

During the financial year ended 31 December 2009, two (2) Committee meetings were held and 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 all the Non-Executive Directors' fees to the Board to seek shareholders' approval at the Company's Annual General Meeting.

Disclosure

The details of the remuneration of the Directors of the Company for the financial year ended 31 December 2009 are as follows:

	Executive RM'000	Non-Executive RM'000
Director fees	-	208
Salaries	922	-
Bonuses	514	-
EPF (Employer)	238	-
Allowances	50	20
Benefits-in-kind	49	-
Total	1,773	228

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 of the Company in each remuneration band is as follows:

	Executive	Non-Executive
RM0 - RM 50,000	-	4
RM50,001 – RM100,000	-	3
RM700,001 – RM750,000	1	-
RM1,050,001 – RM1,100,000	1	-
Total	2	7

SHAREHOLDERS

Dialogue with Investors and Financial Community

The Company recognises the importance of being transparent and accountable to its investors and as such has maintained an active and constructive communication policy that enables the Board and Management to communicate effectively with its investors, financial community 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"), which is the principal forum for dialogue with shareholders, allows the shareholders to have a view of the Group's performance.

The Notice of AGM is circulated at least twenty one (21) days before the date of the meeting. Shareholders are invited to ask questions both about the resolutions being proposed as well as matters relating to the Group's operations in general.

The Executive Director also provides shareholders with a brief review of the Group's operations for the financial year while the Finance Director provides a brief financial overview of the current year performance.

Investor Relations Policy

The Group has also in place 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 written policies and procedures in corporate disclosure setting out the persons authorised and responsible to approve and disclose material information to shareholders and stakeholders.

To enhance access and to effectively address any issues and concerns, the Group has set up a dedicated email address (*ir@amway.com*), to which its stakeholders can direct their queries.

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 35 of the annual report. The Audit Committee met four (4) times during the financial year ended 31 December 2009. Details of attendance of Audit Committee are set out in page 38 of the annual report.

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 (15) of the Companies Act, 1965 is set out on page 48 of the annual report.

Internal Control

The Board acknowledges its overall responsibilities 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 42 and 43 of the annual report.

Relationship with the Auditors

The role of the Audit Committee in relation to the external auditors is stated on pages 35 to 41 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 2009.

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 Financial Reporting 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 judgments and estimates that are prudent and reasonable;
- ensured that applicable accounting standards have been followed; and
- prepared the financial statements on going concern basis.

The Directors have prepared the annual financial statements in compliance with Financial Reporting Standards and the Companies Act, 1965.

AUDIT COMMITTEE REPORT

MEMBERSHIP

The Company's Audit Committee, appointed by the Board from amongst its members, comprises the following Non-Executive Directors, 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

i)	Scott Russell Balfour - appointed on 19 October 2005	Non-Independent Non-Executive Director
ii)	Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof - appointed on 9 February 2006	Independent Non-Executive Director
iii)	Dato' Cecil Wilbert Mohanaraj Abraham - appointed on 14 February 2006	Independent Non-Executive Director
iv)	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:

- 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 Main Market 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 First Schedule of the Accountants Act, 1967; or
- he must be a member of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfils such other requirements as prescribed or approved by Bursa Securities.

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 as a member of the Committee.

The term 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 the 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 Main Market Listing Requirements of Bursa Securities, the Committee shall promptly report such matter to Bursa Securities.

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, Main Market 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

- 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, Finance Director, 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 2009, the Committee held four (4) meetings with attendance by members as follows:

Audit Committee	Number 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	4/4
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 and Internal Auditors separately on two occasions without the presence of the Executive Directors and Senior Management.

SUMMARY OF ACTIVITIES

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

- reviewed and approved the Internal Audit Charter;

- reviewed the Annual Operating Plan and Operational Budget for year 2010;

- approved the Internal Audit Plan for financial years 2009 and 2010;

- reviewed the external auditors' scope of work and audit plan prior to the commencement of the audit for the financial year 2009;

- reviewed with the external auditors the result of the audit of the Financial Statements and their report as well as the management responses;
- reviewed the independence, objectivity and effectiveness of the external auditors and the services provided, including non-audit services. Non-audit fees totalling RM10,650 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 Main Market Listing Requirements of Bursa Securities;
- deliberated the internal audit reports prepared by KPMG Business Advisory Sdn Bhd, an independent professional services firm, which highlighted the audit issues, recommendations and management's response. Discussed with Management actions taken to improve the internal controls 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 audited financial statements of the Group and 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 Financial Reporting Standards and the Companies Act, 1965;
- reviewed the quarterly unaudited financial results and announcements to Bursa Securities before recommending them to the Board for approval;
- reviewed the related party transactions entered into by the Group to ensure compliance with the Main Market Listing Requirements of Bursa Securities; and
- met with the external auditors and internal auditors twice during the financial year (without the presence of the Executive Directors and Management of the Company).

AUDIT COMMITTEE TRAINING AND EDUCATION

The Audit Committee members have attended the relevant training programmes and seminars relating to areas of business, corporate governance, regulatory, and finance, including updates on Financial Reporting Standards 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, namely KPMG Business Advisory Sdn Bhd, 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 controls, 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.

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 controls 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 namely KPMG Business Advisory Sdn Bhd during the financial year amounted to approximately RM94,000.

ENTERPRISE RISK MANAGEMENT

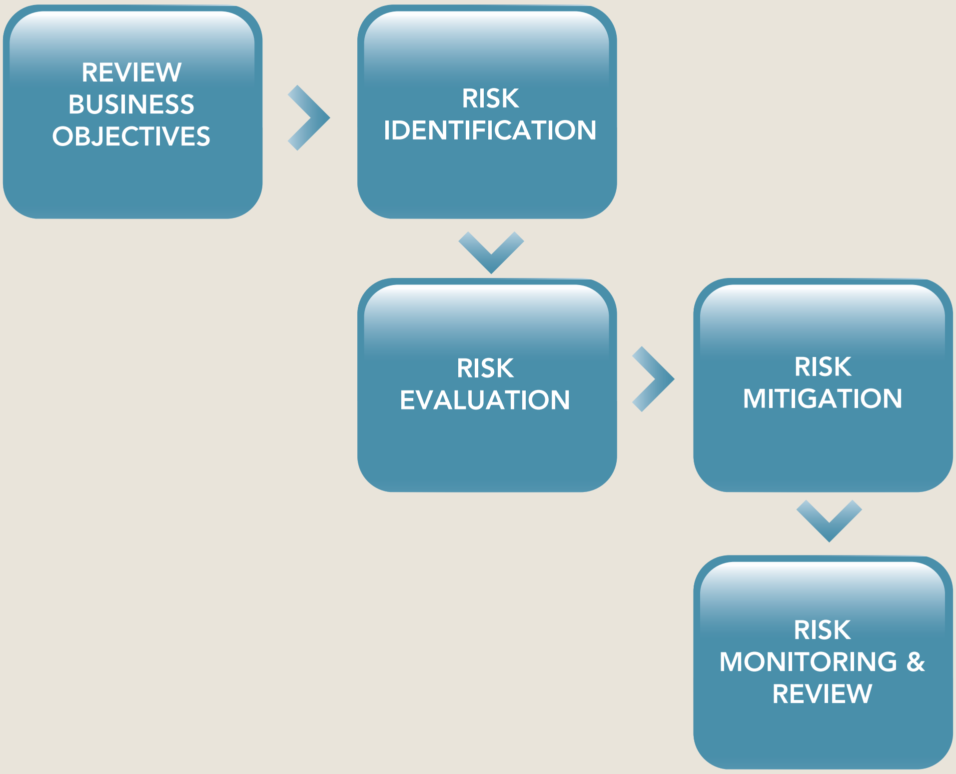
The Group has in place an on-going process of identifying, evaluating and managing the risks faced by the Group in pursuing its business objectives and strategies throughout the financial year.

