

Directors' Report

for the year ended 31 August 2000

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 August 2000.

PRINCIPAL ACTIVITIES

The Company is the parent company of Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd. The principal activities of the subsidiary companies consist of the distribution of consumer products principally under the "AMWAY" trademark.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	47,785	48,372
Unappropriated profits brought forward	66,920	22,092
Profits available for appropriation	114,705	70,464
Appropriation:		
Dividends:		
Interim:		
First quarter – 12 sen per share tax exempt	(11,836)	(11,836)
Second quarter – 12 sen per share tax exempt	(11,836)	(11,836)
Third quarter – 12 sen per share tax exempt	(11,836)	(11,836)
Special – 30 sen per share less tax at 28%	(21,304)	(21,304)
Proposed:		
Fourth quarter – 7.5 sen per share tax exempt	(12,329)	(12,329)
	(69,141)	(69,141)
Unappropriated profits carried forward	45,564	1,323
	=====	=====

RESERVES AND PROVISIONS

There were no material movements to and from reserves and provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company paid:

- i) a final dividend of 25 sen per share less tax at 28% totalling RM17,754,000 in respect of the year ended 31 August 1999 on 16 February 2000;
- ii) a first quarter tax exempt interim dividend of 12 sen per share totalling RM11,836,000 in respect of the year ended 31 August 2000 on 1 March 2000;
- iii) a second quarter tax exempt interim dividend of 12 sen per share totalling RM11,836,000 in respect of the year ended 31 August 2000 on 24 May 2000;
- vi) a third quarter tax exempt interim dividend of 12 sen per share totalling RM11,836,000 in respect of the year ended 31 August 2000 on 18 August 2000; and
- v) a special interim dividend of 30 sen per share less tax at 28% totalling RM21,304,000 in respect of the year ended 31 August 2000 on 18 August 2000.

A fourth quarter tax exempt interim dividend recommended by the directors in respect of the year ended 31 August 2000 is 7.5 sen per share, based on the enlarged paid-up capital of up to 164,386,667 ordinary shares of RM1 par value each, after accounting for the new ordinary shares from the bonus issue of up to 65,754,667 new ordinary shares which will be allotted on 31 October 2000, totalling RM12,329,000.

The directors do not recommend payment of a final dividend for the year ended 31 August 2000.

DIRECTORS OF THE COMPANY

The directors who served since the date of the last report are:

Tan Sri Azmi Wan Hamzah
 Low Han Kee (Managing Director)
 Tan Sri Dato' Ahmad Farouk bin Haji SM Ishak
 Lawrence M. Call
 Choong Lai Huat
 Craig N. Meurlin
 James B. Payne
 Tengku Yunus Kamaruddin
 Lynn J. Lyall (alternate to Lawrence M. Call)

In accordance with Article 63 of the Company's Articles of Association, Craig N. Meurlin and Tengku Yunus Kamaruddin retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The directors who held office at year end and have interests in the ordinary shares of the Company are as follows:

Name	Number of Ordinary Shares of RM1 each			
	Balance at 1.9.1999	Bought	Sold	Balance at 31.8.2000
Tan Sri Azmi Wan Hamzah	9,323,830 [†]	–	(3,000,000)	6,323,830 [†]
Low Han Kee	55,000	–	(43,000)	12,000
Tan Sri Dato' Ahmad Farouk bin Haji SM Ishak	10,000	–	–	10,000
Lawrence M. Call	10,000	–	(10,000)	–
Choong Lai Huat	190,000	–	(130,000)	60,000
Craig N. Meurlin	10,000	–	(6,000)	4,000
Tengku Yunus Kamaruddin	10,000	–	–	10,000

[†] Deemed interest through nominee companies and spouse

There has been no change in the directors' shareholdings within the period of twenty-one days after the balance sheet date.

By virtue of their interest in the shares of the Company, the above directors are also deemed to have an interest in the shares of all subsidiary companies of the Company to the extent that the Company has an interest.

None of the other directors holding office at year end had any interest in the ordinary shares of the Company and its related companies during the year.

DIRECTORS' BENEFITS

Since the end of previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements) by reason of a contract made by the Company or a related company with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the year which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SHARE CAPITAL AND SHARE BUY-BACK

There were no changes in the issued and paid-up capital of the Company during the year.

The shareholders of the Company at the conclusion of the previous authority given to the Board of Directors to buy back its own shares, by a resolution passed in the Annual General Meeting held on 17 January 2000, approved the Company's proposal to repurchase its own shares to authorise the Company to purchase up to 9,863,000 shares of RM1 each, representing 10% of its issued and paid-up share capital of 98,632,000 shares of RM1 each on that date, for a consideration of up to RM90,000,000. The directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase proposal can be applied in the best interest of the Company and its shareholders. Nevertheless, the Company did not buy back any of its shares during the year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take up unissued shares or debentures of the Company during the year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the directors of the Company are not aware of any circumstances:

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 August 2000 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

At an Extraordinary General Meeting held on 11 September 2000, the shareholders of the Company approved a bonus issue of up to 65,754,667 new ordinary shares of RM1 par value each to be credited as fully paid-up on the basis of two new ordinary shares for every three existing fully paid-up ordinary shares. The bonus issue will be allotted on 31 October 2000 and credited as fully paid-up shares through capitalisation from the Company's share premium account of RM66,568,000.

AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the directors:

TAN SRI AZMI WAN HAMZAH
Director

LOW HAN KEE
Director

Kuala Lumpur,
Date: 23 October 2000

Statement By Directors

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

We, TAN SRI AZMI WAN HAMZAH and LOW HAN KEE, being two of the directors of AMWAY (MALAYSIA) HOLDINGS BERHAD state that, in the opinion of the directors, the financial statements set out on pages 25 to 39, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 August 2000 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the directors:

TAN SRI AZMI WAN HAMZAH
Director

LOW HAN KEE
Director

Kuala Lumpur,
23 October 2000

Statutory Declaration

I, LIM TENG SIM, the officer primarily responsible for the financial management of AMWAY (MALAYSIA) HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 25 to 39 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
LIM TENG SIM at Petaling Jaya in Selangor Darul
Ehsan on 23 October 2000

LIM TENG SIM

BEFORE ME:

E RADAKRISHNAN

Commissioner for Oaths (No. B008)
Petaling Jaya.

Report Of The Auditors To The Members

We have audited the financial statements set out on pages 25 to 39. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 August 2000 and of the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiary company have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements 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.

The audit reports on the financial statements of the subsidiary companies were not subject to any qualification nor included any comment made under sub-section (3) of Section 174 of the Act.

KPMG
Firm Number: AF 0758
Public Accountants

DATO' AB. HALIM MOHYIDDIN
Partner
Approval Number: 1138/03/02(J/PH)

Kuala Lumpur,
23 October 2000

Balance Sheets

at 31 August 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
PROPERTY, PLANT AND EQUIPMENT	2	32,481	29,349	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	3	-	-	86,202	86,202
GOODWILL ARISING ON CONSOLIDATION	4	6,307	6,613	-	-
CURRENT ASSETS					
Inventories	5	50,528	27,853	-	-
Trade debtors	6	3,863	8,979	-	-
Other debtors, deposits and prepayments		3,960	3,863	924	1,585
Amount due from holding company	7	5	-	-	-
Amount due from a subsidiary company	8	-	-	11,629	17,962
Amount due from related companies	9	57	12	-	-
Fixed deposits	10	164,213	211,468	56,262	84,266
Investment securities	11	30,794	26,023	25,576	10,195
Bankers acceptances		-	7,519	-	7,519
Cash and bank balances		3,434	3,852	71	60
		256,854	289,569	94,462	121,587
CURRENT LIABILITIES					
Trade creditors		5,084	6,373	-	-
Other creditors and accruals	12	40,543	45,509	182	144
Amount due to holding company	7	-	832	-	-
Amount due to related companies	9	13,363	10,138	-	-
Provision for taxation		12,242	11,447	265	1,234
Proposed dividend		12,329	17,754	12,329	17,754
		83,561	92,053	12,776	19,132
Net Current Assets		173,293	197,516	81,686	102,455
		212,081	233,478	167,888	188,657
Financed by:-					
CAPITAL AND RESERVES					
Share capital	13	98,632	98,632	98,632	98,632
Reserves	14	113,449	134,846	69,256	90,025
SHAREHOLDERS' FUNDS		212,081	233,478	167,888	188,657

The notes set out on pages 29 to 39 form an integral part of, and should be read in conjunction with, these financial statements.

Income Statements

for the year ended 31 August 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
REVENUE	15	355,291	314,877	45,794	76,323
Cost of goods sold		(263,541)	(247,913)	-	-
GROSS PROFIT		91,750	66,964	45,794	76,323
Distribution costs		(11,231)	(9,761)	-	-
Selling and administration expenses		(21,586)	(16,418)	(302)	(281)
Other operating income		260	890	-	-
OPERATING PROFIT	16	59,193	41,675	45,492	76,042
Net financing income	18	9,210	17,617	3,978	7,639
Profit before taxation		68,403	59,292	49,470	83,681
Tax expense	19	(20,618)	(668)	(1,098)	(21,716)
PROFIT AFTER TAXATION		47,785	58,624	48,372	61,965
Earnings per ordinary share (sen)	21	48.4	59.4		
Net dividends per ordinary share (sen)	22	42.1	54.0	42.1	54.0

Statements of Recognised Gains and Losses

for the year ended 31 August 2000

	Note	Group		Company	
		2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Loss not recognised in the income statement:					
Exchange differences on translation of the financial statements of the overseas subsidiary company	14	(41)	(493)	-	-
PROFIT AFTER TAXATION		47,785	58,624	48,372	61,965
TOTAL RECOGNISED GAINS FOR THE YEAR		47,744	58,131	48,372	61,965

Cash Flow Statements

for the year ended 31 August 2000

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	68,403	59,292	49,470	83,681
Adjustments for:				
Accretion of discount less amortisation of premium on investment securities	(405)	(346)	(16)	(236)
Amortisation of goodwill	305	305	-	-
Depreciation	1,723	1,605	-	-
Gain on sale of property, plant and equipment	(82)	(28)	-	-
Gain on sale of investment securities	(211)	-	(37)	-
Interest income	(8,594)	(17,271)	(3,925)	(7,403)
Effects of exchange rate changes on profit of the overseas subsidiary company	(7)	(31)	-	-
Property, plant and equipment written off	4	7	-	-
Realisation of exchange reserve on payment of dividend by the overseas subsidiary company	-	(1,479)	-	-
Unrealised (gain)/loss on foreign exchange	(149)	443	-	-
Operating profit before working capital changes	60,987	42,497	45,492	76,042
(Increase)/Decrease in working capital:				
Inventories	(22,686)	8,992	-	-
Debtors	5,453	(2,479)	1,100	(260)
Creditors	-	-	38	(33)
Subsidiary company	-	-	6,333	28,149
Related companies	3,180	4,739	-	-
Creditors	(6,243)	200	-	-
Holding company	(837)	5	-	-
Cash generated from operations	39,854	53,954	52,963	103,898
Taxation paid	(20,243)	(35,598)	(2,506)	(23,054)
Net cash generated from operating activities	19,611	18,356	50,457	80,844

The notes set out on pages 29 to 39 form an integral part of, and should be read in conjunction with, these financial statements..

