

DIRECTORS' REPORT

f o r t h e y e a r e n d e d 31 A u g u s t 2003

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 2003.

Principal activities

The Company is the parent Company of Amway (Malaysia) Sdn. Bhd. and Amway (B) Sdn. Bhd. The principal activities of the subsidiaries consist of the distribution of consumer products principally under the "Amway" trademark. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	52,044 =====	61,216 =====

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

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

- i) a fourth quarter interim dividend of 7.5 sen per share less tax at 28% totalling RM8,877,000 in respect of the year ended 31 August 2002 on 13 December 2002;
- ii) a first quarter interim dividend of 7.5 sen per share less tax at 28% totalling RM8,877,000 in respect of the year ended 31 August 2003 on 10 March 2003;
- iii) a second quarter interim dividend of 7.5 sen per share less tax at 28% totalling RM8,877,000 in respect of year ended 31 August 2003 on 2 June 2003;

- iv) a third quarter interim dividend of 7.5 sen per share less tax at 28% totalling RM8,877,000 in respect of the year ended 31 August 2003 on 29 August 2003; and
- v) a special interim dividend of 20.0 sen per share less tax at 28% totalling RM23,671,000 in respect of the year ended 31 August 2003 on 29 August 2003.

The fourth quarter interim dividend declared by the Directors for the year ended 31 August 2003 is 7.5 sen per share less tax at 28% totalling RM8,877,000.

Directors of the Company

Directors who served since the date of the last report are:

Tan Sri Datuk Ahmad Farouk bin Haji SM Isahak
Low Han Kee (Managing Director)
Choong Lai Huat
Craig Neil Meurlin
James Bradley Payne
Dato' Ab. Halim bin Mohyiddin (appointed on 25.11.2002)
Tengku Yunus Kamaruddin (resigned on 4.11.2002)

In accordance with Article 87.1 of the Company's Articles of Association, Low Han Kee and Craig Neil Meurlin retire by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 94 of the Company's Articles of Association, Dato' Ab. Halim bin Mohyiddin, who was appointed during the year retires from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' REPORT

for the year ended 31 August 2003

Directors' interests

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares of RM1 each			
	At 1.9.2002/ Date of Appointment	Bought	Sold	At 31.8.2003
Shareholdings in which Directors have direct interests in the Company				
Tan Sri Datuk Ahmad Farouk bin Haji SM Isahak	16,666	-	-	16,666
Low Han Kee	20,000	-	-	20,000
Choong Lai Huat	18,000	-	-	18,000
Craig Neil Meurlin	6,666	-	-	6,666
Dato' Ab. Halim Mohyiddin	-	1,000	-	1,000

The other Director holding office at 31 August 2003 did not have any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation 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 financial 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.

Issue of shares

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

Options granted over unissued shares

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

Shares buy-back

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 23 January 2003, approved the Company's proposal to repurchase its own shares and to authorise the Company to purchase up to 16,438,000 shares of RM1 each representing 10% of its issued and paid-up share capital of 164,385,645 shares of RM1 each on that date, for an amount not exceeding the unappropriated profits and/or share premium of the Company. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchased 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.

DIRECTORS' REPORT

for the year ended 31 August 2003

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 any company in the Group 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 their obligations as and when they fall due.

In the opinion of the Directors, except for the impairment loss on property, plant and equipment and the change in accounting policy due to the adoption of MASB 25, Income Taxes as disclosed in Note 2 and Note 23 respectively, the results of the operations of the Group and of the Company for the financial year ended 31 August 2003 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.

Auditors

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

Signed in accordance with a resolution of the Directors:

.....
Tan Sri Datuk Ahmad Farouk bin Haji SM Isahak

.....
Low Han Kee

Kuala Lumpur,
Date: 25 October 2003

STATEMENT BY DIRECTORS

p u r s u a n t t o S e c t i o n 1 6 9 (1 5)
o f t h e C o m p a n i e s A c t , 1 9 6 5

In the opinion of the Directors, the financial statements set out on pages 33 to 59 are 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 the state of affairs of the Group and of the Company at 31 August 2003 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 Datuk Ahmad Farouk bin Haji SM Isahak

.....
Low Han Kee

Kuala Lumpur,
Date: 25 October 2003

STATUTORY DECLARATION

p u r s u a n t t o S e c t i o n
1 6 9 (1 6) o f t h e
C o m p a n i e s A c t , 1 9 6 5

I, Lim Ai Lin, 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 33 to 59 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 in Petaling Jaya on 25 October 2003

.....
Lim Ai Lin

Before me:
E RADAKRISHNAN
Commissioner for Oaths (No. B008)
Petaling Jaya

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

We have audited the financial statements set out on pages 33 to 59. 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 2003 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 have been properly kept in accordance with the provisions of the said Act.

We are satisfied that the financial statements of the subsidiaries 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 subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Tang Seng Choon

Partner

Approval Number: 2011/12/03(J)

Kuala Lumpur,

Date: 25 October 2003

BALANCE SHEETS

at 31 August 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment	2	27,927	33,969	-	-
Investment in subsidiaries	3	-	-	86,202	86,202
Goodwill arising on consolidation	4	5,392	5,697	-	-
Deferred tax assets	5	10,826	8,515	-	-
Current assets					
Inventories	6	32,844	38,199	-	-
Trade and other receivables	7	8,291	9,198	40,240	41,118
Tax recoverable	9	-	564	-	564
Investments	10	10,285	10,521	5,088	5,129
Cash and cash equivalents	11	204,991	192,540	42,581	39,230
		<u>256,411</u>	<u>251,022</u>	<u>87,909</u>	<u>86,041</u>
Current liabilities					
Trade and other payables	12	77,175	70,963	153	148
Taxation		11,605	9,329	91	265
		<u>88,780</u>	<u>80,292</u>	<u>244</u>	<u>413</u>
Net current assets		167,631	170,730	87,665	85,628
		<u>211,776</u>	<u>218,911</u>	<u>173,867</u>	<u>171,830</u>
Financed by:					
Capital and reserves					
Share capital	13	164,386	164,386	164,386	164,386
Reserves	14	47,390	54,525	9,481	7,444
Shareholders' funds		<u>211,776</u>	<u>218,911</u>	<u>173,867</u>	<u>171,830</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 October 2003.