The Risk Management Committee ("RMC") comprising divisional heads of the Group is entrusted with the responsibility of assisting the Board in overseeing the Company's risk management practices. In this manner, the Company's risk management activities are embedded at the management level and hence enable risks to be addressed on a timely basis.

The RMC's responsibilities include:

- Review and recommend overall risk management policies and processes; risk management tolerances and the parameters used in establishing these tolerances;
- Review risk profile and the mitigation plans to address significant residual risks;
- Monitor significant risks through review of risk-related performance measures, and progress on action plans;
- Ensure risk management process are integrated into all core business processes;
- Provide a consolidated risk and assurance report to the Audit Committee and Board to support its system on internal control.

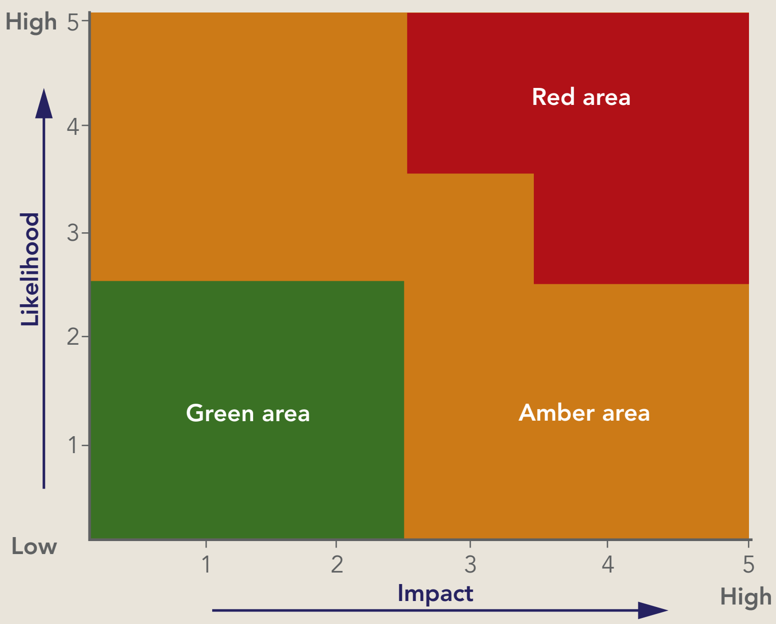
The Group's Enterprise Risk Management process comprises five (5) phases as follows:



A risk map depicting the positioning of the risks in terms of the impact and likelihood of occurrence was updated accordingly after the review. The location of the risks in each quadrant depicts the following:

Red quadrant	-	high possibility of occurring; significant impact
Amber quadrant	-	low possibility of occurring; significant impact high possibility of occurring; insignificant impact
Green quadrant	-	low possibility of occurring; insignificant impact

Risk Map



During the year, the Risk Management team met four (4) times to review the Group's risk profile. At the meeting, the Risk Management team and Management jointly updated the Group's risk register and risk mitigation action plans.

Selected business continuity plans were tested to enhance the Group's crisis readiness during the year.

The Audit Committee was briefed by the Management on the Group's risk register in May 2009 and November 2009.

STATEMENT ON INTERNAL CONTROL

Introduction

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year 2009.

Board Responsibilities

The Board 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 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 and corporate objectives. The systems can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Board established an 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 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.

More generally, the Group is committed to a process of continuous development and improvement through developing systems in response to any relevant reviews and developments in best practice in this area.

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 and categorized based on the different levels of risks and appropriate actions were identified to mitigate the risks discussed at these quarterly 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.

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 establishing 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 business plan, 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 and Disaster Recovery Plans to ensure that the essential business functions are able to continue in the event of unforeseen circumstances;
- Formalised the evaluation process of the internal audit function to assess its effectiveness in the discharge of its responsibilities;
- 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. The internal audit function also follows up and reports to the Audit Committee the status of implementation by Management on the recommendations highlighted in the internal audit reports. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

The Board is of the view that 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 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this statement for inclusion in the annual report of the Group for the year ended 31 December 2009 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

COMPLIANCE WITH MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

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

Share Buy-Back

There was no share buy-back effected during the financial year ended 31 December 2009.

Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued by the Company during the financial year ended 31 December 2009.

American Depository Receipt or Global Depository Receipt Programme

The Company did not sponsor any American Depository Receipt or Global Depository Receipt Programme during the financial year ended 31 December 2009.

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 during the financial year.

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 RM174,000 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 2009 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 2009 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 the Fourteenth Annual General Meeting ("AGM") held on Wednesday, 13 May 2009, 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 2009 is set out on page 86 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 2009 is stated on pages 26 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 2009.

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	72,543	80,292

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

	RM'000
The amount of dividends paid by the Company since 31 December 2008 were as follows:	
In respect of the financial year ended 31 December 2008 as reported in the directors' report of that year.	
(i) Fourth interim single tier dividend of 7.0 sen per share, on 164,385,645 ordinary shares, declared on 23 February 2009 and paid on 24 March 2009.	11,507
In respect of the financial year ended 31 December 2009 were as follows:	
(i) First interim single tier dividend of 7.0 sen per share, on 164,385,645 ordinary shares, declared on 13 May 2009 and paid on 10 June 2009;	11,507
(ii) Second interim single tier dividend of 7.0 sen per share, on 164,385,645 ordinary shares, declared on 19 August 2009 and paid on 17 September 2009;	11,507
(iii) Third interim single tier dividend of 7.0 sen per share, on 164,385,645 ordinary shares, declared on 17 November 2009 and paid on 16 December 2009; and	11,507
(iv) Special interim single tier dividend of 20.0 sen per share, on 164,385,645 ordinary shares, declared on 17 November 2009 and paid on 16 December 2009.	32,877
	67,398
Total dividends paid	**78,905**

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 2009, of 7.0 sen net per share 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 2010.

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
Yee Kee Bing
Eva Cheng Li Kam Fun
Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof
Dato' Cecil Wilbert Mohanaraj Abraham
Mohammad Bin Hussin (appointed on 10 June 2009)
Abdul Wahab Bin Nasir @ Mohd Nasir (resigned on 14 May 2009)

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 1.1.2009	Acquired	Sold	At 31.12.2009
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.

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 (12) 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 24 February 2010.

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 50 to 83 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 2009 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 24 February 2010.

Dato' Ab. Halim Bin Mohyiddin | **Low Han Kee**

STATUTORY DECLARATION

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

I, Chang Chiek Fui, 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 50 to 83 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, I960.

Subscribed and solemnly declared by
the abovenamed Chang Chiek Fui at
Kuala Lumpur in the Federal Territory
on 24 February 2010.

Chang Chiek Fui

Before me,

R.Vasugi Ammal
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AMWAY (MALAYSIA) HOLDINGS BERHAD

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 2009 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 50 to 83.