Cash Flow Statements (Continued)

for the year ended 31 August 2000

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of property, plant and equipment	84	28	-	-
Purchase of property, plant and equipment	(4,863)	(708)	-	-
Proceeds from sale/redemption of investment securities	64,440	-	9,441	-
Purchase of investment securities	(68,594)	(13,051)	(24,769)	(9,959)
Interest income	8,594	17,271	3,925	7,403
Net cash (used in)/generated from investing activities	(339)	3,540	(11,403)	(2,556)
CASH FLOW FROM FINANCING ACTIVITY				
Dividends paid	(74,566)	(88,769)	(74,566)	(88,769)
Net cash used in financing activity	(74,566)	(88,769)	(74,566)	(88,769)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(55,294)	(66,873)	(35,512)	(10,481)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Balance brought forward	223,280	293,402	91,845	102,326
Reversal of previous year's unrealised loss on foreign exchange	(441)	(2,731)	-	-
	222,839	290,671	91,845	102,326
EFFECTS OF EXCHANGE RATE CHANGES ON OPENING CASH AND CASH EQUIVALENTS	(53)	(518)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	167,492	223,280	56,333	91,845
CASH AND CASH EQUIVALENTS COMPRISE:				
Fixed deposits	164,213	211,468	56,262	84,266
Bankers acceptances	-	7,519	-	7,519
Cash and bank balances	3,434	3,852	71	60
Unrealised (gain)/loss on foreign exchange	167,647	222,839	56,333	91,845
	(155)	441	-	-
	167,492	223,280	56,333	91,845

Notes To The Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared under the historical cost convention and in compliance with approved accounting standards in Malaysia.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its wholly-owned subsidiary companies, the particulars of which is in Note 3 to the financial statements. The consolidation is based on the audited financial statements of the subsidiary companies made up to 31 August 2000.

Subsidiary companies are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of the subsidiary companies are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively cease.

All internal transactions are eliminated on consolidation and the revenue and profits relate to external transactions only.

The Company adopts the merger method of accounting in accordance with Malaysian Accounting Standard No. 2 for the acquisition of Amway (Malaysia) Sdn. Bhd. and the acquisition method of accounting for the acquisition of Amway (B) Sdn. Bhd. in preparing the consolidated financial statements.

Under the merger method of accounting, the results of the subsidiary company are accounted for as if the company has been combined throughout the current and previous financial years. The difference between the nominal value of shares issued as consideration for the merger over the nominal value of the share capital and reserves of the subsidiary company acquired is taken to consolidated reserves.

Under the acquisition method of accounting, the excess of the purchase consideration paid for acquiring the subsidiary company over the fair value attributable to the net assets acquired is taken up as goodwill arising on consolidation. The proportion of the profit or loss after taxation applicable to any pre-acquisition year is deducted in arriving at the profit attributable to the shareholders of the Company.

(c) Goodwill on consolidation

Goodwill on consolidation represents the difference, at the date of acquisition, between the consideration paid for shares in the subsidiary company and the fair values attributable to the net assets acquired. Goodwill arising on consolidation is amortised over a period of 25 years from date of acquisition.

(d) Subsidiary companies

Investments in subsidiary companies are stated at cost. Provision for diminution in value is made when the directors consider that there has been a permanent diminution in value.

(e) Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost less depreciation. Freehold land is stated at cost and is not amortised.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it will be charged to equity. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

(f) Depreciation

Freehold land is not amortised. Long leasehold land are amortised over the remaining period of the leases of 74 to 99 years.

Leasehold fixture and improvements are amortised over the lives of the leases of 3 years or their estimated useful lives, whichever is shorter.

Furniture, fittings and equipment costing RM500 or less are written off in the month of purchase.

Other property, plant and equipment are stated at cost less depreciation provided on a straight-line basis so as to write off the cost of the assets over their estimated useful lives.

The principal annual rates of depreciation used are as follows:

Buildings	2%
Building improvements	10%
Furniture, fittings and equipment	10% – 33 1/3%
Motor vehicles	25%

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in-first-out (FIFO) basis and includes actual purchase price plus the cost of bringing the inventories to their present location.

(h) Investment securities

Investment securities are stated at the lower of cost and market value. Cost of the Malaysian Government Securities, Malaysian Government Treasury Bills and private debt securities include cost of purchase and amortisation of premium or accretion of discount.

(i) Income recognition

Revenue from the sale of goods is based on the value invoiced to customers during the year less returns and discounts and services rendered.

Dividend income is recognised on receivable basis.

(j) Net financing income

Net financing income comprise interest receivable on funds invested and gain/loss on sale/redemption of investment securities.

Interest income is recognised in the income statement on a time proportion basis taking account of the principal outstanding and the rates applicable.

(k) Taxation

The tax expense in the income statement represents taxation at current tax rates based on profit earned during the year.