The notes set out on pages 39 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

INCOME STATEMENTS

f o r t h e y e a r e n d e d 3 1 A u g u s t 2 0 0 3

		Group		Company	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue - sale of goods		422,297	387,129	-	-
- dividends		-	-	83,423	78,453
Cost of goods sold		(302,406)	(280,770)	-	-
Gross profit		119,891	106,359	83,423	78,453
Distribution costs		(13,713)	(12,477)	-	-
Selling and administration expenses		(39,710)	(25,529)	(571)	(443)
Other operating income		1,239	1,707	-	-
Other operating expenses		(86)	(105)	(41)	(41)
Operating profit	15	67,621	69,955	82,811	77,969
Interest income	17	6,335	5,788	1,557	1,518
Profit before taxation		73,956	75,743	84,368	79,487
Tax expense	18	(21,912)	(18,720)	(23,152)	(22,442)
Net profit for the year		52,044	57,023	61,216	57,045
		=====	=====	=====	=====
Earnings per ordinary share (sen)	20	31.7	34.7		
		=====	=====		
Dividends per ordinary share (sen) - Net	21	36.0	39.6	36.0	39.6
		=====	=====	=====	=====

The notes set out on pages 39 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

f o r t h e y e a r e n d e d 3 1 A u g u s t 2 0 0 3

Group	Note	Share capital RM'000	Share premium RM'000	Non-distributable		Distributable Un- appropriated profits RM'000	Total RM'000
				Capital redemption reserve RM'000	Exchange difference account RM'000		
At 1 September 2001		164,386	685	1,365	(67)	70,958	237,327
Effect of adopting MASB 25	23	-	-	-	-	7,357	7,357
Restated balance		164,386	685	1,365	(67)	78,315	244,684
Exchange differences on translation of the financial statements of the overseas subsidiary		-	-	-	55	-	55
Net gain not recognised in the income statement		-	-	-	55	-	55
Net profit for the year		-	-	-	-	57,023	57,023
Dividends							
- 2001 fourth quarter interim	19	-	-	-	-	(8,877)	(8,877)
- 2001 special interim	19	-	-	-	-	(17,754)	(17,754)
- 2002 interim	19	-	-	-	-	(26,631)	(26,631)
- 2002 special interim	19	-	-	-	-	(29,589)	(29,589)
At 31 August 2002		164,386	685	1,365	(12)	52,487	218,911
At 1 September 2002		164,386	685	1,365	(12)	43,972	210,396
Effect of adopting MASB 25	23	-	-	-	-	8,515	8,515
Restated balance		164,386	685	1,365	(12)	52,487	218,911
Net profit for the year		-	-	-	-	52,044	52,044
Dividends							
- 2002 fourth quarter interim	19	-	-	-	-	(8,877)	(8,877)
- 2003 interim	19	-	-	-	-	(26,631)	(26,631)
- 2003 special interim	19	-	-	-	-	(23,671)	(23,671)
At 31 August 2003		164,386	685	1,365	(12)	45,352	211,776

Note 13

The notes set out on pages 39 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY

f o r t h e y e a r e n d e d 3 1 A u g u s t 2 0 0 3

Company	Note	Share capital RM'000	Non-distributable		Distributable Un- appropriated profits RM'000	Total RM'000
			Share premium RM'000	Capital redemption reserve RM'000		
At 1 September 2001		164,386	685	1,365	31,200	197,636
Net profit for the year		-	-	-	57,045	57,045
Dividends						
- 2001 fourth quarter interim	19	-	-	-	(8,877)	(8,877)
- 2001 special interim	19	-	-	-	(17,754)	(17,754)
- 2002 interim	19	-	-	-	(26,631)	(26,631)
- 2002 special interim	19	-	-	-	(29,589)	(29,589)
At 31 August 2002 and		164,386	685	1,365	5,394	171,830
At 1 September 2002		164,386	685	1,365	5,394	171,830
Net profit for the year		-	-	-	61,216	61,216
Dividends						
- 2002 fourth quarter interim	19	-	-	-	(8,877)	(8,877)
- 2003 interim	19	-	-	-	(26,631)	(26,631)
- 2003 special interim	19	-	-	-	(23,671)	(23,671)
At 31 August 2003		164,386	685	1,365	7,431	173,867
	Note 13				Note 14	

The notes set out on pages 39 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

CASH FLOW STATEMENTS

for the year ended 31 August 2003

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before taxation	73,956	75,743	84,368	79,487
Adjustments for:				
Amortisation of premium on investments	86	105	41	41
Amortisation of goodwill	305	305	-	-
Depreciation	2,630	2,777	-	-
Gain on sale of property, plant and equipment	(19)	(372)	-	-
Interest income	(6,335)	(5,788)	(1,557)	(1,518)
Impairment loss on property, plant and equipment	6,225	-	-	-
Property, plant and equipment written off	15	24	-	-
Unrealised loss on foreign exchange	7	17	-	-
Operating profit before working capital changes	76,870	72,811	82,852	78,010
(Increase)/Decrease in working capital:				
Inventories	5,350	(5,149)	-	-
Trade and other receivables	1,471	2,175	(3)	25,559
Trade and other payables	8,312	4,903	5	12
Cash generated from operations	92,003	74,740	82,854	103,581
Income tax paid	(22,243)	(21,036)	(23,626)	(22,192)
Income tax refunded	864	827	864	827
Net cash generated from operating activities	70,624	54,531	60,092	82,216
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	28	391	-	-
Purchase of property, plant and equipment	(2,838)	(1,386)	-	-
Proceeds from redemption of investments	150	400	-	-
Interest received	6,335	5,788	1,557	1,518
Net cash generated from investing activities	3,675	5,193	1,557	1,518

CASH FLOW STATEMENTS

for the year ended 31 August 2003

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Repayments of advances by subsidiary	-	-	1,000	52
Payments made on behalf of subsidiary	-	-	(119)	(29)
Dividends paid to shareholders of the Company	(59,179)	(82,851)	(59,179)	(82,851)
Payments made on behalf (of)/by related companies	(2,036)	3,181	-	-
Repayments by immediate holding company	8	-	-	-
Payments of support charges to penultimate holding company	(629)	-	-	-
Net cash used in financing activities	(61,836)	(79,670)	(58,298)	(82,828)
Net increase/(decrease) in cash and cash equivalents	12,463	(19,946)	3,351	906
Cash and cash equivalents at beginning of year				
Balance brought forward	192,560	212,404	39,230	38,324
Reversal of previous year's unrealised (loss)/gain on foreign exchange	(20)	47	-	-
	192,540	212,451	39,230	38,324
Foreign exchange differences	(2)	55	-	-
Cash and cash equivalents at end of year	205,001	192,560	42,581	39,230
Cash and cash equivalents comprise:				
Deposits placed	199,535	183,352	42,472	38,928
Cash and bank balances	5,456	9,188	109	302
	204,991	192,540	42,581	39,230
Unrealised loss on foreign exchange	10	20	-	-
	205,001	192,560	42,581	39,230

The notes set out on pages 39 to 59 form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

I. 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 except for the adoption of the following:

- (i) MASB 22, Segment Reporting;
- (ii) MASB 23, Impairment of Assets;
- (iii) MASB 24, Financial Instruments: Disclosure and Presentation; and
- (iv) MASB 25, Income Taxes.

