

Amway (Malaysia) Holdings Berhad (Company No : 340354-U)

Notes to the Interim Financial Report for the third quarter ended 30 September 2008.

A. DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (“FRS”) 134

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2007.

2. Audit Report of Preceding Annual Financial Statements

The audit report of the annual financial statements of the Group for the financial year ended 31 December 2007 was not subject to any qualification.

3. Seasonal or Cyclical Factors

There were no major seasonal or cyclical factors that affected operations.

4. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the quarter under review.

5. Material Changes in Estimates

There were no material changes in the nature and amount of estimates used in prior financial years/period.

6. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

7. Dividend Paid

The following interim dividend was paid on 29 August 2008 in respect of the financial year ending 31 December 2008:

- i. interim dividend of 9.0 sen per share, less 26% income tax amounting to RM10,948,077

8. Segmental Reporting

There was no material business or geographical segmentation for analysis.

9. Carrying Amount of Assets

There had been no revaluation of property, plant and equipment during the quarter under review.

10. Event subsequent to the End of the Period

There had been no material event affecting the earnings of the Group and the Company between 30 September 2008 to 10 November 2008.

11. Change in Group / Capital Structure

There were no changes in the composition of the Company / Group including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring and discontinuing operations during the quarter under review.

12. Contingent Liabilities

There were no material contingent liabilities as at 10 November 2008.

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS

1. Performance Review

The Group's sales revenue recorded an increase of 13.3% for the quarter under review and 9.9% for the nine months ended 30 September 2008 as compared to the corresponding periods in the preceding year. The favorable comparison was due to increase in distributors' productivity driven by enhanced sales and marketing program implemented in the periods under review.

The Group's pre-tax profit grew by 15.8% for the quarter under review and 18.2% for the nine months ended 30 September 2008 as compared to the corresponding periods in the preceding year, due to the higher sales revenues recorded in the periods under review.

2. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

The Group recorded an increase of RM42.5mil or 29.7% in sales revenue over the preceding quarter due to increase in distributors' productivity driven by enhanced sales and marketing program. Compared to the preceding quarter, the Group's pre tax profit increased by RM11.9mil or 40.5% in line with the increase in sales revenue.

3. Current Year Prospects

Rising costs together with other uncertainties in the marketplace are expected to have an unfavorable impact on consumer sentiment for the remainder of the year. However, due to the better than expected performance of the first nine months, the Board is optimistic that the Group will achieve high single digit growth in sales revenue in this financial year.

The Board of Directors is of the opinion that these internal targets are achievable based on current market conditions and currently available information. These targets will be reviewed periodically by the Board of Directors and any subsequent changes will be conveyed to the market in accordance with Listing Requirements of Bursa Malaysia Securities Berhad.

The above are internal management targets and are not estimates, forecasts or projections. In addition, these internal targets have not been reviewed by our external auditors.

4. Variances from Profit Forecasts and Profit Guarantee

Not applicable.

5. Taxation

The breakdown of tax charge for the current quarter and financial year-to-date are as follows:

Tax charge	Current Quarter RM'000	Current Financial Year-To-Date RM'000
Current quarter/period provision	9,909	25,370
Deferred tax	890	382
Total	10,799	25,752

The effective tax rates for the current quarter and current financial year-to-date of the Group are marginally higher than the statutory tax rate mainly due to certain expenses disallowed for tax purposes.

6. Profit/ Loss on Sale of unquoted investment and/or properties

There were no disposals of investments during the quarter under review and financial year-to-date.

7. Purchase and Disposal of Quoted Securities

There was no purchase or disposal of quoted securities by the Group for the current quarter under review and financial year-to-date.

8. Status of Corporate Proposal

There were no corporate proposals announced but not completed as at 10 November 2008.

9. Group Borrowings and Debt Securities

There were no borrowings and debt securities as at 30 September 2008.

10. Off Balance Sheet Financial Instruments

There were no material financial instruments with off balance sheet risk as at 10 November 2008.

11. Material Litigation

There was no pending material litigation as at 10 November 2008.

12. Dividend

- (a)
 - i) A third quarter interim dividend of 9.0 sen per share less 26% income tax has been declared on 10 November 2008, based on the existing share capital of 164,385,645 ordinary shares of RM1.00 each. A special interim dividend of 20 sen per share less 26% income tax has also been declared on 10 November 2008, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.
 - ii) For the previous corresponding quarter, an interim dividend of 7.5 sen per share less 27% income tax has been declared on 19 November 2007, based on the existing share capital of 164,385,645 ordinary shares of RM1.00 each. A special interim dividend of 25 sen per share less 27% income tax has also been declared on 19 November 2007, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.
 - iii) In respect of deposited securities, entitlements to the third quarter interim dividend will be determined based on shareholders registered in the record of depositors as at 26 November 2008. The payment date is 16 December 2008.
- (b) The total dividend declared to date for the current financial year ending 31 December 2008 are as follows:
 - i) First interim dividend of 9.0 sen per share less 26% income tax, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.
 - ii) Second interim dividend of 9.0 sen per share less 26% income tax, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.
 - iii) Third interim dividend of 9.0 sen per share less 26% income tax, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.
 - iv) Special interim dividend of 20 sen per share less 26% income tax, based on the share capital of 164,385,645 ordinary shares of RM1.00 each.

13. Earnings Per Share

The earnings per share (basic) is calculated by dividing the net profit attributable to shareholders of RM30,477,000 by the number of shares in issue of 164,385,645.