Deferred taxation is calculated on the liability method in respect of all material timing differences except where the liability is not expected to arise in the foreseeable future and there are no indications the timing differences will reverse thereafter. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(l) Retirement plan

The Group has a non-contributory retirement plan for all full-time permanent employees who have completed six months of service with the Group. Any employee who resigns within five years from the date of eligibility will not be entitled to this benefit. The retirement plan is funded by payments to a trust fund, Amway Malaysia Retirement Fund, whose assets are separately administered from those of the Group.

The amount contributed by the Group is computed at a certain percentage of basic monthly salaries.

On 2 August 2000, the Board of Directors of a subsidiary company passed a circular resolution, pursuant to Clause 18(b) of the Deed of Trust establishing the Amway Malaysia Retirement Fund dated 31 May 1988 between the said subsidiary company and the trustees, to determine the trust fund by 31 December 2000. Subsequent to the date of determination, all contributions will be made directly to each full-time employees' account in the Employees Provident Fund ("EPF") at a certain percentage of each full-time permanent employees wages in accordance with the EPF Act, 1991.

(m) Repurchase of shares

When shares are repurchased and cancelled, the nominal value of the shares repurchased is cancelled by a debit to share capital and an equivalent amount is transferred to capital redemption reserve. The consideration, including any acquisition cost and premium or discount arising from the shares repurchased, is adjusted to share premium or any other suitable reserve.

When shares are repurchased and held as treasury shares, the cost of the shares repurchased is debited to treasury shares. Where treasury shares are subsequently distributed as share dividends, the cost of treasury shares is adjusted to share premium or any other suitable reserve. Where treasury shares are subsequently reissued by re-sale in the open market, the credit difference, which arise when the sale consideration is more than the cost of the shares repurchased, is adjusted to share premium. Conversely, the debit difference, which arise when the sale consideration is less than the cost of the shares repurchased, is adjusted to share premium or any othersuitable reserve.

(n) Foreign currency translation**(i) Foreign currency transactions**

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical costs, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

(ii) Financial statements of overseas subsidiary company

The operations of the Group's overseas subsidiary company are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of the overseas subsidiary company are translated into Ringgit Malaysia at exchange rates closely approximating to those ruling at balance sheet date. The results of the overseas subsidiary company for the year are translated at the average rates applicable throughout the year. Exchange differences arising from the restatement at year end rates of the opening net investment in the overseas subsidiary company are taken to the Exchange Difference Account.

The closing rates used in translation is B\$1.00 equivalent to RM2.20.

(o) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value.

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land	Long leasehold land	Buildings	Building improvements	Leasehold fixture and improvements	Furniture, fittings and equipment	Motor vehicles	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost								
At 1 September 1999	18,858	2,637	6,452	897	274	10,780	1,830	41,728
Additions	1,158	–	1,329	218	117	1,895	146	4,863
Disposals	–	–	–	–	–	(654)	(122)	(776)
Written off	–	–	–	–	–	(39)	–	(39)
Exchange difference [†]	–	–	–	–	(1)	(5)	–	(6)
At 31 August 2000	20,016	2,637	7,781	1,115	390	11,977	1,854	45,770
Accumulated Depreciation								
At 1 September 1999	–	105	1,211	711	274	8,838	1,240	12,379
Charge for the year	–	35	136	32	7	1,130	383	1,723
Disposals	–	–	–	–	–	(651)	(123)	(774)
Written off	–	–	–	–	–	(35)	–	(35)
Exchange difference [†]	–	–	–	–	(1)	(3)	–	(4)
At 31 August 2000	–	140	1,347	743	280	9,279	1,500	13,289
Net book value								
At 31 August 2000	20,016	2,497	6,434	372	110	2,698	354	32,481
At 31 August 1999	18,858	2,532	5,241	186	–	1,942	590	29,349
Depreciation charge for the year ended 31 August 1999	–	35	129	26	12	1,021	382	1,605

[†] This represents the effects of exchange rate changes on opening property, plant and equipment balances.

The title deeds to the freehold land acquired by a subsidiary company in 1997 and 2000, amounting to RM18,858,000 (1999 – RM18,858,000) and RM1,158,000 (1999 – Nil) respectively are in the process of being registered in the subsidiary company's name.

3. INTEREST IN SUBSIDIARY COMPANIES

	Company	
	2000	1999
	RM'000	RM'000
Unquoted shares, at cost	86,202	86,202
	=====	=====

Details of the subsidiary companies are as follows:

	Issued Share Capital '000	Group Equity Interest %		Country of incorporation	Principal Activities
		2000	1999		
Amway (Malaysia) Sdn. Bhd.	RM35,499	100	100	Malaysia	Distribution of consumer products principally under the "AMWAY" trademark.
Amway (B) Sdn. Bhd. [†]	B\$10	100	100	Negara Brunei Darussalam	Distribution of consumer products principally under the "AMWAY" trademark.

[†] The entire equity interest of Amway (B) Sdn. Bhd. is held by Amway (Malaysia) Sdn. Bhd.

4. GOODWILL ARISING ON CONSOLIDATION

	Group	
	2000	1999
	RM'000	RM'000
Goodwill arising on consolidation of the overseas subsidiary company	7,630	7,630
Less: Accumulated amortisation	(1,323)	(1,017)
	<u>6,307</u>	<u>6,613</u>
	=====	=====

This represents the unamortised balance of the goodwill arising on consolidation of Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd.