In addition to the new policies and extended disclosures where required by these new standards, the effects of the changes in the above accounting policies are disclosed in Note 23 to these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries 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 subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

A subsidiary is excluded from consolidation when either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Amway (Malaysia) Sdn. Bhd. ("AMSB") is consolidated using the merger method of accounting. The acquisition of AMSB in 1996

was part of an integral group reorganisation undertaken by the Company for the purpose of listing and quotation of the entire issued and paid-up share capital of the Company on the main board of the Kuala Lumpur Stock Exchange. The ultimate shareholder of AMSB remained the same before and after the reorganisation prior to the listing.

Amway (B) Sdn. Bhd. is consolidated using the acquisition method of accounting.

Under the merger method of accounting, the results of the subsidiary are presented as if the Company had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves of the merged subsidiary is taken to merger reserve (or adjusted against any suitable reserve in the case of debit differences).

Under the acquisition method of accounting, the results of subsidiary acquired or disposed during the year is included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary's net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiary's net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Goodwill arising on consolidation

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair values of the net identifiable assets acquired. Goodwill is stated at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised from the date of initial recognition over its estimated useful life of twenty five (25) years.

(d) Subsidiaries

Investments in subsidiaries are stated at cost less impairment loss where applicable.

NOTES TO THE FINANCIAL STATEMENTS

(e) Property, plant and equipment

Freehold land are stated at cost less accumulated impairment losses. All other property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount of the date when the asset is retired from active use, less impairment losses, if any.

Depreciation

Freehold land is not amortised. Long leasehold land are amortised in equal instalments over the period of the respective leases, which range from seventy four (74) to ninety nine (99) years.

Leasehold fixture and improvements are amortised over the lives of the leases of three (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.

The straight line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Buildings	2%
Building improvements	10%
Furniture, fittings and equipment	10% – 33 $\frac{1}{3}$ %
Motor vehicles	25%

(f) Inventories

Inventories are stated at the lower of cost and net realisable value with first-in-first-out (FIFO) basis being the main basis for cost. Cost comprises actual purchase price plus the cost of bringing the inventories to their present location and condition.

(g) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(h) Investments

Marketable securities are stated at the lower of cost and market value, which are determined on a portfolio basis/an individual investment basis. Malaysian Government Securities held to maturity are stated at cost adjusted for amortisation of premium or accretion of discount. An allowance is

made when the Directors are of the view that there is a diminution in their value, which is other than temporary.

(i) 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.

(j) Liabilities

Trade and other payables are stated at cost.

(k) Impairment

The carrying amounts of assets, other than inventories, deferred tax assets and financial assets (financial assets in this context exclude investments in subsidiaries), 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. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

(l) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(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 arises when the sale consideration is more than the cost of the shares repurchased, is adjusted to share premium. Conversely, the debit difference, which arises when the sale consideration is less than the cost of the shares repurchased, is adjusted to share premium or any other suitable reserve.

(n) Foreign currency

(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.

(ii) Financial statements of foreign operations

The operations of the Group's overseas subsidiary are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of the overseas subsidiary are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of the overseas subsidiary are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are taken to Exchange Difference Account in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of the overseas subsidiary are as follows:

USD1	to	RM3.80	(2002 : RM3.80)
B\$1	to	RM2.16	(2002 : RM2.17)

(o) Revenue

(i) Goods sold

Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(p) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

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
Cost	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 September 2002	20,016	2,637	7,781	2,017	896	15,067	1,712	50,126
Additions	-	-	-	221	-	2,617	-	2,838
Disposals	-	-	-	-	-	(66)	(35)	(101)
Written off	-	-	-	-	-	(179)	-	(179)
Exchange differences*	-	-	-	-	-	(2)	-	(2)
At 31 August 2003	20,016	2,637	7,781	2,238	896	17,437	1,677	52,682
Accumulated depreciation and impairment loss								
At 1 September 2002	-	210	1,658	988	374	12,019	908	16,157
Charge for the year	-	35	156	141	291	1,668	339	2,630
Disposals	-	-	-	-	-	(57)	(35)	(92)
Written off	-	-	-	-	-	(164)	-	(164)
Exchange differences*	-	-	-	-	-	(1)	-	(1)
Impairment loss for the year	6,225	-	-	-	-	-	-	6,225
Accumulated depreciation	-	245	1,814	1,129	665	13,465	1,212	18,530
Accumulated impairment loss	6,225	-	-	-	-	-	-	6,225
At 31 August 2003	6,225	245	1,814	1,129	665	13,465	1,212	24,755
Net book value								
At 31 August 2003	13,791	2,392	5,967	1,109	231	3,972	465	27,927
At 31 August 2002	20,016	2,427	6,123	1,028	522	3,049	804	33,969
Depreciation charge for the year ended 31 August 2002	-	35	155	134	233	1,841	379	2,777

* This represents the effects of exchange rate changes on opening property, plant and equipment.

The title deed to the freehold land, which was acquired by a subsidiary in 1997, amounting to RM12,370,000 (2002 - RM18,595,000) is in the process of being registered in the name of the subsidiary.

Impairment loss

The carrying amounts of two (2) pieces of the freehold land were written down by RM6,225,000 (2002 - Nil) to their recoverable amounts based on an independent professional valuation made by Encik Mohamad Basri Rahmat, a chartered valuation surveyor in HASB Consultants Sdn. Bhd. on the comparative method conducted in August 2003.

NOTES TO THE FINANCIAL STATEMENTS

3. Investment in subsidiaries

	Company	
	2003	2002
	RM'000	RM'000
Unquoted shares	86,202	86,202
	=====	=====

The principal activities of the subsidiaries, their places of incorporation and the interest of Amway (Malaysia) Holdings Berhad are as follows:

Name of Company	Principal Activities	Country of Incorporation	Effective Ownership Interest	
			2003	2002
			%	%
Amway (Malaysia) Sdn. Bhd.	Distribution of consumer products principally under the "AMWAY" trademark.	Malaysia	100	100
Amway (B) Sdn. Bhd.*	Distribution of consumer products principally under the "AMWAY" trademark.	Negara Brunei Darussalam	100	100

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

4. Goodwill arising on consolidation

Cost	Group RM'000
At 1 September 2002/31 August 2003	7,630
	=====
Amortisation	
At 1 September 2002	1,933
Amortisation for the year	305
	=====
At 31 August 2003	2,238
	=====
Net book value	
At 31 August 2003	5,392
	=====
At 31 August 2002	5,697
	=====
Amortisation charge for the year ended 31 August 2002	305
	=====

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

NOTES TO THE FINANCIAL STATEMENTS

5. Deferred tax

The amounts, determined after appropriate offsetting, are as follows:

	Group	
	2003	2002
	RM'000	RM'000
Deferred tax assets	10,826	8,515
	=====	=====

Deferred tax liabilities and assets are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority.