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 2009 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	George Koshy
AF: 0039	No. 1846/07/11(J)
Chartered Accountants,	Chartered Accountant
Kuala Lumpur, Malaysia	

24 February 2010

INCOME STATEMENTS

for the year ended
31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	3	663,902	645,458	87,683	112,887
Cost of sales	4	(471,504)	(446,462)	-	-
Gross profit		192,398	198,996	87,683	112,887
Other income	5	2,736	10,641	2,183	2,890
Distribution expenses		(27,756)	(23,319)	-	-
Selling and administrative expenses		(68,504)	(57,069)	(1,169)	(558)
Profit before tax	6	98,874	129,249	88,697	115,219
Income tax expense	9	(26,331)	(34,154)	(8,405)	(29,808)
Profit for the year		72,543	95,095	80,292	85,411
Earnings per share attributable to equity holders of the Company (sen)					
- Basic, for profit for the year	10	44.1	57.8		

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

ANNUAL REPORT 2009

BALANCE SHEETS

as at 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Assets					
Non-current assets					
Property, plant and equipment	12	70,513	30,929	-	-
Intangible asset	13	4,782	4,782	-	-
Prepaid land lease payments	14	16,287	16,557	-	-
Investment in subsidiaries	15	-	-	86,202	86,202
Deferred tax assets	16	9,207	9,037	-	-
		100,789	61,305	86,202	86,202
Current assets					
Inventories	17	66,238	54,795	-	-
Tax recoverable		-	5,414	-	5,414
Trade and other receivables	18	9,767	9,961	400	16,711
Cash and cash equivalents	19	158,357	222,241	92,329	83,459
		234,362	292,411	92,729	105,584
Total assets		335,151	353,716	178,931	191,786
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		1,520	1,621	1,365	1,365
Retained earnings	21	71,125	68,033	12,118	1,277
Total equity		237,716	234,725	178,554	167,713
Current liabilities					
Trade and other payables	22	94,012	107,119	335	18,526
Income tax payable		3,423	6,458	42	133
		97,435	113,577	377	18,659
Non current liability					
Deferred tax liabilities	16	-	5,414	-	5,414
Total liabilities		97,435	118,991	377	24,073
Total equity and liabilities		335,151	353,716	178,931	191,786

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

STATEMENTS OF CHANGES IN EQUITY

for the year ended
31 December 2009

	Note	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
		← Non-Distributable			→	Distributable	
Group							
At 1 January 2008		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
Foreign exchange translation differences		-	-	-	(101)	-	(101)
Profit for the year		-	-	-	-	72,543	72,543
Dividends	11	-	-	-	-	(69,451)	(69,451)
At 31 December 2009		164,386	685	1,365	155	71,125	237,716

	Note	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Retained earnings RM'000	Total equity RM'000
		← Non-Distributable		→	Distributable	
Company						
At 1 January 2008		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
Profit for the year		-	-	-	80,292	80,292
Dividends	11	-	-	-	(69,451)	(69,451)
At 31 December 2009		164,386	685	1,365	12,118	178,554

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

CASH FLOW STATEMENTS

for the year ended
31 December 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities				
Profit before tax	98,874	129,249	88,697	115,219
Adjustments for:				
Amortisation of prepaid land lease payments	270	270	-	-
Depreciation of property, plant and equipment	2,494	1,498	-	-
Gain on disposal of plant and equipment	(790)	(38)	-	-
Plant and equipment written off	8	-	-	-
Interest income	(4,696)	(8,333)	(2,189)	(2,871)
Dividend income	-	-	(87,683)	(112,887)
Net provision/(writeback) of provision for doubtful debts	61	(77)	-	-
Inventories written down	651	420	-	-
Unrealised foreign exchange loss/(gain)	139	(2,036)	6	(19)
Operating profit/(loss) before working capital changes	97,011	120,953	(1,169)	(558)
Decrease/(increase) in receivables	729	9,210	70	(16,263)
Increase in inventories	(12,094)	(8,218)	-	-
(Decrease)/increase in payables	(10,571)	8,019	(8,792)	(66)
Cash generated from/(used in) operations	75,075	129,964	(9,891)	(16,887)
Tax paid	(29,536)	(34,052)	(597)	(649)
Net cash generated from/(used in) operating activities	45,539	95,912	(10,488)	(17,536)

CASH FLOW STATEMENTS

for the year ended
31 December 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from investing activities				
Acquisition of property, plant and equipment *	(32,632)	(25,756)	-	-
Proceeds from disposal of plant and equipment	792	44	-	-
Dividend received	-	-	96,025	83,753
Interest received	4,696	8,333	2,189	2,871
Net cash (used in)/generated from investing activities	(27,144)	(17,379)	98,214	86,624
Cash flows from financing activities				
Dividends paid	(78,905)	(68,121)	(78,905)	(68,121)
(Repayment to)/payments made on behalf by related companies	(3,268)	8,531	-	-
Payments made on behalf by penultimate holding company	137	52	-	-
Payments made on behalf by/(repayment to) subsidiary	-	-	55	(11)
Net cash used in financing activities	(82,036)	(59,538)	(78,850)	(68,132)
Net (decrease)/increase in cash and cash equivalents	(63,641)	18,995	8,876	956
Effects of foreign exchange rate changes	(243)	1,623	(6)	19
Cash and cash equivalents at beginning of year	222,241	201,623	83,459	82,484
Cash and cash equivalents at end of year (Note 19)	158,357	222,241	92,329	83,459
* Acquisition of property, plant and equipment by way of:				
- Cash	32,632	25,756	-	-
- Other payables	9,456	-	-	-
	42,088	25,756	-	-

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

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market 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 28, 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 24 February 2010.

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.

(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.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(c) Property, plant and equipment and depreciation (contd.)

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 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.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(g) Income tax (contd.)

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.

(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.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(i) Foreign currencies (contd.)

(ii) Foreign currency transactions (contd.)

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.

(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.

2. Significant accounting policies (contd.)

2.2 Summary of significant accounting policies (contd.)

(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.

(l) 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 receive.

(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 Standards and interpretations issued but not yet effective

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

Effective for financial periods beginning on or after 1 July 2009:

FRS 8	Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139, FRS 7 and IC Interpretation 9	Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives
Improvement to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TR i-3	Presentation of Financial Statements of Islamic Financial Institutions

Effective for financial periods beginning on or after 1 July 2010:

FRS 1	FRS 1 First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

The new FRS and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in disclosures arising from the adoption of FRS 7.

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

2. Significant accounting policies (contd.)

2.4 Significant accounting judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of acccounting 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 13 - measurement of the recoverable amounts of cash-generating units.

3. Revenue

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Sales of consumer products	663,902	645,458	-	-
Dividends	-	-	87,683	112,887
	663,902	645,458	87,683	112,887

4. Cost of sales

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

5. Other income

Included in other income, net of other expense are the following:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest income	4,696	8,333	2,189	2,871
Realised (loss)/gain on foreign exchange	(2,639)	171	-	-
Unrealised (loss)/gain on foreign exchange	(139)	2,036	(6)	19
Gain on disposal of plant and equipment	790	38	-	-

6. Profit before tax

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

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Employee benefits expense (Note 7)	25,086	22,946	-	-
Non-executive directors' remuneration excluding benefits-in-kind (Note 8)	247	245	228	226
Auditors' remuneration				
- statutory	111	107	20	20
- other services	10	10	10	10
Inventories written down	651	420	-	-
Rental of premises	2,485	2,222	-	-
Rental of equipment	(618)	(742)	-	-
Amortisation of prepaid land lease payments	270	270	-	-
Depreciation of property, plant and equipment	2,494	1,498	-	-
Plant and equipment written off	8	-	-	-
Net provision/(writeback) of provision for doubtful debts	61	(77)	-	-
Support charges paid/ payable to related companies	6,448	5,817	-	-

7. Employee benefits expense

	Group	
	2009 RM'000	2008 RM'000
Wages, salaries and others	22,207	20,298
Contribution to defined contribution plan	2,879	2,648
	25,086	22,946

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,724,000 (2008: RM1,663,000) as further disclosed in Note 8.