5. INVENTORIES

	Group	
	2000	1999
	RM'000	RM'000
Consumer products	50,528	27,853
	=====	=====

6. TRADE DEBTORS

	Group	
	2000	1999
	RM'000	RM'000
Trade debtors	4,026	9,111
Less: Provision for doubtful debts	(163)	(132)
	<u>3,863</u>	<u>8,979</u>
	=====	=====

7. HOLDING COMPANY

The holding company is Amway Asia Pacific Ltd., a company incorporated in Bermuda and was previously listed on the New York Stock Exchange and the Australian Stock Exchange, under the stock symbols, AAP and AMW respectively. In April 2000, Amway Asia Pacific Ltd. was delisted from both the New York Stock Exchange and Australian Stock Exchange following the completion of a tender offer made pursuant to a Tender Offer and Amalgamation Agreement dated 15 November 1999 between New AAP Limited, Apple Hold Co L.P. and Amway Asia Pacific Ltd.

The amount due from/(to) the holding company is non-trade related, unsecured, interest free and has no fixed terms of repayment.

8. AMOUNT DUE FROM A SUBSIDIARY COMPANY

The amount due from a subsidiary company comprise the following:

	Company	
	2000	1999
	RM'000	RM'000
Amount due from:		
– Dividend receivable	11,715	17,891
– Non-trade	–	71
	11,715	17,962
Amount due (to):		
– Non-trade	(86)	–
	11,629	17,962
	=====	=====

The amount due from a subsidiary company is unsecured, interest free and has no fixed terms of repayment except for dividend receivable, which is due within twelve months.

9. AMOUNTS DUE FROM/(TO) RELATED COMPANIES

The amounts due from/(to) related companies comprise the following:

	Group	
	2000	1999
	RM'000	RM'000
Amount due from related companies:		
– Trade	–	–
– Non-trade	57	12
	57	12
Amount due to related companies:	=====	=====
– Trade	13,093	10,132
– Non-trade	270	6
	13,363	10,138
	=====	=====

The amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment.

10. FIXED DEPOSITS

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Deposits with				
– licensed banks	126,482	92,251	35,732	10,006
– finance companies	32,397	96,320	20,530	56,671
– other corporations	5,334	22,897	–	17,589
	164,213	211,468	56,262	84,266
	=====	=====	=====	=====

11. INVESTMENT SECURITIES

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Marketable securities, at cost:				
Malaysian Government Securities	10,548	10,548	5,270	5,270
Malaysian Government Treasury Bills	-	4,689	-	4,689
Malaysian Corporate Bonds	20,365	-	20,365	-
	30,913	15,237	25,635	9,959
Unquoted securities, at cost:				
Private debt securities in Malaysia	-	10,440	-	-
	30,913	25,677	25,635	9,959
(Amortisation of premium)/ Accretion of discount:				
Malaysian Government Securities	(119)	(35)	(59)	(17)
Malaysian Government Treasury Bills	-	253	-	253
Private debt securities in Malaysia	-	128	-	-
	(119)	346	(59)	236
	30,794	26,023	25,576	10,195
Market value of marketable securities:				
Malaysian Government Securities	10,996	10,513	5,498	5,253
Malaysian Government Treasury Bills	-	4,860	-	4,860
Malaysian Corporate Bonds	20,958	-	20,958	-

12. OTHER CREDITORS AND ACCRUALS**Group**

Included in other creditors and accruals is an amount of RM689,000 (1999 – RM689,000) being the remaining purchase consideration for the freehold land acquired in 1997 (Note 2).

13. SHARE CAPITAL

	Company	
	2000	1999
	RM'000	RM'000
Ordinary shares of RM1 each		
Authorised	250,000	250,000
Issued and fully paid	98,632	98,632

14. RESERVES

Group	Note	Non-distributable			Unappropriated profits RM'000	Total RM'000
		Share premium RM'000	Capital redemption reserve RM'000	Exchange difference account RM'000		
At 1 September 1998		66,568	1,365	1,965	61,557	131,455
Loss not recognised in the income statement:						
Exchange differences on translation of the financial statements of the overseas subsidiary company		—	—	(493)	—	(493)
Realisation of exchange reserve on payment of dividend by the overseas subsidiary company		—	—	(1,479)	—	(1,479)
Profit after taxation		—	—	—	58,624	58,624
Dividends	20	—	—	—	(53,261)	(53,261)
At 31 August 1999 and 1 September 1999		66,568	1,365	(7)	66,920	134,846
Loss not recognised in the income statement:						
Exchange differences on translation of the financial statements of the overseas subsidiary company		—	—	(41)	—	(41)
Profit after taxation		—	—	—	47,785	47,785
Dividends	20	—	—	—	(69,141)	(69,141)
At 31 August 2000		66,568	1,365	(48)	45,564	113,449
Company						
At 1 September 1998		66,568	1,365	—	13,388	81,321
Profit after taxation		—	—	—	61,965	61,965
Dividends	20	—	—	—	(53,261)	(53,261)
At 31 August 1999 and 1 September 1999		66,568	1,365	—	22,092	90,025
Profit after taxation		—	—	—	48,372	48,372
Dividends	20	—	—	—	(69,141)	(69,141)
At 31 August 2000		66,568	1,365	—	1,323	69,256

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 31 August 2000 if paid out as dividends.