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	Group	
	2003	2002
	RM'000	RM'000
Property, plant and equipment		
- capital allowances	(658)	(543)
Accruals	11,484	9,058
	<u>10,826</u>	<u>8,515</u>
	=====	=====

6. Inventories

	Group	
	2003	2002
	RM'000	RM'000
Consumer products	32,844	38,199
	=====	=====

Consumer products of the Group of RM66,000 (2002 - RM955,000) are carried at net realisable value.

During the year, there was a reversal of a write down of inventories of RM1,650,000 (2002 - RM196,000). The reversal arose from an increase in net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

7. Trade and other receivables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	2,702	3,668	-	-
Less: Allowance for doubtful debts	(696)	(587)	-	-
	<u>2,006</u>	<u>3,081</u>	<u>-</u>	<u>-</u>
Other receivables, deposits and prepayments	4,123	4,661	242	239
Amount due from immediate holding company	-	8	-	-
Amount due from a subsidiary	-	-	39,998	40,879
Amount due from related companies	2,162	1,448	-	-
	<u>8,291</u>	<u>9,198</u>	<u>40,240</u>	<u>41,118</u>
	=====	=====	=====	=====

Trade and other receivables

Group

During the year, bad debts of RM265,000 (2002 - Nil) were written off against allowance for doubtful debts.

Amount due from immediate holding company

Group

The amount due from immediate holding company in the previous year was mainly in respect of payments made on behalf, which were unsecured, interest free and had no fixed terms of repayment.

Amount due from a subsidiary

	Company	
	2003 RM'000	2002 RM'000
The amount due from a subsidiary comprises the following:		
Amount due from:		
- Advances	40,000	41,000
Amount due (to):		
- Non trade	(2)	(121)
	<u>39,998</u>	<u>40,879</u>
	=====	=====

The amount due from a subsidiary is unsecured, interest free and has no fixed terms of repayment. The amount due to a subsidiary relates to payment made on behalf, which are unsecured, interest free and have no fixed terms of repayment.

Amount due from related companies

	Group	
	2003 RM'000	2002 RM'000
The amount due from related companies comprise the following:		
- Trade	313	172
- Non-trade	1,849	1,276
	<u>2,162</u>	<u>1,448</u>
	=====	=====

The amount due from related companies are unsecured, interest free and have no fixed terms of repayment. The non-trade amounts due from related companies are mainly in respect of payments made on behalf.

NOTES TO THE FINANCIAL STATEMENTS

8. Holding companies

The ultimate and penultimate holding companies are Alticor Holdings Inc. and Alticor Inc. respectively. Both companies are incorporated in the United States of America.

The immediate holding company is Amway Asia Pacific Ltd., a company incorporated in Bermuda.

9. Tax recoverable

Tax recoverable of the Company in the previous years was in respect of excess taxes paid, which was subject to agreement by the Inland Revenue Board. The tax recoverable was refunded during the year.

10. Investments

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Marketable securities, at cost:				
Malaysian Government Securities	10,662	10,820	5,270	5,270
Less: Amortisation of premium	(377)	(299)	(182)	(141)
	<u>10,285</u>	<u>10,521</u>	<u>5,088</u>	<u>5,129</u>
	=====	=====	=====	=====
Market value of investments:				
Malaysian Government Securities	10,952	11,524	5,421	5,630
	<u>10,952</u>	<u>11,524</u>	<u>5,421</u>	<u>5,630</u>
	=====	=====	=====	=====

11. Cash and cash equivalents

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Deposits are placed with:				
Licensed banks	195,624	177,807	38,889	33,767
Finance companies	3,583	5,161	3,583	5,161
Other corporations	328	384	-	-
	<u>199,535</u>	<u>183,352</u>	<u>42,472</u>	<u>38,928</u>
Cash and bank balances	5,456	9,188	109	302
	<u>204,991</u>	<u>192,540</u>	<u>42,581</u>	<u>39,230</u>
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

12. Trade and other payables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	9,960	10,017	-	-
Other payables and accrued expenses	51,179	43,251	153	148
Amount due to penultimate holding company	20	-	-	-
Amount due to related companies	16,016	17,695	-	-
	<u>77,175</u>	<u>70,963</u>	<u>153</u>	<u>148</u>
	=====	=====	=====	=====

Included in other payables and accrued expenses of the Group are RM689,000 (2002 - RM689,000) being the remaining purchase consideration for the freehold land acquired in 1997 by a subsidiary (Note 2) and accruals for Distributors' bonuses and seminars of RM39,667,000 (2002 - RM29,557,000).

Amount due to penultimate holding company

Group

The amount due to penultimate holding company is in respect of support charges payable, which are unsecured, bear interest at federal rate as defined by the United States Treasury Regulation and Internal Revenue Code on overdue balances exceeding ninety (90) days from the date of invoice.

Amount due to related companies

	Group	
	2003 RM'000	2002 RM'000
The amount due to related companies comprise the following:		
- Trade	15,579	15,143
- Non-trade	437	2,552
	<u>16,016</u>	<u>17,695</u>
	=====	=====

The amount due to related companies are unsecured, bear interest at federal rate as defined by the United States Treasury Regulation and Internal Revenue Code on overdue balances exceeding ninety (90) days from the date of invoice. The non-trade amounts due to related companies are mainly in respect of payments made on behalf.

13. Share capital

	Company	
	2003 RM'000	2002 RM'000
Ordinary shares of RMI each		
Authorised	250,000	250,000
	=====	=====
Issued and fully paid	164,386	164,386
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

14. Reserves

Unappropriated profits

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 unappropriated profits at 31 August 2003, if paid out as dividends.

15. Operating profit

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Operating profit is arrived at after charging:				
Allowance for doubtful debts	374	176	-	-
Amortisation of goodwill (Note 4)	305	305	-	-
Amortisation of premium on investments	86	105	41	41
Auditors' remuneration	70	82	11	15
Bad debts written off	-	37	-	-
Depreciation (Note 2)	2,630	2,777	-	-
Directors remuneration				
- Emoluments				
Directors of the Company	872	760	17	15
Director of the subsidiary	336	317	-	-
- Fees				
Directors of the Company	161	146	161	146
Director of the subsidiary	11	11	-	-
Exceptional item:				
Impairment loss on property, plant and equipment (Note 2)	6,225	-	-	-
Gratuity paid to a Director, who was the former Managing Director	-	177	-	-
Property, plant and equipment written off	15	24	-	-
Rental of premises	544	530	-	-
Support charges paid/payable	1,461	3,554	-	-
Unrealised loss on foreign exchange	7	17	-	-
	=====	=====	=====	=====
and after crediting:				
Gross dividends from a subsidiary	-	-	83,423	78,453
Gain on sale of property, plant and equipment	19	372	-	-
Realised gain on foreign exchange	41	217	-	-
Reversal of inventories written down	1,650	196	-	-
Support charges receivable	639	648	-	-
	=====	=====	=====	=====
The estimated monetary value of benefits-in-kind received by the				
- Directors of the Company	23	20	-	-
- Directors of the subsidiary	14	16	-	-
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

16. Employee information

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Staff costs	14,520	13,452	-	-
	=====	=====	=====	=====

The average number of employees of the Group (including Directors) during the year was 300 (2002 - 280).

17. Interest income

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits placed and investments	6,335	5,788	1,557	1,518
	=====	=====	=====	=====

18. Tax expense

		Group		Company	
	Note	2003	2002	2003	2002
		RM'000	RM'000	RM'000	RM'000
Income tax expense					
Malaysian					
- current year provision		25,954	20,372	23,780	22,442
- over provision in prior years		(2,347)	(1,363)	(628)	-
Overseas					
- current year provision		616	869	-	-
		24,223	19,878	23,152	22,442
Deferred tax income					
Origination and reversal of temporary differences	23	(2,311)	(1,158)	-	-
		21,912	18,720	23,152	22,442
		=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

18. Tax expense (continued)

Reconciliation of effective tax rate

<i>Group</i>	%	2003 RM'000	%	2002 RM'000
Profit before taxation		73,956		75,743
		=====		=====
Income tax using Malaysian tax rates	28.0	20,707	28.0	21,208
Effect of different tax rates in foreign jurisdictions	0.1	40	0.1	57
Non-deductible expenses	4.8	3,551	1.4	1,067
Tax exempt income	(0.1)	(44)	(0.8)	(551)
Other items	-	5	(2.2)	(1,698)
		-----		-----
Over provision in prior years	32.8 (3.2)	24,259 (2,347)	26.5 (1.8)	20,083 (1,363)
		-----		-----
Tax expense	29.6	21,912	24.7	18,720
	=====	=====	=====	=====

Company

Profit before taxation		84,368		79,487
		=====		=====
Income tax using Malaysian tax rates	28.0	23,623	28.0	22,256
Non-deductible expenses	0.2	157	0.2	186
		-----		-----
Over provision in prior years	28.2 (0.8)	23,780 (628)	28.2 -	22,442 -
		-----		-----
Tax expense	27.4	23,152	28.2	22,442
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

19. Dividends

	Company	
	2003	2002
	RM'000	RM'000
Interim paid:		
First quarter interim dividend of 7.5 sen (2002 - 7.5 sen) per share less tax at 28%	8,877	8,877
Second quarter interim dividend of 7.5 sen (2002 - 7.5 sen) per share less tax at 28%	8,877	8,877
Third quarter interim dividend of 7.5 sen (2002 - 7.5 sen) per share less tax at 28%	8,877	8,877
Special interim dividend of 20 sen (2002 - 25 sen) per share less tax at 28%	23,671	29,589
	<u>50,302</u>	<u>56,220</u>
Declared:		
Fourth quarter interim dividend of 7.5 sen (2002 - 7.5 sen) per share less tax at 28%	8,877	8,877
	<u>59,179</u>	<u>65,097</u>
	=====	=====

The fourth quarter interim dividend in respect of the year ended 31 August 2003 has not been accounted for in the financial statements for the year ended 31 August 2003, as it was declared after balance sheet date.

The fourth quarter interim dividend in respect of the year ended 31 August 2002 was accounted for in the financial statements for the year ended 31 August 2003, as it was declared after the previous balance sheet date.

20. Earnings per ordinary share – Group

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share is based on the net profit attributable to ordinary shareholders of RM52,044,000 (2002 - RM57,023,000) and the number of ordinary shares outstanding during the year of 164,386,000 (2002 - 164,386,000).

21. Net dividends per ordinary share

Group and Company

The net dividends per ordinary share is calculated based on dividends of RM59,179,000 (2002 - RM65,097,000) divided by the number of ordinary shares in issue at year end of 164,386,000 (2002 - 164,386,000).

22. 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 in Negara Brunei Darussalam are insignificant to the Group. Accordingly, information on geographical and business segments of the Group's operations are not presented.

NOTES TO THE FINANCIAL STATEMENTS

23. Changes in accounting policies and prior year adjustments

Changes in accounting policies

In the current financial year, the Group and the Company adopted four (4) new MASB Standards. The adoption of these new standards resulted in changes in accounting policies are as follows:

- (a) MASB 22, Segment Reporting, which has been adopted prospectively;
- (b) MASB 23, Impairment of Assets, which is applied prospectively. The restatement of comparative figures and prior year adjustment are therefore not presented;
- (c) MASB 24, Financial Instruments: Disclosure and Presentation, which has been adopted prospectively; and
- (d) MASB 25, Income Taxes, which has been adopted retrospectively. Comparative figures have been adjusted to reflect the change in accounting policy.

The adoption of MASB 25 has resulted in the recognition in full of all taxable temporary differences. Previously, deferred tax liabilities were not provided if no liability was expected to arise in the foreseeable future and there were no indications the timing differences would reverse thereafter. Deferred tax assets are now recognised when it is probable that taxable profits will be available against which the deferred tax assets can be utilised (previously only recognised where there was a reasonable expectation of realisation in the near future).

This change in accounting policy, applied retrospectively, has the following impact on results as follows:

	Group	
	2003	2002
	RM'000	RM'000
Net profit before change in accounting policy	49,733	55,865
Effect of adopting MASB 25	2,311	1,158
Net profit for the year	<u>52,044</u>	<u>57,023</u>
	=====	=====

Prior year adjustments

Change in accounting policy

The change in accounting policy due to the adoption of MASB 25 has been accounted for by restating comparatives and adjusting the opening balance of unappropriated profits at 1 September 2001 and 1 September 2002 of the Group of RM7,357,000 and RM8,515,000 respectively as disclosed in Note 28 and the statement of changes in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS

24. Commitments

	Group	
	2003	2002
	RM'000	RM'000
Capital commitments:		
Property, plant and equipment		
Authorised but not contracted for	8,820	-
Contracted but not provided for in the financial statements	1,253	3,178
	=====	=====

25. Operating leases

Leases as lessee

Total future minimum lease payments under non cancellable operating leases are as follows:

	Group	
	2003	2002
	RM'000	RM'000
Less than one year	507	500
Between one and five years	575	499
	=====	=====
	1,082	999
	=====	=====

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

- One (1) lease - renew the lease for a period of twelve (12) months by notifying the lessor in writing at least three (3) months before expiry.
- Two (2) 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 or the lease will be renewed automatically in absence of written notice.
- 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.
- 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.
- Four (4) leases - renew the lease for a further term by notifying the lessor in writing at least three (3) months before expiry.

NOTES TO THE FINANCIAL STATEMENTS

26. Related parties

Identity of related parties

Controlling related party relationships are as follows:

- i) The holding companies as disclosed in Note 8; and
- ii) Its subsidiaries as disclosed in Note 3.

The Company also has related party relationships with its related companies.

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Penultimate holding company				
Support charges paid/payable	259	-	-	-
Subsidiary				
Gross dividends received/receivable	-	-	(83,423)	(78,453)
Related companies				
- Access Business Group International LLC				
Purchases	124,728	122,495	-	-
Royalties paid	424	282	-	-
Support charges paid/payable	-	296	-	-
- Amway Corporation				
Support charges paid/payable	1,202	2,607	-	-
- Alticor Inc.				
Support charges paid/payable	-	651	-	-
- Amway (Singapore) Pte. Ltd.				
Sales	(1,658)	(1,973)	-	-
Support charges receivable	(639)	(648)	-	-
	=====	=====	=====	=====

Transaction with a Director

Significant transaction with a Director in the previous year other than those disclosed elsewhere in the financial statements was as follows:

	Group	
	2003	2002
	RM'000	RM'000
Choong Lai Huat, a Director who was the former Managing Director		
Gratuity paid	-	177
	=====	=====

Balances with holding companies, subsidiaries and related companies at balance sheet date are disclosed in Note 7 and Note 12 respectively.

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments

Financial risk management objectives and policies

Exposure to credit, interest, foreign currency and liquidity risk arises in the normal course of the Group and the Company's business. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all distributors requiring credit to mitigate the exposure to credit risk.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial assets.

Interest rate risk

The Group and the Company place excess funds with licensed banks, finance companies and other corporations for certain periods during which the interest rates are fixed. The management monitors the rates at regular intervals. In addition, the Group and the Company do not have any borrowing.

Foreign currency risk

The Group incurs foreign currency risk on sales, purchases, services and foreign deposits that are denominated in currencies other than Ringgit Malaysia. Most of the foreign currency transactions are denominated in US Dollars. The Group does not hedge the exposure to the US Dollars as the exchange rate for US dollars is pegged at USD 1:RM3.80. Transactions in other foreign currencies are insignificant.

The Group is also exposed to foreign currency risk in respect of their investment in a foreign subsidiary. The Group does not hedge this exposure by having foreign currency borrowings in view of the insignificant amount of investment in the foreign subsidiary.

Liquidity risk

The Group and the Company monitor and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effect of fluctuation in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (continued)

The following table shows information about the Group and the Company's exposure to interest rate risk.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	2003				2002			
	Effective interest rate per annum	Total	Within 1 year	1-5 years	Effective interest rate per annum	Total	Within 1 year	1-5 years
Group	%	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000
Financial assets								
Marketable securities held to maturity:								
Malaysian Government Securities	2.89	10,285	-	10,285	2.89	10,521	150	10,371
Deposits placed with licensed banks, finance companies and other corporations	2.82	199,535	199,535	-	2.57	183,352	183,352	-
Company								
Financial assets								
Marketable securities held to maturity:								
Malaysian Government Securities	3.19	5,088	-	5,088	3.19	5,129	-	5,129
Deposits placed with licensed banks, finance companies and other corporations	2.86	42,472	42,472	-	2.94	38,928	38,928	-

NOTES TO THE FINANCIAL STATEMENTS

27. Financial instruments (continued)

Fair values

Recognised financial instruments

In respect of trade and other receivables, cash and cash equivalents and trade and other payables, the carrying amounts approximate fair values due to the relatively short term nature of these financial instruments.

The aggregate fair value of other financial asset carried on the balance sheet date as at 31 August is shown below:

Group	2003 Carrying amount RM'000	2003 Fair value RM'000	2002 Carrying amount RM'000	2002 Fair value RM'000
Quoted debt securities				
Malaysian Government Securities	10,285 =====	10,952 =====	10,521 =====	11,524 =====
Company				
Quoted debt securities				
Malaysian Government Securities	5,088 =====	5,421 =====	5,129 =====	5,630 =====

The fair value of quoted Malaysian Government Securities is their quoted bid price at the balance sheet date.

28. Comparative figures

The following comparatives have been restated to reflect the change in accounting policy as explained in Note 23.

	Group	
	As restated RM'000	As previously stated RM'000
<i>Income statement</i>		
Profit before taxation	75,743	75,743
Tax expense	(18,720)	(19,878)
Net profit for the year	57,023 =====	55,865 =====
Earnings per ordinary shares (sen)	34.7 =====	34.0 =====

NOTES TO THE FINANCIAL STATEMENTS

28. Comparative figures (continued)

	Group As restated RM'000	As previously stated RM'000
<i>Balance sheet</i>		
Deferred tax assets	8,515 =====	- =====
<i>Statement of changes in equity</i>		
Unappropriated profits at 1 September 2001	78,315	70,958
Unappropriated profits at 1 September 2002	52,487 =====	43,972 =====

The following comparatives have been restated to conform with the current year's presentation:

	Group		Company	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
<i>Balance sheets</i>				
Trade and other receivables	9,198	8,306	41,118	803
Tax recoverable	564	-	564	-
Amount due from immediate holding company	-	8	-	-
Amount due from a subsidiary	-	-	-	40,879
Amount due from related companies	-	1,448	-	-
Trade and other payables	70,963	53,268	148	148
Amount due to related companies	-	17,695	-	-
	=====	=====	=====	=====
<i>Income Statements</i>				
Other operating income	1,707	1,643	-	-
Other operating expenses	(105) =====	(41) =====	- =====	- =====

NOTES TO THE FINANCIAL STATEMENTS

28. Comparative figures (continued)

	Group		Company	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
<i>Cash flow statements</i>				
Cash flows from operating activities				
Adjustments for:				
Effect of exchange rate changes on profit of the overseas subsidiary	-	55	-	-
Operating profit before working capital changes	72,811	72,866	-	-
(Increase)/Decrease in working capital:				
Trade and other receivables	2,175	2,333	25,559	-
Trade and other payables	4,903	129	-	-
Subsidiary	-	-	-	25,559
Related companies	-	4,616	-	-
Cash generated from operations	74,740	74,795	-	-
Net cash generated from operating activities	54,531	54,586	-	-
Net decrease in cash and cash equivalents	(19,946)	(19,891)	-	-
Foreign exchange differences	55	-	-	-
	=====	=====	=====	=====

REGIONAL DISTRIBUTION CENTRES

31 August 2003

HEADQUARTERS

34, Jalan 223, 46100 Petaling Jaya,
Selangor Darul Ehsan
Tel : 03-79555222 Fax : 03-79555002

BUTTERWORTH

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

JOHOR BAHRU

1, Jalan Sri Plentong 5, Taman
Perindustrian Sri Plentong, 81750
Masai, Johor Darul Takzim
Tel : 07-3885111 Fax : 07-3875111

IPOH

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

KUANTAN

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

MIRI

Lot 302 Ricemill Road MCLD,
98000 Miri, Sarawak
Tel : 085-429222, 085-432795,
085-418609
Fax : 085-427222

KUCHING

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

KOTA KINABALU

Lot 30, Jalan Sembulan Lama,
Karamunsing, 88000 Kota Kinabalu, Sabah
Tel : 088-245111, 088-245222
Fax : 088-245666

SANDAKAN

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

BRUNEI

No. 6 & 7, Block A, Kompleks Shakirin,
Kampong 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 2003 are as follows:

Location	Usage	Land Area (Sq. Metres)	Land Tenure	Year of Expiry	Net Book Value (RM'000)	Approx. Age (Years)	Date of Acquisition
10, Lorong Nagasari 4, Taman Nagasari, 13600 Prai, Penang	Office & Warehouse	975	Freehold	-	492	12	19/6/91
34, Jalan 223, 46100 Petaling Jaya Selangor Darul Ehsan	Office & Warehouse	5,940	Leasehold expiring 22 August 2070	2070	6,222	15	14/6/88
34, Hala Rapat Baru 22, Taman Perusahaan Ringan Kinta Jaya, Off Jalan Gopeng, 31350 Ipoh, Perak Darul Ridzuan	Office & Warehouse	1,271	Leasehold expiring 18 August 2094	2094	665	8	21/8/95
1, Jalan Sri Plentong 5, Taman Perindustrian Sri Plentong, 81750 Masai, Johor Darul Takzim	Office & Warehouse	3,841	Freehold	-	2,401	3	6/3/00
No. 6 Persiaran A, Seksyen U8, Bukit Jelutong Shah Alam Selangor Darul Ehsan	In Progress	25,287	Freehold	-	12,370*	N/A	21/12/96

* after impairment loss of RM6.2m

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth 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 Thursday, 15 January 2004 at 10.00 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 year ended 31 August 2003 together with the Directors' and the Auditors' Reports thereon.
Ordinary Resolution 1
2. To re-elect Dato' Ab. Halim bin Mohyiddin who is retiring pursuant to Article 94 of the Company's Articles of Association.
Ordinary Resolution 2
3. To re-elect Mr Low Han Kee who is retiring pursuant to Article 87.1 and Article 128 of the Company's Articles of Association.
Ordinary Resolution 3
4. To approve the payment of Directors' Fees for the year ending 31 August 2004.
Ordinary Resolution 4
5. To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their fees.
Ordinary Resolution 5

As Special Business

To consider and if thought fit, to pass the following Ordinary Resolutions:-

6. Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC ("ABGIL"), Alticor Inc. ("Alticor"), Amway Corporation and Amway (Singapore) Pte Ltd ("Amway (S)").
Ordinary Resolution 6
7. Proposed Renewal of Authority for Purchase of Own Shares.
Ordinary Resolution 7

(The detailed text and the rationale on Items 6 and 7 are contained in the Circular dated 24 December 2003 which is enclosed together with the Annual Report.)

BY ORDER OF THE BOARD

LUM CHEEYENG (MAICSA 0880217)
TAIYIT CHAN (MAICSA 7009143)
Company Secretaries

Kuala Lumpur
24 December 2003
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 Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

Explanatory Notes on the Special Business

5. Ordinary Resolution 6, if passed, will allow the Group to enter into the recurrent related party transactions with ABGIL, Alticor, Amway Corporation and Amway(S) 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. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.
6. Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the forthcoming Annual General Meeting, the authority to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through the Kuala Lumpur Stock Exchange ("KLSE") upon such terms and conditions as

NOTICE OF ANNUAL GENERAL MEETING

the Directors may deem fit and expedient in the interest of the Company, provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed 10% of the total issued and paid up share capital of the Company and that at the discretion of the Directors of the Company, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares which may be distributed as dividends or resold on the KLSE. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting unless by ordinary resolution passed at that meeting the authority is renewed either unconditionally or subject to conditions or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

STATEMENT ACCOMPANYING NOTICE OF NINTH ANNUAL GENERAL MEETING

Pursuant to the Paragraph 8.28(2) of the KLSE Listing Requirements appended hereunder are:

1. Directors who are standing for re-election at the Ninth Annual General Meeting of the Company are:

- a. Dato' Ab. Halim bin Mohyiddin
- b. Mr Low Han Kee

2. Details of attendance of Directors at Board Meetings

There were five Board Meetings held during the financial year ended 31 August 2003. Details of attendance of the Directors are set out in the Profile of Directors on pages 16 to 18 of the Annual Report.

3. Place, Date and Hour of the Ninth Annual General Meeting of the Company

The Ninth Annual General Meeting of the Company will be held at the Ballroom (Mezzanine Floor), Hotel Equatorial Kuala Lumpur, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 15 January 2004 at 10.00a.m.

4. Further details of Directors standing for re-election at the Ninth Annual General Meeting as follows:

Dato' Ab. Halim bin Mohyiddin

Independent Non-Executive Director

- Malaysian, aged 57.
- Graduated with a Bachelor of Economic (Accounting) from the University of Malaya in 1971 and thereafter joined University Kebangsaan Malaysia as a Faculty member of the Faculty of Economics.
- Obtained Masters of Business Administration degree from University of Alberta, Edmonton, Alberta, Canada in 1973.

- Retired from KPMG/KPMG Desa Megat & Co. on 1 October 2001, a firm he joined in 1977 and had his early accounting training in both Malaysia and United States of America. Made Partner of the Firm in 1985. At the time of his retirement, he was Partner in Charge of the Assurance and Financial Advisory Services Divisions and was also looking after the Secured e-Commerce Practice of the Firm. Acted as receiver, manager and liquidator for several companies during his tenure with KPMG.
- Currently the Vice President of the Malaysian Institute of Certified Public Accountants, a Council Member of Malaysian Institute of Accountants, a Fellow of Malaysian Institute of Taxation, member of Institute of Co-operative Auditors and Association of Certified Fraud Examiners, United States of America.
- Appointed Director of AMHB on 25 November 2002.
- Currently a Board member of Arab-Malaysian Corporation Berhad, Kumpulan Perangsang Selangor Berhad, MCM Technologies Berhad, HeiTech Padu Berhad, Utusan Melayu (Malaysia) Berhad, Digi.Com Berhad, Idris Hydraulic (Malaysia) Bhd, KNM Group Berhad and Idaman Unggul Berhad.
- Holds 1,000 shares, directly in the Company, however does not hold shares in any of its subsidiaries.
- No family relationship with any other Director and/or other major shareholder of the Company.
- No conflict of interest with the Company.
- No convictions for offences (other than traffic offences) within the past ten years.

Mr Low Han Kee

Managing Director

- Malaysian, aged 44.
- Qualified as a Certified Public Accountant in 1984 whilst serving in Ernst & Whinney (now known as Ernst & Young).
- Took over the helm as the Managing Director of AMHB on 1 September 1998.
- Currently a Director of AMSB and ABSB.
- Joined AMSB in 1990 as Divisional Manager, Finance & Administration. Promoted to General Manager responsible for Amway operations in Malaysia and Brunei in January 1993. Prior to his appointment with the Group, he held senior positions in finance in companies listed on the KLSE, including Mulpha International Trading Corporation Berhad, a group involved in trading, construction and engineering, where he last held the position of Group Chief Accountant, from 1985 to 1990 before leaving to join AMSB.
- Appointed Director of AMHB on 6 June 1996. No directorship in other public listed companies.
- Holds 20,000 shares, directly in the Company, however does not hold shares in any of its subsidiaries.
- No family relationship with any other Director and/or other major shareholder of the Company.
- No conflict of interest with the Company.
- No convictions for offences (other than traffic offences) within the past ten years.

ANALYSIS OF SHAREHOLDINGS

As at 28 November 2003

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	65	1.7558	1,386	0.0009
100 - 1,000	1067	28.8223	974,983	0.5931
1,001 - 10,000	2286	61.7504	7,303,165	4.4427
10,001 - 100,000	217	5.8617	6,430,309	3.9117
100,001 - 8,219,281	65	1.7558	44,792,486	27.2484
8,219,282 and above	2	0.0540	104,883,316	63.8032
Total	3,702	100.0000	164,385,645	100.0000

SUBSTANTIAL 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	22,368,533	13.6074

SHAREHOLDING OF DIRECTORS

Name Of Directors	No. Of Shares Held	% Of Issued Capital
1. Tan Sri Datuk Ahmad Farouk Bin Haji SM Isahak	16,666	0.0101
2. Low Han Kee	20,000	0.0122
3. Dato' Ab. Halim bin Mohyiddin	1,000	*
4. Choong Lai Huat	18,000	0.0109
5. Craig Neil Meurlin	-	-
6. James Bradley Payne	-	-

* Negligible

ANALYSIS OF SHAREHOLDINGS (Continued)

A s a t 2 8 N o v e m b e r 2 0 0 3

THIRTY LARGEST SHAREHOLDERS

	No. Of Shares Held	% Of Issued Capital
1. Amway Asia Pacific Limited	84,990,283	51.7018
2. Employees Provident Fund Board	19,893,033	12.1014
3. Valuecap Sdn Bhd	6,600,000	4.0149
4. Lembaga Tabung Haji	4,883,731	2.9709
5. Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Didik	2,402,500	1.4615
6. Takaful Nasional Sdn Berhad	2,379,000	1.4472
7. Malaysia National Insurance Berhad	2,162,000	1.3152
8. Lembaga Tabung Angkatan Tentera	1,933,333	1.1761
9. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (PAR Fund)	1,755,666	1.0680
10. Permodalan Nasional Berhad	1,689,566	1.0278
11. SBBAM Nominees (Tempatan) Sdn. Bhd. - Employees Provident Fund Board	1,599,900	0.9733
12. Universal Trustee (Malaysia) Berhad - SBB Premium Capital Fund	1,471,000	0.8948
13. Amanah Raya Nominees (Tempatan) Sdn Bhd - Amanah Saham Malaysia	1,300,666	0.7912
14. Amanah Raya Nominees (Tempatan) Sdn Bhd - Public Savings Fund	1,039,000	0.6320
15. Kurnia Insurans (Malaysia) Berhad	833,333	0.5069
16. RHB Nominees (Asing) Sdn Bhd - GK Goh SPL for Halfmoon Bay Enterprises Ltd (2Q/68029)	816,666	0.4968
17. Citicorp Nominees (Tempatan) Sdn Bhd - ING Insurance Berhad (INV-IL PAR)	611,666	0.3721
18. MCIS Zurich Insurance Berhad	601,000	0.3656
19. Universal Trustee (Malaysia) Berhad - SBB Emerging Companies Growth Fund	594,500	0.3616
20. Cartaban Nominees (Tempatan) Sdn Bhd - Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (A/C 2 - JF458)	542,000	0.3297
21. John Hancock Life Insurance (Malaysia) Berhad	539,999	0.3285
22. BBMB Securities Nominees (Tempatan) Sdn Bhd - Petroleum Research Fund	497,333	0.3025
23. Bumiputra-Commerce Trustee Berhad - Amanah Saham Darul Iman	490,000	0.2981
24. Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	469,600	0.2857
25. Citicorp Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad (Prulink Eqty Fd)	459,000	0.2792
26. Amanah Raya Nominees (Tempatan) Sdn Bhd - Dana Al-Aiman	445,800	0.2712
27. Takaful Nasional Sdn Berhad	426,800	0.2596
28. Cartaban Nominees (Tempatan) Sdn Bhd - Amanah SSCM Nominees (Tempatan) Sdn Bhd for Employees Provident Fund Board (JF404)	413,400	0.2515
29. Pertubuhan Keselamatan Sosial	366,400	0.2229
30. SBBAM Nominees (Tempatan) Sdn. Bhd. - Kumpulan Wang Amanah Pencen	351,666	0.2139
	142,558,841	86.7219

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 Ninth 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 Thursday, 15 January 2004 at 10.00 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 2003		
Ordinary Resolution 2	Re-election of Dato Ab. Halim bin Mohyiddin as Director		
Ordinary Resolution 3	Re-election of Mr. Low Han Kee as Director		
Ordinary Resolution 4	Approval on the payment of Directors Fees		
Ordinary Resolution 5	Re-appointment of Messrs KPMG as Auditors of the Company		
Ordinary Resolution 6	Proposed Shareholders Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Access Business Group International LLC, Alticor Inc., Amway Corporation and Amway (Singapore) Pte Ltd		
Ordinary Resolution 7	Proposed Renewal of Authority for 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.)

Dated this _____ day of _____ 2003/2004

Signature:
Shareholder or Common Seal

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 Level 7, Setia 1, 15 Lorong Dungun, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.



Stamp

The Registrars
Tenaga Koperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar
Off Jalan Tun Razak
50400 Kuala Lumpur



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