8. Directors' remuneration

The directors' remuneration are as follows:

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Executive directors' remuneration (Note 7):				
Other emoluments	1,724	1,663	-	-
Non-executive directors' remuneration (Note 6):				
Fees	227	230	208	211
Other emoluments	20	15	20	15
	247	245	228	226
Total directors' remuneration	1,971	1,908	228	226
Estimated money value of benefit-in-kind	49	53	-	-
Total directors' remuneration including benefit-in-kind	2,020	1,961	228	226

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

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Executive:				
Salaries and other emoluments	922	946	-	-
Bonus	514	434	-	-
Defined contribution plan	238	230	-	-
Allowances	50	53	-	-
Estimated money value of benefit-in-kind	49	53	-	-
	1,773	1,716	-	-
Non-Executive:				
Fees	227	230	208	211
Allowances	20	15	20	15
	2,020	1,961	228	226

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	
	2009	2008
Executive directors:		
RM550,001 - RM600,000	-	-
RM600,001 - RM700,000	-	1
RM700,001 - RM750,000	1	-
RM1,050,001 - RM1,100,000	1	1
Non-executive directors:		
RM0 - RM50,000	4	5
RM50,001 - RM100,000	3	1
	9	8

9. Income tax expense

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense:				
Malaysian income tax	31,261	25,749	13,819	24,394
Foreign tax	307	341	-	-
	31,568	26,090	13,819	24,394
Under/(over) provision in prior years				
Malaysian income tax	347	-	-	-
Foreign tax	-	(70)	-	-
	31,915	26,020	13,819	24,394
Deferred tax (Note 16)				
Relating to origination and reversal of temporary differences	(5,908)	7,707	(5,414)	5,414
Under/(over) provision in prior years	323	(27)	-	-
Reduction in income tax rate	1	454	-	-
	(5,584)	8,134	(5,414)	5,414
Total income tax expense	26,331	34,154	8,405	29,808

9. Income tax expense (contd.)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year.

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 25.5% to 23.5%.

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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	98,874	129,249	88,697	115,219
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	24,719	33,605	22,174	29,957
Effect of tax rate structure in other jurisdiction	(22)	(45)	-	-
Deferred tax recognised at reduced tax rates	1	454	-	-
Single tier dividend receipt not subject to tax	-	-	(14,022)	-
Effect of change in tax rates	(36)	(91)	-	(217)
Income not subject to tax	(36)	(344)	-	(3)
Expenses not deductible for tax purposes	1,035	672	253	71
Under/(over) provision of deferred tax in prior years	323	(27)	-	-
Under/(over) provision of tax expense in prior years	347	(70)	-	-
Income tax expense	26,331	34,154	8,405	29,808

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	
	2009	2008
Profit attributable to ordinary equity holders of the Company (RM'000)	72,543	95,095
Weighted average number of ordinary shares in issue (number '000)	164,386	164,386
Basic earnings per share (sen)	44.1	57.8

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

11. Dividends

	Sen per share	Total amount RM'000	Date of payment
Year ended 31 December 2009			
Fourth quarter interim 2008 ordinary	7	11,507	24 March 2009
First quarter interim 2009 ordinary	7	11,507	10 June 2009
Second quarter interim 2009 ordinary	7	11,507	17 September 2009
Third quarter interim 2009 ordinary	7	11,507	16 December 2009
Special interim 2009 ordinary	20	32,877	16 December 2009
Total dividend		78,905	
Effects of tax on dividend (Note 22(e))		(9,454)	
		69,451	
Year ended 31 December 2008			
Fourth quarter interim 2007 ordinary	9	10,948	28 March 2008
First quarter interim 2008 ordinary	9	10,948	19 June 2008
Second quarter interim 2008 ordinary	9	10,948	29 August 2008
Third quarter interim 2008 ordinary	9	10,948	16 December 2008
Special interim 2008 ordinary	20	24,329	16 December 2008
Total dividend		68,121	
Effects of tax on dividend (Note 22(e))		18,287	
		86,408	

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 2009, of 7.0 sen net per share 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 2010.

	Net sen per share	Total amount RM'000
Fourth interim dividend	7.0	11,507

12. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Building improvements RM'000	Leasehold fixtures and improvements RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 31 December 2009								
Cost								
At 1 January 2009	1,420	2,245	1,582	1,912	15,411	2,215	24,596	49,381
Additions	-	-	25	588	3,875	879	36,721	42,088
Disposals	-	-	-	-	(4,966)	(884)	-	(5,850)
Write-offs	-	-	-	-	(2,211)	-	-	(2,211)
Transfers	-	35,986	5,239	-	10,635	-	(51,860)	-
Effect of movements in exchange rates	-	-	-	3	-	-	-	3
At 31 December 2009	1,420	38,231	6,846	2,503	22,744	2,210	9,457	83,411
Accumulated depreciation								
At 1 January 2009	-	475	1,146	1,503	13,663	1,665	-	18,452
Charge for the year	-	225	253	249	1,462	305	-	2,494
Disposals	-	-	-	-	(4,964)	(884)	-	(5,848)
Write-offs	-	-	-	-	(2,203)	-	-	(2,203)
Effect of movements in exchange rates	-	-	-	3	-	-	-	3
At 31 December 2009	-	700	1,399	1,755	7,958	1,086	-	12,898
Net carrying amount	1,420	37,531	5,447	748	14,786	1,124	9,457	70,513
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 and impairment losses								
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

12. Property, plant and equipment (contd.)

(i) The Capital Work-In-Progress ("CWIP") of the Group as at 31 December 2009 is in relation to the construction and interior design of the business centre in the new headquarters. CWIP as at 31 December 2008 was 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 RM7,622,000 (2008: RM13,562,000).

13. Intangible asset

	Group	
	2009 RM'000	2008 RM'000
Goodwill		
Cost/carrying amount	4,782	4,782

(i) This represents the 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 and internal sources (historical data).

14. Prepaid land lease payments

	Group leasehold land RM'000
At 31 December 2009	
Cost	
At 1 January/December 2009	17,493
Accumulated amortisation	
At January 2009	936
Amortisation for the year	270
At 31 December 2009	1,206
Net carrying amount	16,287
At 31 December 2008	
Cost	
At 1 January/December 2008	17,493
Accumulated amortisation	
At 1 January 2008	666
Amortisation for the year	270
At 31 December 2008	936
Net carrying amount	16,557

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

15. Investment in subsidiaries

	Company	
	2009 RM'000	2008 RM'000
Unquoted shares at cost	86,202	86,202

15. Investment in subsidiaries (contd.)

Details of the subsidiaries are as follows:

Name of subsidiaries	Issued and paid-up share capital	Proportion of ownership interest 2009 %	2008 %	Principal activities
Held by the Company:				
Amway (Malaysia) Sdn. Bhd., incorporated in Malaysia	RM 35,499,000	100	100	Distribution of consumer products principally under the "AMWAY" trademark
Amway (B) Sdn. Bhd., incorporated in Negara Brunei Darussalam *	BND 10,000	100	100	Distribution of consumer products principally under the "AMWAY" trademark

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

16. Deferred tax assets/(liabilities)

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
At 1 January	3,623	11,757	(5,414)	-
Recognised in income statement (Note 9)	5,584	(8,134)	5,414	(5,414)
At 31 December	9,207	3,623	-	(5,414)
Presented after appropriate offsetting as follows:				
Deferred tax assets	9,207	9,037	-	-
Deferred tax liabilities	-	(5,414)	-	(5,414)
	9,207	3,623	-	(5,414)

16. Deferred tax assets/(liabilities) (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 2009	5,414	-	5,414
Recognised in income statement	(5,414)	1,814	(3,600)
Setoff against deferred tax assets	-	(1,814)	(1,814)
At 31 December 2009	-	-	-
At 1 January 2008	-	339	339
Recognised in income statement	5,414	273	5,687
Setoff against deferred tax assets	-	(612)	(612)
At 31 December 2008	5,414	-	5,414

Deferred tax assets of the Group:

	Accrued expenses RM'000	Total RM'000
At 1 January 2009	(9,037)	(9,037)
Recognised in income statement	(1,984)	(1,984)
Setoff against deferred tax liabilities	1,814	1,814
At 31 December 2009	(9,207)	(9,207)
At 1 January 2008	(12,096)	(12,096)
Recognised in income statement	2,447	2,447
Setoff against deferred tax liabilities	612	612
At 31 December 2008	(9,037)	(9,037)

16. Deferred tax assets/(liabilities) (contd.)

Deferred tax liability of the Company:

	Other assets RM'000
At 1 January 2009	5,414
Recognised in income statement	(5,414)
At 31 December 2009	-
At 1 January 2008	-
Recognised in income statement	5,414
At 31 December 2008	5,414

17. Inventories

	Group	
	2009 RM'000	2008 RM'000
Consumer products:		
At cost	65,723	54,722
At net realisable value	515	73
	66,238	54,795

During the financial year, inventories recognised as cost of sales amounted to RM285,000,000 (2008: RM260,000,000). The write-down of inventories to net realisable value amounted to RM651,000 (2008: RM420,000) and is included in cost of sales.

18. Trade and other receivables

	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Trade receivables				
Third parties	5,345	4,771	-	-
Less: Provision for doubtful debts	(279)	(218)	-	-
	5,066	4,553	-	-
Due from related companies	572	262	-	-
	5,638	4,815	-	-
Other receivables				
Amount due from related parties:				
Due from related companies	1,216	930	-	-
Due from subsidiary company	-	-	-	16,241
Sundry receivables	961	1,427	400	470
Deposits	684	513	-	-
Prepayments	1,268	2,276	-	-
	4,129	5,146	400	16,711
	9,767	9,961	400	16,711

The movement in provision for doubtful debts is as follows:

	Group 2009 RM'000	Group 2008 RM'000
At beginning of year	218	295
Add: Provision during the year	67	86
Less: Writeback of provision	(6)	(163)
At end of year	279	218

(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 (2008:120) days. The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

18. Trade and other receivables (contd.)

(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 (2008: 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	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash on hand and at banks	12,494	11,873	87	224
Deposits with:				
Licensed banks	124,355	184,506	81,734	73,289
Licensed financial institutions	21,508	25,862	10,508	9,946
Cash and bank balances	158,357	222,241	92,329	83,459

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	
	2009 000	2008 000	2009 RM'000	2008 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.

21. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2009 without any restrictions.

22. Trade and other payables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables				
Third parties	18,501	21,955	-	-
Due to related companies	13,429	15,390	-	-
	31,930	37,345	-	-
Other payables				
Amount due to related parties:				
Penultimate holding company	288	151	-	-
Subsidiary	-	-	87	32
Related companies	110	824	-	-
Sundry payables	9,141	6,521	21	21
Accruals	52,543	62,278	227	18,473
	62,082	69,774	335	18,526
Total	94,012	107,119	335	18,526

(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 (2008: 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 (2008: 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 (2008: 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.

22. Trade and other payables (contd.)

(e) Accruals

Included in accruals in prior year was 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 based on the interpretation of recent tax law changes by the relevant authorities. During the year, the Company obtained the confirmation from relevant authorities on the interpretation and application of the tax law changes applicable to the Company and agreed that the insufficient tax credit was approximately RM8.8 million. Accordingly, the overaccrued amount of RM9.5 million was no longer required and was subsequently written back directly to the retained earnings.

In addition, accruals amounting to RM37,703,000 (2008: RM36,569,000) 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	
	2009 RM'000	2008 RM'000
Capital expenditure in respect of		
Property, plant and equipment including the construction of headquarters building		
- Approved and contracted for	7,010	21,225
- Approved and not contracted for	10,980	36,509

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 three (3) and five (5) years with renewal option included in the contracts. There are no restrictions placed upon the Group by entering into the leases.

25. Operating lease arrangements (contd.)

(a) The Group as lessee (contd.)

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	
	2009 RM'000	2008 RM'000
Future minimum rentals payments		
Not later than 1 year	1,463	2,097
Later than 1 year and not later than 5 years	1,285	1,820
	2,748	3,917

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

25. Operating lease arrangements (contd.)

(b) The Group as lessor

The Group had 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	
	2009 RM'000	2008 RM'000
Not later than 1 year	-	680
Later than 1 year and not later than 5 years	-	-
	-	680

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

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	
	2009 RM'000	2008 RM'000
Sales of goods and services		
- Related company, Amway (Singapore) Pte. Ltd.	(3,162)	(2,783)
Purchases		
- Related company, Access Business Group International LLC	206,185	177,191
Support charges		
- Penultimate holding company, Alticor Inc.	644	575
- Intermediate holding company, Amway International Inc.	-	690
- Related company, Amway IT Services Sdn. Bhd.	4,753	4,854
- Related company, Amway Vietnam Co. Ltd.	(232)	(347)
- Related company, Amway (Singapore) Pte. Ltd.	(283)	(526)
- Related company, P.T. Amway Indonesia	(239)	(121)
- Related company, Amway Philippines L.L.C	(141)	-
Rental of equipment		
- Related company, Amway IT Services Sdn. Bhd.	(618)	(742)
Sale of computer equipment		
- Related company, Amway IT Services Sdn. Bhd.	(500)	-
Royalties paid		
- Related company, Access Business Group International LLC	1,173	956

Information regarding outstanding balances arising from related pary transaction as at 31 December 2009 are disclosed in Notes 18 and 22.

26. Significant related party transactions (contd.)

(b) Compensation of key management personnel

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

	Group	
	2009 RM'000	2008 RM'000
Short-term employee benefits	2,563	2,359
Post-employment benefits:		
Defined contribution plan	425	393
Allowances	125	217
	3,113	2,969
Included in the total key management personnel are:		
Executive directors' remuneration (Note 7)	1,724	1,663

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.

27. Financial instruments (contd.)

(b) Interest rate risk (contd.)

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 RM'000	Total RM'000
At 31 December 2009			
Group			
Deposits with licensed banks and financial institutions	2.24	145,863	145,863
Company			
Deposits with licensed banks and financial institutions	2.33	92,242	92,242
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

(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.

27. Financial instruments (contd.)

(c) Foreign currency risk (contd.)

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

	Group	
	2009 RM'000	2008 RM'000
Due from related companies		
Singapore Dollar	1,081	785
United States Dollar	136	196
Due to penultimate company		
United States Dollar	288	151
Due to related companies		
Singapore Dollar	3	-
United States Dollar	13,531	16,163
Cash and bank balances		
United States Dollar	18,929	25,671
Euro	674	653

(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.

PARTICULARS OF PROPERTIES

The properties held by the Group and the Company as at 31 December 2009 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	Office	10,007	Leasehold expiring 2 May 2071	2071	28,091	N/A	9/3/06
No. 26 & 26A Jalan 223 Section 51A 46100 Petaling Jaya Selangor Darul Ehsan	Warehouse	7,934	Leasehold expiring 26 March 2069	2069	29,594	N/A	19/11/04
1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong 81750 Masai Johor Darul Takzim	Office & Warehouse	3,841	Freehold	-	2,331	9	6/3/00
34, Hala Rapat Baru 22 Taman Perusahaan Ringan Kinta Jaya Off Jalan Raja Nazrin Shah 31350 Ipoh Perak Darul Ridzuan	Office & Warehouse	1,271	Leasehold expiring 18 August 2094	2094	593	14	21/8/95
10, Lorong Nagasari 4 Taman Nagasari 13600 Prai Penang	Office & Warehouse	975	Freehold	-	656	18	19/6/91

GROUP'S PHYSICAL PRESENCE

Corporate Headquarters

- Van Andel & DeVos Training Centre
- One-stop Customer Service Centre
- Shop Facility
- Warehouse & Logistic Facility
- Office Block

28 Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan.
Tel : 03 - 7946 2288 Fax : 03 - 7946 2399

Regional Distribution Centres

Butterworth
10 Lorong Nagasari 4
Taman Nagasari
13600 Prai Penang

Johor Bahru
1 Jalan Sri Plentong 5
Taman Perindustrian Sri Plentong
81750 Masai Johor Darul Takzim

Ipoh
34 Hala Rapat Baru 22
Taman Perusahaan Ringan Kinta Jaya
Off Jalan Raja Nazrin Shah
31350 Ipoh Perak Darul Ridzuan

Kuantan
Lot 48/4 , 48/5 & 48/6
Kawasan Perindustrian Semambu 5
25350 Kuantan, Pahang Darul Makmur

Melaka
18, 18-1, 20 & 22
Jalan PPM 2 Plaza Pandan
Malim Business Park
75250 Melaka

Alor Setar
No. 179, 179A & 180
Jalan Shahab 5 Shahab Perdana
Jalan Sultanah Sambungan
05150 Alor Setar Kedah Darul Aman

Miri
Lot 302 Ricemill Road
MCLD 98000 Miri
Sarawak

Kuching
Lot 40 & 41
Jalan Tun Ahmad Zaidi Adruce
93200 Kuching Sarawak

Kota Kinabalu
Lot 30 Jalan Sembulan Lama
Karamunsing
88000 Kota Kinabalu Sabah

Sandakan
Lot 7 & 8, Block 12
Mile 4, Jalan Labuk
Bandar Indah
90000 Sandakan Sabah

Sibu
No. 7 & 9, Ground Floor
Lorong Chew Siik Hiong 1
96000 Sibu
Sarawak

Brunei
No. 6 & 7, Block A
Kompleks Shakirin
Kampong Kiulap
Bandar Seri Begawan BE1518
Brunei Darussalam

Amway Shops

Seremban
No 38 Ground Floor
Jalan S2 B18 Biz Avenue
Seremban 2
70300 Seremban
Negeri Sembilan Darul Khusus

Kuala Terengganu
No.24
Bangunan Pusat Niaga Paya Keladi
Bandar Kuala Trengganu
Terengganu Darul Iman

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

Batu Pahat
No 26 & 27 Jalan Flora Utama 1
Taman Flora Utama
83000 Batu Pahat
Johor Darul Takzim

Bintulu
Lot No 4075, 4076 & 4077
Parkcity Commercial Square
Jalan Tun Ahmad Zaidi
97000 Bintulu
Sarawak

Klang
No 55 & 57, Ground Floor
Jalan Mahogani 5/KS7
Bandar Botanic
41200 Klang
Selangor Darul Ehsan

Penang
28-G-1 Jalan Tanjong Tokong
11200 Penang

Wangsa Maju
No. 34N-0-3, Jalan Wangsa Delima 6
Jalan 1/27F, KLSC Section 5
Pusat Bandar Wangsa Maju
53300 Kuala Lumpur

DISCLOSURE OF RECURRENT RELATED PARTY TRANSACTIONS

At the Fourteenth Annual General Meeting held on 13 May 2009, 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 3.1.5 of Practice Note No.12 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the financial year ended 31 December 2009 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. ("Amway International"), Amway Nederland Ltd. ("Amway Nederland") and GDA B.V. ("GDA").	1,173	(i) Payment of Royalty Fees on Substitute Products and Additional Products that are distributed under the "AMWAY" trade name.
ABGIL	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	206,185	Purchase of consumer products from ABGIL.
Amway (Singapore) Pte Ltd ("ASPL")	AMSB	AGH, SHI, Alticor, Amway International, Amway Nederland and GDA	3,162	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")	4,753 618	(i) Procurement of IT support services from AITS. (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 Fifteenth Annual General Meeting of AMWAY (MALAYSIA) HOLDINGS BERHAD will be held at Van Andel & DeVos Training Centre, No. 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 19 May 2010 at 9.30 a.m. for the following purposes:

A G E N D A

As Ordinary Business

1.	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2009 together with the Directors' and the Auditors' Reports thereon.	Ordinary Resolution 1
2.	To re-elect Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof who is retiring pursuant to Article 87.1 of the Company's Articles of Association.	Ordinary Resolution 2
3.	To re-elect Dato' Cecil Wilbert Mohanaraj Abraham who is retiring pursuant to Article 87.1 of the Company's Articles of Association.	Ordinary Resolution 3
4.	To re-elect Encik Mohammad Bin Hussin who is retiring pursuant to Article 94 of the Company's Articles of Association.	Ordinary Resolution 4
5.	To approve the increase in Directors' fees to RM250,000.00 for the financial year ending 31 December 2010.	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. ("AMWAY INTERNATIONAL"), Amway (Singapore) Pte Ltd ("AMWAY (S)"), Amway IT Services Sdn Bhd ("AMWAY IT") and Amway Vietnam Co. Ltd ("AMWAY (V)") (The detailed text and rationale on Item 7 are contained in the Circular dated 21 April 2010 which is enclosed together with the Annual Report)	Ordinary Resolution 7
8.	Proposed Amendments to the Articles of Association "That the deletions, alterations, modifications, variations and additions to the Articles of Association of the Company as set out in Appendix 1 attached with the Annual Report for the financial year ended 31 December 2009 be and are hereby approved."	Special Resolution

BY ORDER OF THE BOARD

TAI YIT CHAN (MAICSA 7009143)
LIEW IRENE (MAICSA 7022609)
Company Secretaries

Date : 21 April 2010

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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. 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.

5. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Tricor Investor Services Sdn Bhd (formerly known as 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

6. 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.

7. The Special Resolution, if passed, will render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to update the Articles of Association of the Company to be consistent with the prevailing laws, guidelines or requirements of the relevant authorities.

STATEMENT ACCOMPANYING NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

Pursuant to the Paragraph 8.27(2) of the Bursa Securities Main Market Listing Requirements appended hereunder are:

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

Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof
Independent Non-Executive Director

- Malaysian, aged 63.
- Graduated with a Bachelor of Arts (Honours) from Universiti Malaya in 1969. Obtained a Master of Arts from the University of Wisconsin, Madison, United States of America in 1979 and gained a PhD in Law from the University of Kent, Canterbury United Kingdom in 1989.
- Has vast local and international experience through his years of involvement in various councils, committees and land settlement schemes. 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 and was the Secretary General of the Ministry of Land and Cooperative Development, Malaysia from 1995 to 2002.
- Presently, a Board member of Fututech Berhad and the Chairman of Yayasan Peneroka Negara, Malaysia since 2000 and also an Adjunct Professor for Universiti Putra Malaysia since 2006.
- Appointed Director of AMHB on 9 February 2006.
- 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.

Dato' Cecil Wilbert Mohanaraj Abraham
Independent Non-Executive Director

- Malaysian, aged 64
- 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. Read law at Queen Mary College, University of London and graduated with an LL.B Hons. Degree in 1968.
- Called by the Honourable Society of Middle Temple as a Barrister at Law in May 1969.
- Admitted as an Advocate & Solicitor of the High Court of Malaya in February 1970.
- Presently, a Senior Partner with the legal firm of Messrs Zul Rafique & Partners and was a Partner of Messrs Shearn Delamore & Co. from 1976 to 31 July 2007.
- Has extensive litigation as well as domestic and international arbitration practice.
- Appointed Director of AMHB on 9 February 2006.
- 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.

Encik Mohammad Bin Hussin
Non-Independent Non-Executive Director

- Malaysian, aged 49.
- Graduated with a Bachelor of Business Administration from University of Portland, Oregon, United States of America in 1986. Obtained a Master of Business Administration from Cranfield University, United Kingdom in 1990.
- Presently, the Vice President of the Marketing & Branch Operations Department of Permodalan Nasional Berhad ("PNB").
- Had previously held various senior management positions in PNB. From 1990 to 2002, he held various management positions in corporations amongst others, Edaran Otomobil Nasional Berhad and UMW Toyota Sdn Bhd.
- Appointed Director of AMHB on 10 June 2009.
- 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 12 March 2010

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	4.39	6,090	0.00
100 - 1,000	1,153	33.33	940,885	0.57
1,001 - 10,000	1,965	56.81	6,254,637	3.81
10,001 - 100,000	165	4.77	4,937,120	3.00
100,001 - 8,219,281	22	0.64	44,331,930	26.97
8,219,282 and above	2	0.06	107,914,983	65.65
Total	3,459	100.00	164,385,645	100.00

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

	Direct		Indirect	
Name of Shareholders	No. of Shares held	%	No. of Shares held	%
GDA B.V. ("GDA")	84,990,283	51.70	-	-
Amway Nederland Ltd ("Amway Nederland")	-	-	*i84,990,283	51.70
Amway International Inc ("Amway International")	-	-	*ii84,990,283	51.70
Alticor Inc. ("Alticor")	-	-	*iii84,990,283	51.70
Solstice Holdings Inc ("SHI")	-	-	*iv84,990,283	51.70
Alticor Global Holdings Inc ("AGH")*vi	-	-	*v84,990,283	51.70
AmanahRaya Trustees Berhad				
- Skim Amanah Saham Bumiputera	22,924,700	13.95	-	-
Employees Provident Fund Board	8,680,133	5.28	-	-

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 or members of their immediate families.

ANALYSIS OF SHAREHOLDINGS

as at 12 March 2010

SHAREHOLDINGS 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	0.01
3. Scott Russell Balfour	-	-
4. Yee Kee Bing	-	-
5. Eva Cheng Li Kam Fun	-	-
6. Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof	-	-
7. Dato' Cecil Wilbert Mohanaraj Abraham	-	-
8. Mohammad Bin Hussin	-	-

** Negligible

ANALYSIS OF SHAREHOLDINGS

as at 12 March 2010

THIRTY LARGEST SHAREHOLDERS

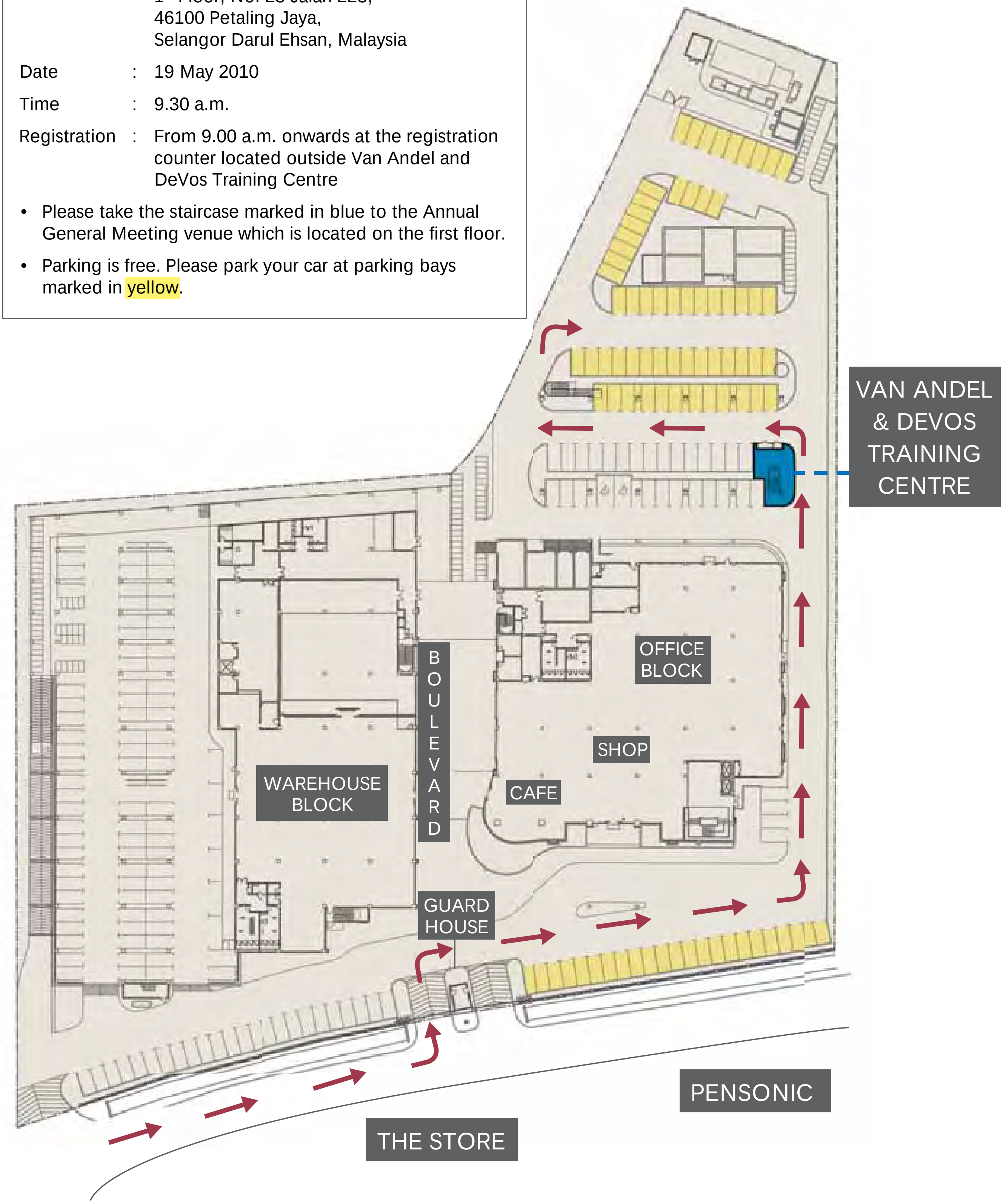
		No. of Shares Held	% of Issued Capital
1	GDA B.V.	84,990,283	51.70
2	AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	22,924,700	13.95
3	Employees Provident Fund Board	8,180,133	4.98
4	AmanahRaya Trustees Berhad - Amanah Saham Malaysia	7,794,000	4.74
5	Kumpulan Wang Persaraan (Diperbadankan)	7,772,800	4.73
6	Valuecap Sdn Bhd	6,854,900	4.17
7	Lembaga Tabung Haji	6,246,331	3.80
8	AmanahRaya Trustees Berhad - Amanah Saham Didik	3,129,800	1.90
9	Bank Kerjasama Rakyat Malaysia Berhad	811,900	0.49
10	Kumpulan Wang Simpanan Pekerja	500,000	0.30
11	Citigroup Nominees (Asing) Sdn Bhd - CBNY For DFA Emerging Markets Small Cap Series	396,700	0.24
12	Amanah Saham Mara Berhad	389,500	0.24
13	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd For MAAKL Al-Fauzan (5170)	380,000	0.23
14	AmanahRaya Trustees Berhad - Dana Al-Aiman	260,000	0.16
15	PM Nominees (Tempatan) Sdn Bhd - PCB Asset Management Sdn Bhd For MUI Continental Insurance Berhad	250,000	0.15
16	Permodalan Nasional Berhad	227,466	0.14
17	Tabung Amanah Warisan Negeri Johor	194,500	0.12
18	HSBC Nominees (Tempatan) Sdn Bhd - HSBC (M) Trustee Bhd For MAAKL Dividend Fund (5311-401)	180,000	0.11
19	Malaysian Reinsurance Berhad	170,900	0.10
20	Takaful Ikhlas Sdn Bhd	140,000	0.09
21	Ajeet Kaur A/P Inder Singh	120,000	0.07
22	Mehar Singh @ Mehar Singh Gill	116,000	0.07
23	Teo Chiang Hong	116,000	0.07
24	Wong Lok Jee @ Ong Lok Jee	101,000	0.06
25	AllianceGroup Nominees (Tempatan) Sdn Bhd - Alliance Investment Management Berhad for the Institute of Strategic and International Studies Malaysia	100,000	0.06
26	Lam Meng Choy	100,000	0.06
27	Malaysian Reinsurance Berhad	100,000	0.06
28	Malaysian Reinsurance Berhad	100,000	0.06
29	New Tong Fong Plywood Sdn Bhd	100,000	0.06
30	AmanahRaya Trustees Berhad - Dana Bestari	98,700	0.06
		152,845,613	92.98

INFORMATION FOR SHAREHOLDERS ON FIFTEENTH ANNUAL GENERAL MEETING

AMWAY ANNUAL GENERAL MEETING INFORMATION

Venue	:	Van Andel and DeVos Training Centre 1st Floor, No. 28 Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Date	:	19 May 2010
Time	:	9.30 a.m.
Registration	:	From 9.00 a.m. onwards at the registration counter located outside Van Andel and DeVos Training Centre

- Please take the staircase marked in blue to the Annual General Meeting venue which is located on the first floor.
- Parking is free. Please park your car at parking bays marked in yellow.



Amway

PROXY FORM

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

CDS account no. of authorised nominee

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 Fifteenth Annual General Meeting of the Company to be held at the Van Andel & DeVos Training Centre, No. 28, Jalan 223, 46100 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Wednesday, 19 May 2010 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 2009	Ordinary Resolution 1		
2. Re-election of Prof. Datuk Dr. Nik Mohd Zain Bin Nik Yusof as Director	Ordinary Resolution 2		
3. Re-election of Dato' Cecil Wilbert Mohanaraj Abraham as Director	Ordinary Resolution 3		
4. Re-election of Encik Mohammad Bin Hussin as Director	Ordinary Resolution 4		
5. Approval of Directors' fees for the financial year ending 31 December 2010	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., Amway (Singapore) Pte Ltd, Amway IT Services Sdn Bhd and Amway Vietnam Co. Ltd.	Ordinary Resolution 7		
8. Proposed Amendments to the Articles of Association	Special Resolution		

(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.)

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

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

____

Signature/Common Seal
Number of Shares Held :
Date :

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. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. 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.
5. The instrument appointing a proxy or proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited with the Share Registrar of the Company at Tricor Investor Services Sdn Bhd (formerly known as 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

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AFFIX
STAMP

The Share Registrars

TRICOR INVESTOR SERVICES SDN BHD (118401-V)
(formerly known as TENAGA KOPERAT SDN BHD)
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

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PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Articles of Association of the Company are proposed to be amended in the following manner:

<table>
<tr><th>Article No.</th><th>Existing Articles</th><th>Amended Articles</th></tr>
<tr><td>2.1</td><td>WORDS — MEANINGS

Approved Market Place — A stock exchange which is specified to be an approved market place pursuant to an exemption order made under Section 62A of the Central Depositories Act.

Deposited Security — A Security standing to the credit of a Securities Account of the Depositor subject to the provisions of the Central Depositories Act and the Rules.

Listing Requirements — The Listing Requirements of Bursa as it may be modified or amended from time to time.

Securities — Security as defined in Section 2 of the Securities Commission Act, 1993 or any modification, amendment or re-enactment thereof for the time being in force.</td><td>WORDS — MEANINGS

(Deleted) — (Deleted)

Deposited Security — Shall have the meaning given in Section 2 of the Securities Industry (Central Depositories) Act 1991.

Listing Requirements — Bursa Main Market Listing Requirements including any amendments to the Listing Requirements that may be made from time to time.

Securities — Shall have the meaning given in Section 2 of the Capital Markets and Services Act 2007.</td></tr>
<tr><td>40A(1).</td><td>Transmission of Securities for Foreign Register

Where:-

(a) the Securities of the Company are listed on an Approved Market Place; and
(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the Approved Market Place (hereinafter referred to as “Foreign Register”), to the register of holders maintained by the registrar of the Company in Malaysia (hereinafter referred to as “the Malaysian Register”) provided that there shall be no change in the ownership of such Securities.</td><td>Transmission of Securities

Where:-

(a) the Securities of the Company are listed on another stock exchange; and
(b) the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be, under the Rules in respect of such Securities,

the Company shall, upon request of a Securities holder, permit a transmission of Securities held by such Securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange, to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such Securities.</td></tr>
</table>

Article No.	Existing Articles	Amended Articles
40A(2).	For the avoidance of doubt, if the Company fulfils the requirements of sub-Articles (1)(a) and (b) of Article 40A above, the Company shall not allow any transmission of Securities from the Malaysian Register into the Foreign Register.	*Deleted*
148.	Mode of Payment of Dividend Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct, subject to the Rules. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or person or persons entitled to the share in consequences of the death or bankruptcy of the holder may direct and the payment of any such cheque or warrant shall operate as a good discharge to the Company in respect of the dividend represented thereby. Every such cheque or warrant shall be sent at the risk of the person entitled to the money thereby represented.	*Mode of Payment of Dividend* *Subject to the provisions of the Act, the Central Depositories Act and the Rules, the Listing Requirements and/or regulatory authorities, any dividend, interest or other money payable in cash in respect of shares may be paid by cheque or warrant and sent through the post directed to the registered address of the holder or to such person and to such address as the holder may in writing direct or, if several persons are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and to such address as such persons may by writing direct or by way of telegraphic transfer, electronic transfer or remittance to such account as designated by such holder or the person entitled to such dividend. Every such cheque or warrant or telegraphic transfer or electronic transfer or remittance shall be made payable to the order of the person and the payment of any such cheque or warrant or telegraphic transfer, electronic transfer or remittance shall operate as a good and full discharge to the Company in respect of the payment represented thereby, notwithstanding that in the case of payment by cheque or warrant, it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant, telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money thereby represented.*
154A	New provision	*Report in CD-ROM or DVD-ROM format* *Subject to the compliance with the requirements of Bursa and any other relevant authorities, if any, the Company may issue its annual report in compact disc read-only memory ("CD-ROM") or digital video disc read-only memory ("DVD-ROM") format or in any other format whatsoever (whether available now or in the future) through which images, data, information or other material may be viewed whether electronically or digitally or howsoever.*

[End of Appendix 1]

AMWAY (MALAYSIA) HOLDINGS BERHAD (340354-U)
28, JALAN 223, 46100 PETALING JAYA,
SELANGOR DARUL EHSAN, MALAYSIA
TEL : 03 7946 2288
FAX : 03 7946 2399
www.amway2u.com