15. REVENUE

Revenue of the Group represents the gross invoiced value of sales less returns and discounts and services rendered. Revenue of the Company represents dividend income from subsidiary companies.

16. OPERATING PROFIT

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging:				
Auditors' remuneration	71	71	12	12
Amortisation of goodwill	305	305	-	-
Contribution to employees' retirement plan	294	282	-	-
Depreciation (Note 2)	1,723	1,605	-	-
Directors' remuneration				
- emoluments	892	833	-	-
- fees	101	101	67	60
Property, plant and equipment written off	4	7	-	-
Loss on foreign exchange				
- realised	124	256	-	-
- unrealised	-	443	-	-
Provision for support charges payable to a related company	1,032	1,798	-	-
Provision for doubtful debts	31	86	-	-
Rental of premises	531	457	-	-
	=====	=====	=====	=====
and after crediting:				
Bad debts recovered	19	-	-	-
Dividends from a subsidiary company	-	-	45,794	76,323
Gain on sale of property, plant and equipment	82	28	-	-
Gain on foreign exchange				
- unrealised	149	-	-	-
Realisation of exchange reserve on payment of dividend by the overseas subsidiary company	-	1,479	-	-
	=====	=====	=====	=====
The monetary value of benefits-in-kind received by the directors	52	45	-	-
	=====	=====	=====	=====

17. EMPLOYEE INFORMATION

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Staff costs	9,183	8,613	-	-
	=====	=====	=====	=====

The average number of employees of the Group during the year is 269 (1999 – 262).

18. NET FINANCING INCOME

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Interest income from fixed deposits and investment securities	8,594	17,271	3,925	7,403
Accretion of discount less amortisation of premium on investment securities	405	346	16	236
Gain on sale of investment securities	211	-	37	-
	=====	=====	=====	=====
	9,210	17,617	3,978	7,639
	=====	=====	=====	=====

19. TAX EXPENSE

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Current year tax expense	20,258	684	1,098	22,054
Overprovision of tax expense in prior year	-	(338)	-	(338)
	20,258	346	1,098	21,716
Foreign tax expense	360	322	-	-
	20,618	668	1,098	21,716

The current year tax expense of the Company is in respect of interest income received/receivable for the eight month period ended 31 August 2000. No income tax is provided for interest income earned in the four month period ended 31 December 1999 in view of the tax waiver for 1999 pursuant to Income Tax (Amendment) Act, 1999. No income tax is provided for dividend income as they are tax exempt.

The effective tax rate of the Group for the current year is higher than the statutory tax rate due to certain expenses being disallowed for income tax purposes.

The previous year tax expense of the Company was in respect of interest income received in the four month period ended 31 December 1998 and for dividend income received/receivable for the financial year ended 31 August 1999. No tax expense was provided for interest income earned in the eight month period ended 31 August 1999 in view of the tax waiver for 1999 pursuant to Income Tax (Amendment) Act, 1999.

No tax expense was provided for the Group for the year ended 31 August 1999 in view of the tax waiver for 1999 as mentioned above, other than the tax expense of the Company which was in respect of interest income received in the four month period ended 31 December 1998.

Subject to agreement by the Inland Revenue Board, the Group has potential deferred tax benefits not taken up in the financial statements under the liability method in respect of the following items:

	Group	
	2000 RM'000	1999 RM'000
Timing differences	21,904	17,661

20. DIVIDENDS

	Company	
	2000 RM'000	1999 RM'000
Interim:		
- First quarter tax exempt interim dividend of 12 sen per share	11,836	-
- Second quarter tax exempt interim dividend of 12 sen per share	11,836	-
- Third quarter tax exempt interim dividend of 12 sen per share	11,836	-
- First interim dividend of Nil (1999 - 20 sen per share less tax at 28%)	-	14,203
- Special interim dividend of 30 sen (1999 - 30 sen) per share less tax at 28% (1999 - 28%)	21,304	21,304
Proposed:		
- Fourth quarter tax exempt interim dividend of 7.5 sen per share	12,329	-
- Final dividend of Nil (1999 - 25 sen per share less tax at 28%)	-	17,754
	69,141	53,261

The fourth quarter tax exempt interim dividend of 7.5 sen per share is based on the enlarged paid-up capital of up to 164,386,667 ordinary shares of RM1 par value each, after accounting for the new ordinary shares from the bonus issue of up to 65,754,667 new ordinary shares which will be allotted on 31 October 2000 (Note 26).

21. EARNINGS PER ORDINARY SHARE

Group

The earnings per ordinary share is calculated based on the Group profit after taxation of RM47,785,000 (1999 - RM58,624,000) divided by ordinary shares in issue at year end of 98,632,000 (1999 - 98,632,000).

22. NET DIVIDENDS PER ORDINARY SHARE

Group and Company

The net dividends per ordinary share is calculated based on dividends of RM69,141,000 (1999 - RM53,261,000) divided by the summation of ordinary shares in issue at year end of 98,632,000 (1999 - 98,632,000) and the bonus issue subsequent to year end of up to 65,754,667 (Note 26).

23. SEGMENTAL INFORMATION

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

24. COMMITMENTS

	Group	
	2000	1999
	RM'000	RM'000
Capital commitments:		
Property, plant and equipment		
Approved but not contracted for in the financial statements	21,339	25,528
	=====	=====

Lease commitments:

At 31 August 2000, the Group has future annual lease commitments in respect of its premises as follows:

	Group	
	2000	1999
	RM'000	RM'000
Expiring within one year	433	321
Expiring between one to five years	957	109
	=====	=====

25. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group and of the Company include the following:

	Group		Company	
	2000	1999	2000	1999
	RM'000	RM'000	RM'000	RM'000
Purchases from a related company	128,520	98,378	-	-
Contribution to Amway Malaysia Retirement Fund	294	282	-	-
Dividends from a subsidiary company	-	-	45,794	76,323
Sales to a related company	(17)	-	-	-
	=====	=====	=====	=====

The directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

26. EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

At an Extraordinary General meeting held on 11 September 2000, the shareholders of the Company approved a bonus issue of up to 65,754,667 new ordinary shares of RM1 par value each to be credited as fully paid-up on the basis of two new ordinary shares for every three existing fully paid-up ordinary shares. The bonus issue will be allotted on 31 October 2000 and credited as fully paid-up shares through capitalisation from the Company's share premium account of RM66,568,000.

27. COMPARATIVE FIGURES

Following the adoption of MASB Standards in the preparation of this set of financial statements, the presentation and classification of certain items in the financial statements have been amended. Accordingly, comparative amounts for those items have been reclassified to ensure comparability with the current financial year.

In addition, certain comparative figures have been restated to conform with the current year's presentation. The changes in the comparatives are as follows:

	Company	
	As restated	As previously stated
	RM'000	RM'000
Investment in subsidiary companies	86,202	104,164
Amount due from a subsidiary company	17,962	-
	=====	=====

Regional Distribution Centres

21 December 2000

HEADQUARTERS

No. 34 Jalan 223
46100 Petaling Jaya, Selangor
Tel : 03-79555222
Fax : 03-79555002

BUTTERWORTH

10 Lorong Nagasari 4
Taman Nagasari
13600 Prai, Penang
Tel : 04-3905722, 04-3905222
Fax : 04-3905688

JOHOR BAHRU

1, Jalan Sri Plentong 5,
Taman Perindustrian Sri Plentong
81750 Masai, Johor
Tel : 07-3555111
Fax : 07-3875111

IPOH

34, Hala Rapat Baru 22
Taman Perusahaan Ringan Kinta Jaya
Off Jalan Gopeng, 31350 Ipoh, Perak
Tel : 05-3138222
Fax : 05-3133111

KUANTAN

Lot 48/4 & 48/5,
Kawasan Perindustrian Semambu
25350 Kuantan, Pahang
Tel : 09-5663333, 09-5681111,
09-5682222
Fax : 09-5660555

MIRI

Lot 1741 & 1742, Block 3
Piasau Industrial Estate MCLD
98000 Miri, Sarawak
Tel : 085-661222, 085-663222
Fax : 085-664222

KUCHING

Lot 40 & 41, Jalan Tun Ahmad Zaidi Adruce
93200 Kuching, Sarawak
Tel : 082-418916, 082-418923, 082-418932
Fax : 082-248244

KOTA KINABALU

Lot 30 Jalan Sembulan Lama
Karamunsing, 88000 Kota Kinabalu, Sabah
Tel : 088-245222, 088-245111
Fax : 088-245555

SANDAKAN

Lot 7 & 8, Block 12,
Mile 4, Jalan Labuk, Bandar Indah
90000 Sandakan, Sabah
Tel : 089-235170, 089-236222, 089-237222
Fax : 089-238222

BRUNEI

No. 6 & 7 Block A, Kompleks Shakirin
Kampung Kiulap. Bandar Seri Begawan,
BE1518 Brunei Darussalam
Tel : 00-673-2-236164, 00-673-2-236165
Fax : 00-673-2-236167

Particulars Of Properties

The properties held by the Group and the Company as at 31 August 2000 are as follows:

Location	Usage	Land Area in Square Metres	Land Tenure	Year Of Expiry	Net Book Value RM '000	Approximate Age (Years)
10, Lorong Nagasari 4 Taman Nagasari 13600 Prai, Penang	Office & Warehouse	975	Freehold	—	509	8
No. 34 Jalan 223 46100 Petaling Jaya Selangor Darul Ehsan	Office & Warehouse	5,940	Leasehold expiring 22 August 2070	2070	6,655	11
34, Hala Rapat Baru 22 Taman Perusahaan Ringan Kinta Jaya Off Jalan Gopeng 31350 Ipoh, Perak	Office & Warehouse	1,271	Leasehold expiring 18 August 2094	2094	706	4
No. 6 Persiaran A Seksyen U8, Bukit Jelutong Shah Alam Selangor Darul Ehsan	In Progress	25,287	Freehold	—	18,595	N/A
No.1, Jalan Sri Plentong 5 Taman Perindustrian Sri Plentong Johor	In Progress	3,841	Freehold	—	2,481	N/A

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting of AMWAY (MALAYSIA) HOLDINGS BERHAD will be held at the Ballroom (Mezzanine Floor), Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail 50250 Kuala Lumpur on Monday, 15 January 2001 at 11.30 a.m. for the following purposes:

AGENDA

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 August 2000 together with the Directors' and the Auditors' Reports thereon. **Ordinary Resolution 1**
2. To re-elect Tengku Yunus Kamaruddin who is retiring under Article 63 of the Company's Articles of Association. **Ordinary Resolution 2**
3. To re-elect Mr. Craig N. Meurlin who is retiring under Article 63 of the Company's Articles of Association. **Ordinary Resolution 3**
4. To re-elect Mr. Lynn J. Lyall who is retiring under Article 68 of the Company's Articles of Association. **Ordinary Resolution 4**
5. To approve the increase in Directors' fees. **Ordinary Resolution 5**
6. To re-appoint Messrs KPMG 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 purchase of own shares. **Ordinary Resolution 7**

(The detailed text and the rationale on Resolution 7 on the proposed Purchase of Own Shares is contained in the Circular dated 21 December 2000 which is enclosed together with the Annual Report.)

BY ORDER OF THE BOARD

LUM CHEE YENG (MAICSA 0880217)

TAI YIT CHAN (MAICSA 7009143)

Secretaries

Kuala Lumpur

21 December 2000

NOTE:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Analysis Of Shareholdings

As at 4 December 2000

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	–	499	28	1.0882	1,602	0.0010
500	–	5,000	2,041	79.3238	5,107,297	3.1069
5,001	–	10,000	183	7.1123	1,560,626	0.9494
10,001	–	100,000	213	8.2783	7,064,220	4.2973
100,001	–	1,000,000	94	3.6533	30,609,672	18.6206
Above		1,000,000	14	0.5441	120,042,228	73.0248
Total			2,573	100.0000	164,385,645	100.0000

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. Of Shares Held	% Of Issued Capital
1. Amway Asia Pacific Limited	84,990,283	51.7018
2. Employees Provident Fund Board	16,068,333	9.7748
3. Chase Malaysia Nominees (Asing) Sdn Bhd Emerging Markets Growth Fund	3,282,000	1.9965
4. Lembaga Tabung Haji	2,034,331	1.2375
5. Bumiputra-Commerce Trustee Berhad RHB Mudharabah Fund	1,780,000	1.0828
6. Citicorp Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad (Par Fund)	1,683,333	1.0240
7. OUB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Sri Wan Azmi B. Wan Hamzah (T51-6110525437)	1,666,666	1.0139
8. DB (Malaysia) Nominee (Asing) Sdn Bhd UBS AG Singapore For Pacific Investment Fund	1,509,168	0.9181
9. Cartaban Nominees (Asing) Sdn Bhd Clydesdale Bank Glasgow For Fidelity Institutional Emerging Markets Fund	1,389,333	0.8452
10. Lembaga Tabung Angkatan Tentera	1,335,000	0.8121
11. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Puan Sri Nik Anida Nik Manshor (WAWH 981102)	1,177,115	0.7161
12. Chase Malaysia Nominees (Asing) Sdn Bhd Fidelity Emerging Markets Fund	1,100,000	0.6692
13. Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Malaysia	1,021,666	0.6215
14. SBBAM Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	1,005,000	0.6114
15. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rohas Sdn Bhd (981063)	1,000,000	0.6083
16. HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds South East Asia	938,333	0.5708
17. HSBC Nominees (Asing) Sdn Bhd BBH (LUX) SCA For Fidelity Funds Malaysia	933,333	0.5678
18. Chase Malaysia Nominees (Asing) Sdn Bhd Abu Dhabi Investment Authority	846,666	0.5150
19. Kurnia Insurans (Malaysia) Berhad	833,333	0.5069
20. Straits Nominees (Asing) Sdn Bhd GK Goh SPL For Halfmoon Bay Enterprises Ltd (2Q/68029)	816,666	0.4968
	125,410,559	76.2905

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. Of Shares Held	% Of Issued Capital
1. Amway Asia Pacific Limited	84,990,283	51.70
2. Employees Provident Fund Board	17,118,333	10.41
3. FMR Corp. And Fidelity Int'l Ltd	8,521,488	5.18
4. The Capital Group Companies, Inc.	7,276,006	4.43
5. Tan Sri Azmi Wan Hamzah	† 6,311,047	3.84
6. Puan Sri Nik Anida Binti Nik Manshor	† 6,311,047	3.84

† Includes deemed interest held through nominee companies and spouse.

Proxy Form

AMWAY (MALAYSIA) HOLDINGS BERHAD (Company No.340354-U)
(Incorporated in Malaysia)

No. of Shares held

I/We _____
of _____
being a member/members of AMWAY (MALAYSIA) HOLDINGS BERHAD, hereby appoint _____

of _____
or failing him, _____
of _____

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Sixth Annual General Meeting of the Company to be held at the Ballroom (Mezzanine Floor), Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 15 January 2001 at 11.30 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below:

No.	Resolution	For	Against
Ordinary Resolution 1	Adoption of Audited Financial Statements and Directors' and Auditors' Reports for the year ended 31 August 2000.		
Ordinary Resolution 2	Re-election of Tengku Yunus Kamaruddin as Director		
Ordinary Resolution 3	Re-election of Mr Craig N. Meurlin as Director		
Ordinary Resolution 4	Re-election of Mr. Lynn J. Lyall as Director		
Ordinary Resolution 5	Approval of the increase in Directors' fees.		
Ordinary Resolution 6	Re-appointment of KPMG as Auditors of the Company		
Ordinary Resolution 7	Proposed purchase of own shares.		

(Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.)

Signature:
Shareholder
or Common Seal

Dated this _____ day of _____ 2000/2001

NOTE:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Companies Act, 1965 shall not apply.
2. A member shall not be entitled to appoint more than two (2) proxies. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or signed by an officer or attorney so authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 11th Floor, Wisma Damansara, Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or any adjournment thereof.

Stamp

The Registrars
M & C Services Sdn Bhd
11th Floor Wisma Damansara
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur