

P.I.E. INDUSTRIAL BERHAD
(Co. No. 424086-X) (Incorporated In Malaysia)



[Annual Report 2001]

2001



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P. I. E. INDUSTRIAL BERHAD

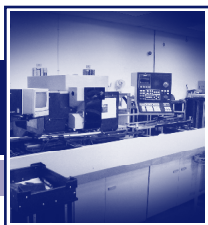
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ANNUALREPORT2001



notice of annual general meeting

P. I. E. INDUSTRIAL BERHAD

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of the Company will be held at the Semangkok Room, Level 2, Sunway Hotel Seberang Jaya, No. 11 Lebuhr Tenggeri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai on Friday, June 14, 2002 at 9:00 a.m.

AGENDA

1. To receive and adopt the Audited Financial Statements of the Company for the year ended December 31, 2001 together with the Reports of the Directors and of the Auditors thereon. *Resolution 1*
2. To declare a First and Final Dividend of 10 sen per share, exempt from Income Tax for the year ended December 31, 2001. *Resolution 2*
3. To approve the payment of Directors' Fee for the year ended December 31, 2001. *Resolution 3*
4. To re-elect the following Directors who are retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible offer themselves for re-election :-
 - a) Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa; and *Resolution 4*
 - b) Mr. Mui Chung Meng *Resolution 5*
5. To re-elect Mr. Yeap Hun Leng, a Director retiring under the provision of Article 105 of the Articles of Association of the Company, and who, being eligible offer himself for re-election. *Resolution 6*
6. To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *Resolution 7*

SPECIAL BUSINESSES

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

ORDINARY RESOLUTION

Authority to Issue Shares

"That pursuant to Section 132D of the Companies Act, 1965 and approvals from the Kuala Lumpur Stock Exchange and other relevant governmental/regulatory authorities where such authority shall be necessary, the Board of Directors be authorised to issue and allot shares in the Company from time to time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Board of Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued shall not exceed ten per centum (10%) of the issued share capital of the Company for the time being, and that the Board of Directors be also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Kuala Lumpur Stock Exchange."

Resolution 8

notice of annual general meeting (continued)

P. I. E. INDUSTRIAL BERHAD



8. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board,

KHOO LAY TATT (MAICSA 7029262)

TAN YEE MIN (MAICSA 7025392)

Secretaries

Penang

23 May 2002

Notes :

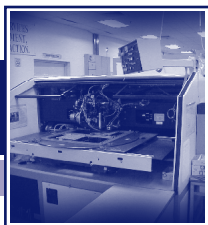
A Member of the Company entitled to attend and vote is entitled to appoint 2 or more proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not, apply to the Company. If a Member appoints 2 or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

The instrument appointing a proxy must be deposited at the Registered Office, 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.

Explanatory Notes On Special Businesses

The proposed Resolution No. 8 [Item No.(7)], if passed, will empower the Directors of the Company to issue and allot shares in the Company from time to time and for such purposes as the Directors consider would be in the interest of the Company. This Authority will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.



notice of dividend entitlement and payment

P. I. E. INDUSTRIAL BERHAD

NOTICE IS HEREBY GIVEN that a First and Final Dividend of 10 sen per share, exempt from Income Tax for the year ended December 31, 2001, if approved, will be paid on July 5, 2002 to depositors registered in the Records of Depositors at the close of business on June 20, 2002.

A Depositor shall qualify for the above entitlements only in respect of: -

- a) shares transferred into the Depositor's Securities Account before 12.30 p.m. on June 20, 2002 in respect of ordinary transfers;
- b) shares bought on Kuala Lumpur Stock Exchange (KLSE) on a cum entitlement basis according to the rules of KLSE.

By Order of the Board,

KHOOLAY TATT (MAICSA 7029262)

TAN YEE MIN (MAICSA 7025392)

Secretaries

Penang

23 May 2002

statement accompanying notice of annual general meeting

P. I. E. INDUSTRIAL BERHAD



1. Fifth Annual General Meeting of P.I.E. Industrial Berhad :-

Place : the Semangkok Room, Level 2, Sunway Hotel Seberang Jaya, No. 11 Lebuhr Tenggeri Dua,
Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai
Date : 14 June, 2002
Time : 9:00 a.m.

2. Names of individuals who are standing for re-election as Directors

- a) To re-elect the following Directors who are retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible offer themselves for re-election :-
- i) Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa; and
 - ii) Mr. Mui Chung Meng
- b) To re-elect Mr. Yeap Hun Leng, a Director retiring under the provision of Article 105 of the Articles of Association of the Company, and who, being eligible offer himself for re-election.

3. Meetings of Board of Directors held during the Financial Year Ended December 31, 2001 and Details of Directors' Attendance

Three (3) Meetings of Board of Directors were held during the financial year ended December 31, 2001. Details of attendance of Directors at the Board Meetings are as follows :-

Name	No. of Meetings Attended
Y.T.M. Tunku Dato' Dr. Ismail Bini Almarhum Tunku Mohd Jawa (Appointed on 02.06.1997)	3
Ahmad Murad Bin Abdul Aziz (Appointed on 02.06.1997)	3
Mui Chung Meng (Appointed on 10.05.2000)	3
Chen, Chih-Wen (Appointed on 10.05.2000)	3
Cheng Shing Tsung (Appointed on 10.05.2000)	3
Yen, Chien-Kun (Appointed on 14.05.2001)	3
Yeap Hun Leng (Appointed on 26.12.2001)	N/A



statement accompanying notice of annual general meeting (continued)

P. I. E. INDUSTRIAL BERHAD

4. Place, date and time of Meetings of Board of Directors

The Information on place, date and time of Meetings of Board of Directors held during the financial year ended December 31, 2001 are as follows :-

Date	Time	Venue
21.05.2001 (Monday)	10.30 a.m.	Conference Room, 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Penang
20.08.2001 (Monday)	9.30 a.m.	Conference Room, 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Penang
19.11.2001 (Monday)	9.30 a.m.	Conference Room, 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Penang

5. Further details of individuals who are standing for re-election as Directors

a)	Name	: Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhim Tunku Mohd Jewa
	Age (Date of Birth)	: 64 (31.08.1937)
	Nationality/Race	: Malaysian/Malay
	Qualifications	: He obtained his Bachelor Degree from University of Malaya, M.Ed from the Pennsylvania State University in the United States of America and Ph. D in Educational Administration from the University of Malaya.
	Executive/Non-Executive	: Non-Executive Director
	Independent/Non-Independent	: Independent
	Working Experience	: He is a leading academician with an array of working experiences. Among others, he was the Principal of Sekolah Abdullah Munshi in Penang from 1969 to 1973, Professor of Educational Administration in Universiti Sains Malaysia from 1987 to 1995 and also Dean of Education in Universiti Sains Malaysia from 1979 to 1992. Y.T.M. Tunku Dato' Dr. Ismail is also active member of the Commonwealth Council for Educational Administration, Malaysian Council of Educational Management and member of the Malaysian Institute of Management when he became a member since 1979, 1996 and 1986 respectively.
	Occupation	: Chairman and Director
	Other directorship of public companies	: Oriental Holdings Berhad



Securities holdings in the Company and Subsidiary : **Company**
 Direct Interest : 10,001
 Deemed Interest : Nil
Subsidiary : Nil

Family relationship with and director of the Company : Nil

Family relationship with any major shareholder of the Company : Nil

Any conflict of interest with the Company : Nil

List of convictions for offences within the past 10 years other than traffic offence, if any : Nil

- b) Name : Mui Chung Meng
- Age (Date of Birth) : 50 (05.04.1952)
- Nationality/Race : Malaysian/Chinese
- Qualifications : He graduated from the University of Singapore majoring in Electronics in 1974 and was an Associate Member of the Institute of Electrical Engineers in 1997. He also obtained a Diploma in Plastic and Rubber Technology (UK) in 1988 under the guidance of Universiti Sains Malaysia and the Rubber Research Institute of Malaysia.
- Executive/Non-Executive : Executive Director
- Independent/
Non-Independent : Non-Independent



statement

accompanying notice of annual general meeting (continued)

P. I. E. INDUSTRIAL BERHAD

Working Experience	:	Mr. Mui joined Pan-International Electronics (Thailand) Co., Ltd. in 1993 and was subsequently promoted to General Manager of the South East Asian Division of Pan-International Industrial Corporation. From 1974 to 1980, he was attached to Siemens and Intel, which are involved in semiconductor electronic manufacturing, as Production Engineer in-charge of transistors and opto electronic products manufacturing and QA Engineer in-charge of the entire assembly plant's quality control activities respectively. From 1981 to 1992, he was the Operation Manager of Kayel Rubber Products and Polynic Industry to handle the overall operation of rubber and plastic products manufacturing. Through these experiences, Mr. Mui gained extensive knowledge in the electronics, plastics and rubber field.	
Occupation	:	Managing Director	
Other directorship of public companies	:	Nil	
Securities holdings in the Company and Subsidiary	:	Company	
		Direct Interest	: 10,000
		Deemed Interest	: Nil
		Subsidiary	: Nil
Family relationship with any director of the Company	:	Nil	
Family relationship with any major shareholder of the Company	:	Nil	
Any conflict of interest with the Company	:	Nil	
List of convictions for offences within the past 10 years other than traffic offence, if any	:	Nil	
c) Name	:	Yeap Hun Leng	
Age (Date of Birth)	:	32 (26.03.1970)	
Nationality/Race	:	Malaysian/Chinese	
Qualification	:	Bachelor Degree in Accounting from Universiti Kebangsaan Malaysia.	

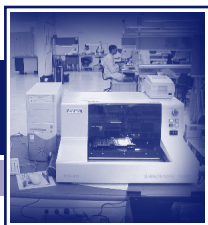
statement

accompanying notice of annual general meeting (continued)

P. I. E. INDUSTRIAL BERHAD



Executive/Non-Executive	:	Executive Director
Independent/ Non-Independent	:	Non-Independent
Working Experience	:	Mr. Yeap joined Deloitte KassimChan (Formerly known as Kassim Chan & Co) as an Audit Assistant in April 1996. He was a Senior Audit Assistant before leaving the firm in 1999. He joined the Company in January 2000 as Project Officer to oversee all areas of corporate finance matters and subsequently appointed as a Director of the Company on December 26, 2001.
Occupation	:	Director
Other directorship of public companies	:	Nil
Securities holdings in the Company and Subsidiary	:	Company Direct Interest : Nil Deemed Interest : Nil Subsidiary : Nil
Family relationship with any director of the Company	:	Nil
Family relationship with any major shareholder of the Company	:	Nil
Any conflict of interest with the Company	:	Nil
List of convictions for offences within the past 10 years other than traffic offence, if any	:	Nil



corporate information

P. I. E. INDUSTRIAL BERHAD

BOARD OF DIRECTORS

Chairman – Independent Non-Executive Director	Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jewa
Managing Director	Mui Chung Meng
Executive Director	Chen, Chih-Wen
Executive Director	Yeap Hun Leng – appointed on December 26, 2001
Non-Executive Director	Cheng Shing Tsung
Non-Executive Director	Yen, Chien-Kun
Independent Non-Executive Director	Ahmad Murad Bin Abdul Aziz

AUDIT COMMITTEE

Chairman – Independent Non-Executive Director	Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jewa
Member (Independent Non-Executive Director)	Ahmad Murad Bin Abdul Aziz
Member (Executive Director)	Yeap Hun Leng

COMPANY SECRETARIES

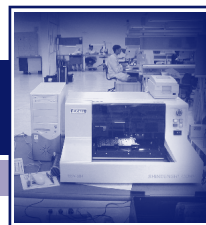
Khoo Lay Tatt (MAICSA 7029262)
Tan Yee Min (MAICSA 7025392)

AUDITORS

Deloitte KassimChan
Public Accountants
4th Floor Wisma Wang
251-A Jalan Burma, 10350 Penang
Tel : 04-2288255 Fax : 04-2288355

REGISTERED OFFICE

3rd Floor Wisma Wang
251-A Jalan Burma, 10350 Penang
Tel : 04-2288155 Fax : 04-2692386



REGISTRAR

PFA Registration Services Sdn. Bhd.
(Company No. 19234-W)
Level 13, Uptown 1
No. 1 Jalan SS 21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-77254888 / 03-77258046
Fax: 03-77222311

PRINCIPAL BANKERS

RHB Bank Berhad
2784 & 2785, Jalan Chain Ferry
Taman Inderawasih
13600 Prai

Citibank Berhad
42, Jalan Sultan Ahmad Shah
10050 Penang

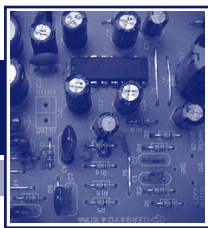
Bumiputra-Commerce Bank Berhad
1271-2, Jalan Baru, Taman Emas
13600 Prai

STOCK EXCHANGE LISTING

Main Board of The Kuala Lumpur
Stock Exchange

SHARE CAPITAL

Authorised	:	RM 100,000,000
Issued and Paid-Up	:	RM 60,000,000



board of directors profile

P. I. E. INDUSTRIAL BERHAD

Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa

Chairman

(Independent / Non-Executive)

Malaysian

Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa, aged 64, was appointed to the Board since 2 June 1997. He obtained his B.A. degree from the University of Malaya in 1967, his M.Ed. from the Pennsylvania State University in the United States of America in 1972 and his Ph. D in Educational Administration from the University of Malaya in 1979. He is a leading academician with an array of working experiences. He was Professor of Educational Administration in University Sains Malaysia from 1987 to 1995 and Dean of Education also in University Sains Malaysia from 1979 to 1992. He was also the Chairman of the Penang Bureau of Information and Education and Penang State Consumer Council since 1990 and President of the State of Penang Family Planning Association since 1979.

Y.T.M. Tunku Dato' Dr Ismail is also a director of Oriental Holdings Berhad.

He is also Chairman of the Audit Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

Mui Chung Meng

Managing Director

(Non-Independent / Executive)

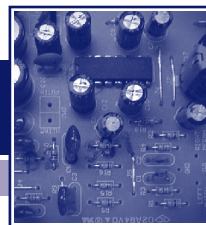
Malaysian

Mui Chung Meng, aged 50, was appointed to the Board since 10 May 2000. He graduated from the University of Singapore majoring in Electronics in 1974 and was an Associate Member of the Institute of Electrical Engineers in 1977. He also obtained a Diploma in Plastic and Rubber Technology (UK) in 1988 under the guidance of Universiti Sains Malaysia and the Rubber Research Institute of Malaysia. Mr Mui joined Pan-International Electronics (Thailand) Co. Ltd. in 1993 and was subsequently promoted to General Manager of the South East Asian Division of Pan-International Industrial Corp. From 1974 to 1980, he was attached to Siemens and Intel, which are involved in semiconductor electronic manufacturing, as Production Engineer in-charge of transistors and opto electronic products manufacturing and QA Engineer in-charge of the entire assembly plant's quality control activities respectively. From 1981 to 1992, he was the operation manager of Kayel Rubber Products and Polynic Industry to handle the overall operation of rubber and plastic products manufacturing. Through these experiences, Mr Mui gained extensive knowledge in the electronics, plastics and rubber field.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

board of directors profile (continued)

P. I. E. INDUSTRIAL BERHAD



Chen, Chih-Wen
Executive Director
(Non-Independent / Executive)
Taiwanese

Chen Chih-Wen, aged 44, was appointed to the Board since 10 May 2000. He graduated with a Bachelor of Science Degree in Accounting from Feng-Chia University, Taiwan in 1980. Prior to joining PIE Group in 1991, he was involved in the electronic industry for five(5) years with listed companies in Taiwan and four(4) years in the cement-related industry. He is responsible for the corporate finance in the group of companies.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

Yeap Hun Leng
Executive Director
(Non-Independent / Executive)
Malaysian

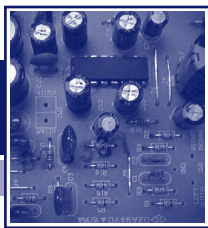
Yeap Hun Leng, aged 32, was appointed to the Board since 26 December 2001. He graduated with a Bachelor of Accounting degree from University Kebangsaan in 1996. He was a Senior Audit Assistant in Deloitte Kassim Chan (Formerly known as Kassim Chan & Co). He now is a member of Malaysian Institute of Accountants and mainly responsible for the tax & account matter of the Company.

He is also a member of the Audit Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

Cheng Shing Tsung
Director
(Non-Independent / Non-Executive)
British

Cheng Shing Tsung, aged 64, was appointed to the Board since 10 May 2000. He obtained a diploma from Radio Communication College, Hong Kong in 1960. Mr Cheng started his career in Sony Corporation Hong Kong Ltd. at the end of 1960 as an Assistant Engineer. Then in 1965, he joined Atlas Electronic Corp. as Material Chief. Two years later, he was transferred to Electronic Industrial Ltd. In Hong Kong, which was the subsidiary of General Electric USA Audio Division, as Purchasing Leader for all materials required for production; and in early 1974, was promoted to General Electric Television & Appliance Pte. Ltd. Singapore as Procurement Manager controlling all purchasing activities. He is currently the General Manager of Foxconn Singapore Pte. Ltd, the subsidiary company of Hon Hai Precision Industry Co. Ltd..



board of directors profile (continued)

P. I. E. INDUSTRIAL BERHAD

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

Yen, Chien-Kun

Director

(Non-Independent / Non-Executive)

Taiwanese

Yen, Chien-Kun, aged 42, was appointed to the Board since 14 May 2001. He graduated with a Bachelor of Chemical Engineering degree from National Taiwan Institute Of Technology in 1985. Mr. Yen is an engineer by profession. He joined Hon Hai Precision Co. Ltd. in 1991 and has vast experiences in Quality Assurance, Production Control and Marketing. He is now the Operation Manager of South Asia Region in the Hon Hai group.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

Ahmad Murad Bin Abdul Aziz

Independent Director

(Independent / Non-Executive)

Malaysian

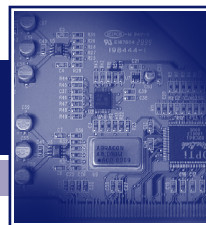
Ahmad Murad Bin Abdul Aziz, aged 43, was appointed to the Board since 2 June 1997. He graduated with a law degree from University of Malaya in 1982. He is a lawyer by profession and has more than eighteen(18) years of working experience in the legal practice. He has been a Senior Partner of Murad & Foo from 1990 to 1999. Prior to that, he was a legal assistant with Kadir, Tan & Ramlee from 1983 to 1985 and a partner with Murad and Leong from 1985 to 1989. He is currently a partner of K.M. Chye & Murad.

He is also a member of the Audit Committee of the Company.

He has no family relationship with any other Director and/or major shareholder of the Company. He has not entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company. Neither has he been convicted of any offences in the last 10 years.

chairman's statement

P. I. E. INDUSTRIAL BERHAD



The financial year ended 31 December 2001 presented challenging times for P.I.E. Industrial Berhad ("PIE"). The severe global economic slowdown resulting in depressed demand for electronics related products had shrunk the source of our orders.

"On behalf of the Board of Directors, I am pleased to present the annual review and audited financial statement of P.I.E. Industrial Berhad for the financial Year ended 31 December 2001."

Financial Performance

As a result of the above factors, PIE group registered a decreased profit after tax of RM 7.59 millions as compared to RM18.39 millions in the previous financial year on the back of a reduced revenue of RM144 millions as compared to RM182 millions of the preceding period. The earning per share dipped accordingly to 12.65 sen from 33.13 sen previously. But with the concerted endeavor in clearing of pushback inventory with customers, the net cash of PIE group at year-end had increased to RM50 millions as compared to RM16 millions as at 31 December 2000.

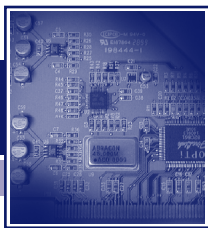
Dividend

The Board of Directors is recommending a first and final dividend of 10 sen per share, tax exempt, for the financial year ended 31 December 2001, an approximate 50% increase from the previous financial year.

Proposed Transfer From Second Board To Main Board

The directors believe that transfer of the listing of and quotation for the entire issued and paid-up share capital of PIE from the Second Board to Main Board of the KLSE will give PIE group greater prestige and prominence among investors, customers, suppliers and financiers. Hence, the Board of Directors proposed a transfer exercise on 5th November 2001 and obtained the approval from Securities Commission on 14th December 2001.

On 7th February 2002, PIE shares are officially traded on the Main Board of the KLSE.



chairman's statement (continued)

P. I. E. INDUSTRIAL BERHAD

review

Operation Review

Since the beginning of the year under review, PIE has been affected by global economic slowdown. The Board of Directors together with its management is constantly reviewing the entire group's operation, resources and commitments to seek business opportunity in the following divisions.

Contract Electronic Manufacturing (CEM) Services

PIE continued to diversify its targeted niche market to various industries, i.e. from the initial networking industry into 3C (PC, communication, and consumer electronic), automobile, and industrial electronics.

For the year 2001, the CEM division contributed approximately 64% of the group revenue. From the middle of fourth quarter, the division has received increasing orders. We are optimistic of good recovery and increased growth for the coming year.

Raw Cable & Wire Manufacturing

Besides the products supplied to PC-related and consumer electronic industries, this division kept on developing high value-added products, e.g. LAN cable, elevator control cable and communication cable for customers in specific industries.

For the year under review, this division contributed about 16% of the group revenue.

Trading Activity

The trading arm of PIE group maintained to sell its PC peripheral products, mainly the CD-ROM / CD-RW drive. In the year 2001, this division contributed about 20% of the group revenue.

Industrial Trend / Company Outlook

Undoubtedly, the electronic technology will have ever increasing application to our daily life. The trend for OEM customers to outsource manufacturing operations will continue while they concentrate on their core competencies of research and development, product design, marketing and brand loyalty. Therefore, CEM service providers will see an increasing role and demand. Effective cost control will be a vital criteria for success in the global competitive marketplace.

Our group's growth for the coming years will be mainly founded on (1) the continuous integration of our capabilities in manufacturing, engineering and distribution under the concept of integrated one stop turnkey electronic manufacturing services; and (2) effective focus on niche customers based in various diversified industries and regions.

With relentless endeavor, PIE group looks forward with optimism to grow aggressively in the advent of global economic upturn.

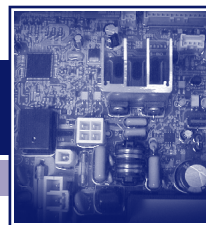
Acknowledgment

On behalf of the Board of Directors, I would like to convey my heartfelt appreciation and thanks to all employees at all levels for their resilience, dedication and undivided loyalty ; to our customers for their continued support; to our suppliers, business associates, investors, the relevant authorities, financiers and bankers for their enduring confidence, cooperation and assistance.

Y.T.M TUNKU DATO' DR. ISMAIL
IBNI ALMARHUM TUNKU MOHD JEW A
Chairman

audit committee report

P. I. E. INDUSTRIAL BERHAD



The Board of Directors is pleased to present the Audit Committee Report for the financial year ended 31 December 2001.

The Audit Committee was established by a resolution of the Board on 20 May 2000.

1. COMPOSITION OF AUDIT COMMITTEE

The Committee shall be appointed by the Board from amongst its members and shall at all time consist of not less than three(3) directors, the majority of whom must be Independent Non-Executive directors and at least one of them must be a member of the Malaysian Institute of Accountants or one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967 with at least 3 years' working experience.

No alternate director shall be appointed as a member of the Audit Committee. The Chairman shall be selected by the members of the Audit Committee and should be an Independent director. The Company Secretary shall act as the Secretaries of the Audit Committee.

In the event that the number of Audit Committee members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

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

The current Audit Committee comprises three(3) members, two(2) of them are Independent Non-Executive directors.

Chairman

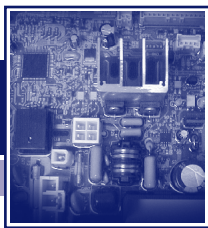
Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa
(Independent Non-Executive Director)

Member

Ahmad Murad bin Abdul Aziz - (Independent Non-Executive Director)
Yeap Hun Leng - (Executive Director)

The records of Audit Committee meetings for the financial year under review are as follows:

Name of director	21 May 2001	20 August 2001	19 November 2001
Tunku Dato' Ismail Ibni Almarhum Tunku Mohd Jawa			
Ahmad Murad bin Abdul Aziz			
Yeap Hun Leng (appointed on 26 December 2001)	-	-	-
Chen Chih-Wen (resigned on 26 December 2001)			



audit committee report (continued)

P. I. E. INDUSTRIAL BERHAD

2. TERMS OF REFERENCE

Objectives

The primary objectives of the Audit Committee are :

- (a) To assist the Board in discharging its duties and responsibilities relating to the group and the company's management of principal risks, internal controls, financial reporting and compliance of statutory and legal requirements.
- (b) To maintain effective communication between the Board of Directors, Senior Management, internal auditors and external auditors in order to provide assurance that the information presented by management is relevant, reliable and timely.

Duties and Responsibilities

- Consider and recommend the appointment and remuneration of external auditor and to deal with matters relating to the resignation or dismissal.
- Review with the external auditors the scope of audit plan, system of internal accounting controls and their reports thereon.
- Review the effectiveness of internal audit procedures, consider the major findings of internal audit investigations and ensure co-ordination between the internal and external auditors.
- Review with management the audit reports issued by the internal and external auditors and the implementation of audit recommendations.
- Review any related party transactions that may arise within the Group.
- Review the quarterly results and year-end financial statements prior to them being approved by the Board of Directors.
- Review the accounting policies adopted, any changes in accounting principles or practices and the level of prudence applied in areas requiring judgement.
- Review arrangements established by management for compliance with any regulation or other external reporting requirements.
- Perform such other functions as may be agreed to by the Committee and the Board of Directors.

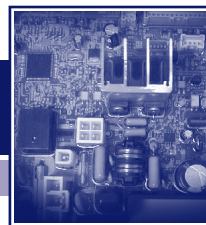
Authority

The Committee shall, in accordance with a procedure to be determined by the board of directors and at the cost of the Company:

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties;
- (c) have full and unrestricted access to any information pertaining to the Group and the Company

audit committee report (continued)

P. I. E. INDUSTRIAL BERHAD



- (d) have direct communication channels with the external auditors and persons carrying out the internal audit function;
- (e) be able to obtain professional or other advice; and
- (f) be able to convene meetings with the external auditors, excluding the attendance of the executive members of the Audit Committee, whenever deemed necessary.

Meetings

Meeting shall be held once every quarter. The Chairman shall call a meeting of the Committee if requested to do so by any Committee member, the management or the internal or external auditors. The Committee may invite the members of the Board, the management, the internal auditors and the representative of the external auditors to attend any of its meeting as it deems necessary.

The quorum for a meeting of the Committee shall be two(2) member present and the majority of them must be independent non-executive directors.

The Company Secretary is also responsible for keeping the minutes of the meeting of the Committee, circulating them to the Committee members and to the other members of the Board and following up on outstanding matters.

3. ACTIVITIES OF THE AUDIT COMMITTEE

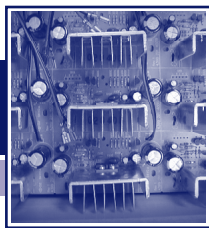
The following activities were carried out by the Committee during the financial year ended 31 December 2001 in the discharge of its duties and responsibilities:

- Review the draft quarterly results and year-end financial statements prior to submission to the Board for approval.
- Review the compliance on the Kuala Lumpur Stock Exchange Listing Requirements.

4. INTERNAL AUDIT FUNCTION

Major control systems are documented and followed by the management of the Group. The Group does not have an internal audit department. The audit functions were carried-out by senior management during site visits and periodic stock checks. The Executive Director reported their findings to the Audit Committee.

In order to implement an effective internal control system in the Group, the Company has engaged a professional firm to carry out a full internal audit function at the end of the financial year under review. The internal audit function is to ensure a regular review of the adequacy and integrity of its internal control system. The internal audit firm will also be required to assist the Group in enhancing its existing risk management framework and adopt a risk-based approach to minimize the risk thereof.



Board's Commitments

The Board of Directors of P.I.E. Industrial Berhad welcomes the introduction of Malaysian Code of Corporate Governance ("the Code") which sets out the principles and recommended best practices to be complied with by all public listed companies.

The Board has assessed the level of corporate governance practiced in the Group and confirms that unless otherwise stated in this statement, the Group has complied with all the principles and recommended best practices throughout the year ended 31 December 2001.

A) The Board

The Board of Directors recognised its stewardship responsibility to lead the Group towards highest level of corporate governance, strategic decisions and standard of conducts.

i) Board Balance

The present Board of Directors, headed by the chairman, comprises:

- 3 Non-Independent, Executive Directors
- 2 Non-Independent, Non-Executive Directors, and
- 2 Independent, Non-Executive Directors

The composition of the Board of Directors is in compliance with the KLSE Listing Requirements and the Code. It also balanced to reflect the interests of the major shareholders, management and minority shareholders. Collectively, the Directors bring a wide range of experience relevant to the Group.

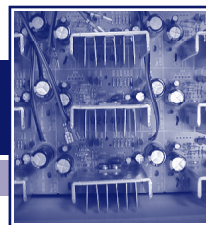
The roles of Chairman and Managing Director are assumed by different Directors to ensure that there is a balance of power and responsibilities. There is also a balance in the Board because of the presence of Independent, Non-Executive Directors of caliber who will provide independent assessments and judgments in the decision making process of the Board.

ii) Board Meetings

The Board of Directors governs the operations of the Group. The Board meets regularly, at least once in a quarter since the implementation of revamped listing requirements in early 2001, with additional meetings held as necessary to formulate and adopt strategic business plan for the Group, to evaluate the impact of risks affecting the operations of the Group and to formulate appropriate risk managing system.

Agenda and documents relevant to the Board meetings are circulated in advance to the Directors for their review before the meetings. This ensures the effectiveness of the Board meetings. Additional information, if any, requested by the Directors will be provided in timely manners.

During the financial year, the Board met three(3) times. The attendance of each director, taking in to consideration the appointment date is as follows:



Name of director	Designation	Number of meetings	
		Held	Attended
YTM Tunku Dato' Dr Ismail Ibni Almarhum Tunku Mohd Jawa	Independent, Non-Executive Chairman	3	3
Mui Chung Meng	Non-Independent, Managing Director	3	3
Chen, Chih-Wen	Non-Independent, Executive Director	3	3
Yap Hun Leng (appointed on 26/12/2001)	Non-Independent, Executive Director	0	0
Cheng, Shing Tsung	Non-Independent, Non-Executive Director	3	3
Yen, Chien-Kun	Non-Independent, Non-Executive Director	3	3
Ahmad Murad Bin Abdul Aziz	Independent, Non-Executive Director	3	3

All Directors have direct access to the advice and services of the Company Secretaries. The Company Secretaries, whose appointment and removal is the responsibility of the Board collectively, are qualified professionals with the necessary experience to advise the Board.

When necessary, the Directors could request for the service of independent professional advisors at the cost of the Company.

In leading and controlling the operations of the Group, the Board is assisted by the Board of Directors of each individual subsidiary which is primarily responsible to carry out decisions made by the Board. Certain Executive Directors also sit on the Board of subsidiaries to ensure decisions made by the Board are disseminated and delegated effectively to the management of the subsidiaries.

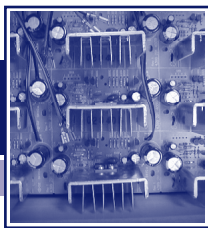
iii) Directors Training

All Directors had attended the Mandatory Accreditation Programme to enhance their skills in the area of corporate governance. The Directors are encouraged to attend other similar training programme in the future. An orientation programme will also be organized by the Executive Directors to assist newly appointed directors to better understand the business operations of the Group.

iv) Appointment and Re-election of Director

a) Appointment of Directors

The Code requires a formal and transparent procedure to be established for appointment of new Directors to the Board. The Code also endorses the establishment of a nomination committee, comprises exclusively of Non-Executive Directors, a majority of whom are Independent to propose new nominees to the Board and to assess directors on an on-going basis.



Given the present size of the Board and strong professionalism of the major shareholder, the Board has decided not to set up a nomination committee as recommended by the Code. As an alternative, the Board resolved that the nomination of candidates for directorship shall remain a collective decision by all Board members and has laid down the following procedures for appointment of new Directors:

- 1.) The Board will review from time to time its composition to identify the need to further strengthen the Board.
- 2.) The Board, with the assistance and recommendation of the Board members, will evaluate the caliber, credibility and experience of the candidates.
- 3.) A Board meeting or Resolution, under the professional service of a company secretary, will be convened or circulated to all Board members as to decide the appointment of the candidate(s) as director(s).
- 4.) Newly appointed directors are required to undergo director's training programme as described in (iii) above and retire in the Annual General Meeting following his/her appointment and whether or not he/she shall remain in the Board shall be decided by shareholders.

b) Re-election of Directors

In accordance with the Company's Articles of Association, all Directors are subject to election at the Annual General Meeting ("AGM") following their appointment.

The Articles also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM.

The current terms of all directors are less than three years. This is in compliance with the provision of the requirement of the Code that all directors to submit themselves for re-election at regular intervals and at least every three years.

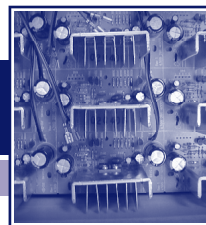
The Board of Directors will also review the effectiveness of the Board as a whole and further assess the contribution of each individual director who is seeking re-election by rotation at each AGM.

v) Directors' Remuneration

It is vital for the Group to attract and retain Directors of the necessary caliber to run the Group successfully. In line with requirements of the Code, the Group has established a remuneration policy for the Directors.

Given the present size of the Board, the Board has decided not to set up a remuneration committee as recommended by the Code. As an alternative, the Board formulated the following policy for fixing remuneration packages of each Director:

- 1.) Determination of remuneration of Directors remained a collective decision of the Board.
- 2.) The remuneration package of Executive Directors shall be determined based on the performance of the Group, the responsibilities, the experience required and the contribution by each individual Director in comparison to the industry norm.
- 3.) The remuneration of Non-Executive Directors should be reflective of their experience, level of responsibilities and contributions by each individual director.
- 4.) All directors are entitled to directors' fee which is subject to shareholders' approval.
- 5.) Other than directors' fee, Executive Directors shall be entitled to salary and bonus, statutory contribution and other allowances incidental to the performance of their duties.



- 6.) The Board shall meet at least once in a financial year to deliberate on the remuneration packages for the Directors.
- 7.) In determining the remuneration package of each Director, the Director concerned will abstain from the discussion.

Details of Directors' remunerations for the year ended 31 December 2001 are as follows:

1. Aggregate remuneration of the Directors categorized into appropriate components:

Category	Fee (RM)	Salaries (RM)	Bonus (RM)	Allowances (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Directors	0	395,160	530,384	0	0	925,544
Non-Executive Directors	30,000	0	0	2,200	0	32,200
Other Directors	0	230,599	110,219	0	4,000	344,818
Total	30,000	625,759	640,603	2,200	4,000	1,302,562

- 2 The number of Directors whose total remuneration fall within the following bands:

Range of Remuneration	Executive	Number of Directors Non-Executive	Other
Below RM50,000	0	5	0
RM 50,001 to RM100,000	1	0	2
RM 100,001 to RM150,000	0	0	0
RM 150,001 to RM200,000	0	0	1
RM 850,001 to RM900,000	1	0	0

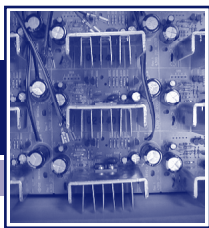
B) Accountability and Audit

Audit Committee

The Audit Committee of P.I.E. Industrial Berhad comprises of

Chairman : Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa
(Independent, Non-Executive Chairman)

Members : Ahmad Murad Bin Abdul Aziz (Independent, Non-Executive Director)
Yap Hun Leng (Non-Independent, Executive Director)



The terms of reference and the report of Audit Committee are as set out on pages 17 to 19.

i) Financial Reporting

Before the quarterly announcements and annual reports are made, the Board, with the recommendations by the Audit Committee, will ensure that these announcements present a balanced and understandable assessment of the Group's financial position and prospect.

ii) Internal Control

The Board is fully aware of its responsibility to safeguard and enhance the value of shareholders in the Group. Since the listing of P.I.E. Industrial Berhad, the Board has continuously placed emphasis on the need for a sound internal control system.

In this regard, major internal control systems are documented and followed by the management of the Group. To enhance the effectiveness of these, the Board has in March 2002, established an internal audit function with the assistance of an external professional firm. The internal auditors will be able to provide additional independent review on the state of internal control of the Group.

iii) Relationship with the Auditors

The Board maintains good relationship with external auditors. Members of the Audit Committee meet the external auditors at least once a year to discuss the conduct and concerns arising from their audit.

C) Relationship with Shareholders and Investors

In line with the recommendation by the KLSE Listing Requirements and the Code, material information are disseminated to shareholders and investors on a timely basis. These information, which could be assessed through KLSE website at www.klse.com.my, include:

1. Quarterly announcements
2. Annual reports
3. Circular to shareholders
4. Other important announcements

In addition to the above, time will be allocated to address issues concerning the Group during Annual General Meetings.

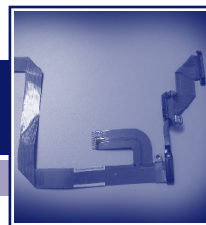
In compliance with recommended best practice by the Code, the Board has appointed Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jewa, a Senior Independent Non-Executive Director to whom minority shareholders could convey their concern over the operations of the Group. He can be reached at the following address:

Plot 6, Jalan Jelawat 1,
Seberang Jaya Industrial Estate,
13700 Prai, Penang, Malaysia.
Tel : 04-399 3516 Fax : 04-398 9867

This statement was made in accordance with a resolution of the Board dated 6 May 2002.

statement of director's responsibilities in respect of the audited financial statement

P. I. E. INDUSTRIAL BERHAD



The Board has the overall responsibility to prepare the financial statements for each financial year as required by the Companies Act, 1965. The financial statements should be prepared in accordance with the applicable approved accounting standards, the provisions of the Companies Act, 1965 and the relevant provisions of the KLSE Listing Requirements so as to present a true and fair view of the state of affairs of the Group and of the Company and of their results and cash flows for the financial year.

In this regard, the Directors, with the assistance of the Audit Committee:

- Ensured that suitable accounting policies are used and applied consistently
- Ensured proper accounting records are kept
- Ensured adequate system of internal control exist to safeguard the assets of the Group to prevent and detect fraud and other irregularities
- Ensured that the financial statements presents a balanced and understandable assessment of the financial position and prospect of the Group and of the Company
- Made appropriate enquiries to the senior management of the Group to ensure that the Group have adequate resources to continue in operational existence in the foreseeable future
- Ensured that the accounting estimates included in the financial statements are reasonable and prudent

The financial statements for the year ended 31 December 2001 had been approved by the Board on 25 February 2002.

This statement was made in accordance with a resolution of Board dated 6 May 2002.



disclosure

requirements pursuant to the listing requirements of the KLSE

P. I. E. INDUSTRIAL BERHAD

UTILISATION OF PROCEEDS

During the financial year, there were no proceeds raised by the Company from any corporate proposals.

SHARE BUYBACK

During the financial year, there were no share buyback by the Company.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

No options, warrants or convertibles securities were issued by the Company during the financial year.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Company did not sponsor any such programme.

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no material sanction and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the regulatory bodies.

NON-AUDIT FEES

No non-audit fees were paid to the external auditors during the financial year.

REVALUATION POLICY

The policy on revaluation of properties is as disclosed in the financial statements.

MATERIAL CONTRACT

There were no material contract involving directors or major shareholders other than those entered in the ordinary course of business by the Company disclosed in the financial statement.

PROFIT ESTIMATE, FORECAST OR PROJECTION

There were no profit estimate, forecast or projection announced for the financial year. There is no significant variance between the results for the financial year and the unaudited results previously released by the Company.

PROFIT GUARANTEES

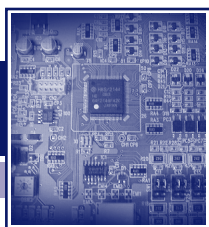
There were no profit guarantees given by the Company for the financial year.

financial statement

P. I. E. INDUSTRIAL BERHAD

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directors' report

P. I. E. INDUSTRIAL BERHAD

The directors of P.I.E. INDUSTRIAL BERHAD have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2001.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services. The principal activities of the subsidiary companies are as stated in Note 9 to the Financial Statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS OF OPERATIONS

	The Group RM	The Company RM
Net profit/ (loss) after tax for the year	7,591,406	(682,828)

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final dividend of 6.67 sen gross per ordinary share, tax-exempt, amounting to RM4,002,000 in respect of the financial year ended December 31, 2000 which was proposed and dealt with in the previous directors' report was declared and paid by the Company during the current financial year.

The directors also proposed a first and final dividend of 10 sen per ordinary share, tax exempt, amounting to RM6,000,000 in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

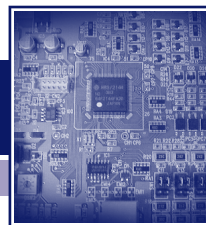
ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.



OTHER FINANCIAL INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) 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
- (d) not otherwise dealt with in this report or financial statements which 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:

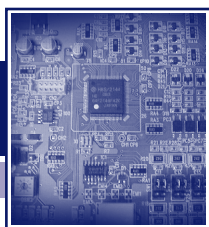
- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

SIGNIFICANT EVENTS

On December 14, 2001, the Company had obtained approval from the Securities Commission for the proposed transfer of the listing of and quotation for the entire issued and paid-up share capital of the Company from the Second Board to the Main Board of the Kuala Lumpur Stocks Exchange (KLSE). Such transfer was approved by the KLSE on January 28 2002.



directors' report (continued)

P. I. E. INDUSTRIAL BERHAD

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jewa	
Ahmad Murad Bin Abdul Aziz	
Mui Chung Meng	
Chen, Chih-Wen	
Cheng, Shing Tsung	
Yen, Chien-Kun	(appointed on May 14, 2001)
Yeap Hun Leng	(appointed on December 26, 2001)
Cheng, Ken-Yi	(resigned on May 14, 2001)
Chang, Yen-Kuang	(resigned on May 14, 2001)
Jou, Yen-Pong	(resigned on May 14, 2001)
Y.A.M. Tengku Syarif Temenggung	
Perlis Dato' Seri Diraja Syed Amir	
Abidin Putra Jamalullail	(resigned on August 8, 2001)

DIRECTORS' INTEREST

The shareholdings in the Company of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

No. of ordinary shares of RM1 each

Shares in the Company	Balance at 1.1.2001	Bought	Sold	Balance at 31.12.2001
Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum				
Tunku Mohd Jewa	10,001	-	-	10,001
Ahmad Murad Bin Abdul Aziz	10,001	-	-	10,001
Mui Chung Meng	10,000	-	-	10,000
Chen, Chih-Wen	10,000	-	-	10,000
Cheng, Shing Tsung	10,000	-	-	10,000

None of the directors held shares or have beneficial interest in the shares of related companies.

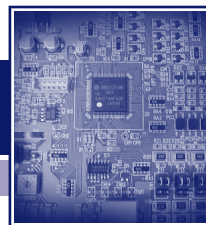
DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration 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 he is a member, or with a company in which he has a substantial financial interest except that certain directors received remuneration from related corporations in their capacities as directors or executives of those related corporations.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

directors' report (continued)

P. I. E. INDUSTRIAL BERHAD



HOLDING COMPANIES

The Company's immediate and ultimate holding companies are Pan Global Holding Co. Ltd., a corporation incorporated in British Virgin Islands and Pan-International Industrial Corporation, a corporation incorporated in Taiwan respectively.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

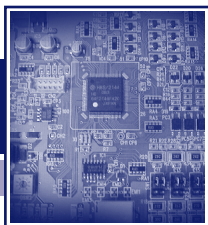
Signed on behalf of the Board
in accordance with a resolution of the Directors,

MUI CHUNG MENG

CHEN, CHIH-WEN

Penang,

February 25, 2002



report of the auditors

P. I. E. INDUSTRIAL BERHAD

Deloitte KassimChan (AF 0080)
(Formerly known as Kassim Chan & Co)
Public Accountants
4th Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
Malaysia

Tel : +60(4) 2288255
Fax : +60(4) 2288355
penang@deloitte.com.my

**Deloitte
KassimChan**

REPORT OF THE AUDITORS TO THE MEMBERS OF P.I.E. INDUSTRIAL BERHAD (Incorporated in Malaysia)

We have audited the accompanying balance sheets as of December 31, 2001 and the related statements of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved standards on auditing in Malaysia. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

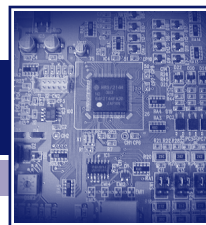
- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the state of affairs of the Group and of the Company as of December 31, 2001 and of their results and cash flows for the year ended on that date; and
 - (ii) the matters required by Section 169 of the Act to be dealt with in the financial statements and consolidated financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of a subsidiary company, Pan-International Corporation (S) Pte Ltd, of which we have not acted as auditors, being financial statements that have been included in the consolidated financial statements.

(FORWARD)

report of the auditors (continued)

P. I. E. INDUSTRIAL BERHAD



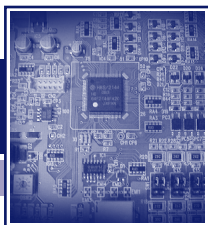
We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under Sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

TAN BOON HOE
1836/7/03(J)
Partner

February 25, 2002



income statements

for the year ended December 31, 2001

P. I. E. INDUSTRIAL BERHAD

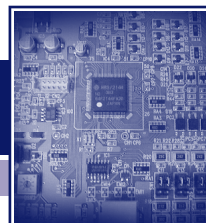
	Note	The Group		The Company	
		2001 RM	2000 RM	2001 RM	2000 RM
Revenue		144,383,748	181,758,282	129,600	4,132,400
Other operating income		3,392,916	1,670,523	305,634	110,659
Changes in inventories of finished goods and work in progress		(6,633,875)	5,260,027	-	-
Purchase of trading goods		(28,134,241)	(29,242,442)	-	-
Raw materials used		(79,249,603)	(107,264,881)	-	-
Staff costs	4	(9,662,402)	(13,381,510)	(975,338)	(88,039)
Depreciation of property, plant and equipment		(5,463,235)	(4,455,303)	-	-
Other operating expenses		(7,596,589)	(9,881,078)	(142,724)	(37,133)
Profit/ (Loss) from operations		11,036,719	24,463,618	(682,828)	4,117,887
Finance cost		(105,409)	(153,330)	-	-
Profit/ (Loss) before tax	5	10,931,310	24,310,288	(682,828)	4,117,887
Income tax expense	6	3,339,904	5,924,154	-	6,200
Net profit/ (loss) after tax for the year		7,591,406	18,386,134	(682,828)	4,111,687
Earnings per ordinary share	7	12.65 sen	33.13 sen		

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

balance sheets

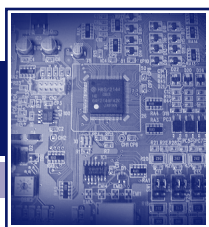
P. I. E. INDUSTRIAL BERHAD

as of December 31, 2001



		The Group		The Company	
	Note/s	2001 RM	2000 RM	2001 RM	2000 RM
PROPERTY, PLANT AND EQUIPMENT	8	47,656,009	51,507,025	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	9	-	-	56,499,998	56,499,998
CURRENT ASSETS					
Inventories	10	18,912,897	49,489,943	-	-
Trade receivables	11&12	23,190,954	19,848,774	-	-
Other receivables and prepayments		1,916,714	758,182	18,596	500
Amount owing by ultimate holding company	12	130,919	186,966	-	-
Amount owing by subsidiary companies	12	-	-	10,000,000	21,516,200
Amount owing by related companies	12	1,598,283	4,066,670	-	-
Short-term deposits with licensed banks		41,080,809	8,274,541	6,900,000	150,000
Cash and bank balances		10,606,662	10,820,485	106,186	32,256
Total Current Assets		97,437,238	93,445,561	17,024,782	21,698,956
CURRENT LIABILITIES					
Trade payables	12	10,456,321	8,184,291	-	-
Other payables and accruals		2,378,331	4,754,231	43,992	30,338
Amount owing to ultimate holding company	12	142,948	656,932	-	-
Amount owing to related companies	12	756,223	1,299,457	-	-
Amount owing to directors		6,000	9,000	6,000	9,000
Bank borrowings	13	1,780,847	3,301,000	-	-
Tax liabilities		143,631	1,237,012	6,200	6,200
Total Current Liabilities		15,664,301	19,441,923	56,192	45,538
NET CURRENT ASSETS		81,772,937	74,003,638	16,968,590	21,653,418
		129,428,946	125,510,663	73,468,588	78,153,416
SHARE CAPITAL	14	60,000,000	60,000,000	60,000,000	60,000,000
RESERVES	15	68,923,946	65,510,663	13,468,588	18,153,416
SHAREHOLDERS' EQUITY		128,923,946	125,510,663	73,468,588	78,153,416
DEFERRED TAX LIABILITIES	16	505,000	-	-	-
		129,428,946	125,510,663	73,468,588	78,153,416

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



statement of changes in equity

for the year ended December 31, 2001

P. I. E. INDUSTRIAL BERHAD

	Share Capital RM	Share Premium RM	Revaluation/ Translation/ Merger Reserve* RM	Retained Profit RM	Total RM
The Group					
Balance as of January 1, 2000	51,000,000	-	(38,987,559)	57,339,155	69,351,596
Exchange loss on translation of net investment in foreign subsidiary	-	-	(112,128)	-	(112,128)
Surplus on revaluation of leasehold land, buildings and flats	-	-	14,827,895	-	14,827,895
Public issue of 9,000,000 new ordinary shares of RM1 each at RM2.80 per share	9,000,000	16,200,000	-	-	25,200,000
Listing expenses written off	-	(2,142,834)	-	-	(2,142,834)
Net profit after tax for the year	-	-	-	18,386,134	18,386,134
Balance as of December 31, 2000	60,000,000	14,057,166	(24,271,792)	75,725,289	125,510,663
Exchange loss on translation of net investment in foreign subsidiary	-	-	(176,123)	-	(176,123)
First and final dividend of 6.67 sen gross per ordinary share, tax exempt, declared and paid in respect of the financial year ended December 31, 2000	-	-	-	(4,002,000)	(4,002,000)
Net profit after tax for the year	-	-	-	7,591,406	7,591,406
Balance as of December 31, 2001	60,000,000	14,057,166	(24,447,915)	79,314,695	128,923,946

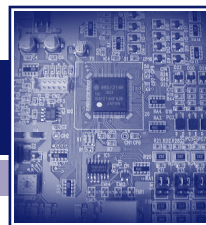
* An analysis of the movement of these reserves is shown below:

	Revaluation Reserve RM	Translation Reserve RM	Merger Deficit RM	Total RM
Balance as of January 1, 2000	-	12,439	(38,999,998)	(38,987,559)
Exchange loss on translation of net investment in foreign subsidiary	-	(112,128)	-	(112,128)
Surplus on revaluation of leasehold land, buildings and flats	14,827,895	-	-	14,827,895
Balance as of December 31, 2000	14,827,895	(99,689)	(38,999,998)	(24,271,792)
Exchange loss on translation of net investment in foreign subsidiary	-	(176,123)	-	(176,123)
Balance as of December 31, 2001	14,827,895	(275,812)	(38,999,998)	(24,447,915)

statement of changes in equity (continued)

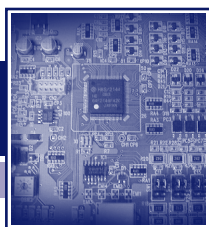
P. I. E. INDUSTRIAL BERHAD

for the year ended December 31, 2001



	Share Capital RM	Share Premium RM	Retained Profit/ (Accumulated Losses) RM	Total RM
The Company				
Balance as of January 1, 2000	2	-	(15,437)	(15,435)
Allotment of 50,999,998 new ordinary shares of RM1 each at approximately RM1.32 per share in exchange for shares of subsidiary companies	50,999,998	-	-	50,999,998
Public issue of 9,000,000 new ordinary shares of RM1 each at RM2.80 per share	9,000,000	16,200,000	-	25,200,000
Listing expenses written off	-	(2,142,834)	-	(2,142,834)
Net profit after tax for the year	-	-	4,111,687	4,111,687
Balance as of December 31, 2000	60,000,000	14,057,166	4,096,250	78,153,416
First and final dividend of 6.67 sen gross per share, tax exempt, declared and paid in respect of the financial year ended December 31, 2000	-	-	(4,002,000)	(4,002,000)
Loss after tax for the year	-	-	(682,828)	(682,828)
Balance as of December 31, 2001	60,000,000	14,057,166	(588,578)	73,468,588

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



cash flow statements

for the year ended December 31, 2001

P. I. E. INDUSTRIAL BERHAD

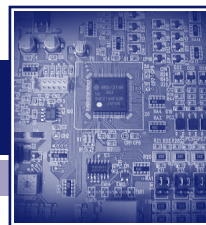
	The Group		The Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/ (Loss) before tax	10,931,310	24,310,288	(682,828)	4,117,887
Adjustments for:				
Depreciation of property, plant and equipment	5,463,235	4,455,303	-	-
Allowance for slow moving inventories	754,346	1,759,432	-	-
Bad debts written off	330,949	6,950	-	-
Interest expenses	105,409	153,330	-	-
Allowance for doubtful debts	41,608	109,725	-	-
Plant and equipment written off	1,047	2	-	-
Allowance for slow moving inventories no longer required	(1,032,579)	-	-	-
Interest income	(709,329)	(524,253)	(305,634)	(110,659)
Allowance for doubtful debts no longer required	(172,586)	-	-	-
(Gain)/ Loss on disposal of plant and equipment	(16,000)	922	-	-
Dividend income	-	-	-	(4,100,000)
Operating profit/ (loss) before working capital changes	15,697,410	30,271,699	(988,462)	(92,772)
(Increase)/ Decrease in:				
Inventories	30,855,279	(33,825,979)	-	-
Trade receivables	(3,542,151)	4,851,701	-	-
Other receivables and prepayments	(769,930)	1,061,016	(1,000)	(500)
Amount owing by ultimate holding company	56,047	(113,534)	-	-
Amount owing by subsidiary companies	-	-	11,516,200	(21,516,200)
Amount owing by related companies	2,468,387	1,026,409	-	-
Increase/ (Decrease) in:				
Trade payables	2,272,030	1,642,282	-	-
Other payables and accruals	(2,375,900)	(6,025,460)	13,654	14,901
Amount owing to ultimate holding company	(513,984)	(1,759,587)	-	-
Amount owing to related companies	(543,234)	(45,052)	-	-
Amount owing to directors	(3,000)	(6,711)	(3,000)	9,000
Cash generated from/ (used in) operations	43,600,954	(2,923,216)	10,537,392	(21,585,571)
Tax paid	(4,298,351)	(5,626,532)	-	-
Net cash generated from/ (used in) operating activities	39,302,603	(8,549,748)	10,537,392	(21,585,571)

(FORWARD)

cash flow statements (continued)

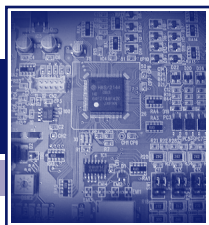
P. I. E. INDUSTRIAL BERHAD

for the year ended December 31, 2001



	The Group		The Company	
	2001 RM	2000 RM	2001 RM	2000 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	692,233	524,253	288,538	110,659
Proceeds from disposal of plant and equipment	16,000	359	-	-
Purchase of property, plant and equipment	(1,616,289)	(12,136,107)	-	-
Cash paid for acquisition of subsidiaries	-	-	-	(5,500,000)
Dividend received	-	-	-	4,100,000
Net cash (used in)/ generated from investing activities	(908,056)	(11,611,495)	288,538	(1,289,341)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(4,002,000)	-	(4,002,000)	-
(Decrease)/ Increase in bank borrowings	(1,711,000)	3,301,000	-	-
Interest paid	(105,409)	(153,330)	-	-
Proceeds from public issue of shares	-	25,200,000	-	25,200,000
Listing expenses paid	-	(2,142,834)	-	(2,142,834)
Net cash (used in)/ generated from financing activities	(5,818,409)	26,204,836	(4,002,000)	23,057,166
NET INCREASE IN CASH AND CASH EQUIVALENTS	32,576,138	6,043,593	6,823,930	182,254
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	19,095,026	13,164,720	182,256	2
Exchange translation differences	(174,540)	(113,287)	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	51,496,624	19,095,026	7,006,186	182,256

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



notes to the financial statements

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

1. PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services. The principal activities of the subsidiary companies are as stated in Note 9. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards of the Malaysian Accounting Standards Board.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention modified to include the revaluation of certain property, plant and equipment.

Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to December 31, 2001. All significant intercompany balances and transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. The Group adopts both the acquisition and merger methods of consolidation.

Acquisition of subsidiary companies which meets the criteria for merger accounting under the Companies Act, 1965 and Malaysian Accounting Standard No. 2, Accounting for Acquisitions and Mergers, are accounted for using merger accounting principles. When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued, cash and cash equivalents and fair values of other considerations. The difference between the carrying value of the investment and the nominal value of shares transferred is treated as merger reserves/ deficits in the consolidated financial statements in accordance with the merger relief provisions under Section 60(4) of the Companies Act, 1965. The results of the subsidiary companies being merged are presented as if the merger had been effected throughout the financial year.

The financial statements of all subsidiary companies are consolidated under the merger method except for the financial statements of the indirect subsidiary companies which are consolidated under the acquisition method.

Revenue and Revenue Recognition

Revenue of the Group represents gross invoiced values of sales less sales returns. Revenue of the Company represents gross dividend income and gross service fees from the rendering of management services.

Sales revenue are recognised upon delivery of products and when the risks and rewards of ownership has passed. Dividend income is recognised when the shareholder's right to receive payment is established. Other revenues are recognised on an accrual basis.

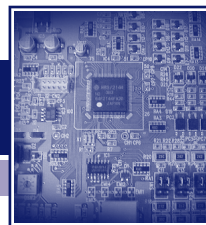
Foreign Currency Conversion

Transactions in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing on the transaction dates and, where settlement of liabilities and receivables has not yet taken place at the end of the financial year, at the approximate exchange rates prevailing on that date. Gains or losses arising from foreign currency conversions are taken up in the income statements.

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



For the purpose of consolidation, the financial statements of the foreign subsidiary company have been translated into Ringgit Malaysia as follows:

Assets and liabilities	- at closing rate of SGD1 : RM2.05 (2000: SGD1 : RM2.21)
Issued capital	- at historical cost
Revenue and expenses	- at average rate

Exchange differences due to such currency translation are dealt with through translation reserve account under shareholders' equity.

Income Tax

The tax effects of transactions are generally recognised, using the liability method, when such transactions enter into determination of net income regardless of when they are recognised for tax purposes. However, where timing differences give rise to a net deferred tax asset, the tax effects are recognised generally on actual realisation.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation. Depreciation of property, plant and equipment is computed on the straight-line method based on the estimated useful lives of the various property, plant and equipment at the following annual rates:

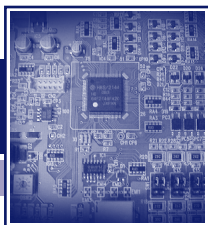
	Rates
Leasehold improvement	20%
Buildings	2% - 10%
Plant and machinery	10% - 20%
Production tools and equipment	10% & 16.67%
Furniture, fixtures and office equipment	10% - 33.3%
Mechanical and electrical installation	10% & 20%
Motor vehicles	20%

Leasehold land and leasehold flats are depreciated over the lease period of 60 years and 99 years respectively.

The Group carried some of its leasehold land, buildings and leasehold flats at revalued amounts. These assets shall be revalued at a regular interval of at least once in every five years with additional valuations in the intervening years where there are significant and volatile movements in fair value of the revalued assets.

An increase in the carrying amount arising from revaluation of property, plant and equipment is credited to the revaluation reserve account as revaluation surplus. Any deficit arising from revaluation is charged against the revaluation reserve account to the extent of a previous surplus held in the revaluation reserve account for the same assets. In all other cases, a decrease in carrying amount is charged to income statements. An increase in revaluation directly related to a previous decrease in carrying amount for that same asset that was recognised as an expense, is credited to income statements to the extent that it offsets the previously recorded decrease.

Gain or losses arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the income statements. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed are transferred to retained profit account.



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

Investments In Subsidiary Companies

Investments in subsidiary companies, which are eliminated on consolidation, are stated in the Company's financial statements at cost under the acquisition method or at nominal value of the shares issued, cash and cash equivalents and fair values of other considerations in exchange for shares in subsidiary companies acquired under the merger method as applicable.

Allowance for diminution in value is made when the directors consider that there is a permanent diminution in the value of the investments.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average method. Cost of raw materials consists of the purchase price plus the cost incurred in bringing the inventories to their present location. Cost of work-in-progress and finished goods consists of cost of raw materials, direct labour and an appropriate proportion of factory overheads. Goods-in-transit is stated at cost. Allowance is made for obsolete, slow moving or defective items where appropriate.

Receivables

Bad debts are written off while allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivables accounts.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and bank balances, demand deposits, bank overdrafts and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

4. GENERAL INFORMATION

	The Group		The Company	
	2001	2000	2001	2000
Number of directors and				
Employees at end of year:				
Directors	15	13	7	9
Employees	639	735	2	3

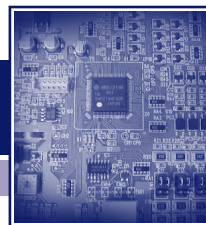
Staff costs include directors' remuneration, salaries, bonuses, contributions to employees' provident fund and all other staff related expenses.

The Company's registered office and principal place of business are at 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Georgetown, Penang, Malaysia and Plot 6, Jalan Jelawat Satu, Seberang Jaya Industrial Estate, Seberang Jaya, 13700 Prai, Penang, Malaysia respectively.

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

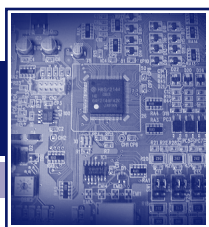
December 31, 2001



5. PROFIT/ (LOSS) BEFORE TAX

Profit/ (Loss) before tax is arrived at:

	The Group		The Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
After charging:				
Allowance for slow moving inventories	754,346	1,759,432	-	-
Directors' remuneration:				
Fee	30,000	36,000	30,000	36,000
Emoluments	627,959	589,620	295,216	25,080
Rental of accommodation provided	4,000	4,000	-	-
Provision for bonus	640,603	540,330	530,384	-
Bad debts written off	330,949	6,950	-	-
Interest on bank borrowings	105,409	153,330	-	-
Rental of premises	73,329	88,922	-	-
Audit fee:				
Statutory	63,658	63,600	16,000	16,000
Overprovision in prior year	-	(3,600)	-	-
Realised loss on foreign exchange	58,677	-	-	-
Allowance for doubtful debts	41,608	109,725	-	-
Loss on disposal of plant and equipment	-	922	-	-
Plant and equipment written off	1,047	2	-	-
And crediting:				
Allowance for slow moving inventories no longer required	1,032,579	-	-	-
Interest on:				
Advances to subsidiary companies	-	-	207,125	-
Short-term deposits	709,329	524,253	98,509	110,659
Realised gain on foreign exchange	433,964	598,304	-	-
Allowance for doubtful debts no longer required	172,586	-	-	-
Gain on disposal of property, plant and equipment	16,000	-	-	-
Bad debts recovered	4,245	8,965	-	-
Gross dividend from subsidiary companies	-	-	-	4,100,000



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

6. INCOME TAX EXPENSE

	The Group		The Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Estimated tax payable:				
Malaysian:				
Current year	2,845,000	6,289,200	-	6,200
Foreign:				
Current year	5,864	33,183	-	-
(Over)/ Underprovision in prior year	(15,960)	1,771	-	-
Deferred tax (Note 16)				
Current year	317,000	(400,000)	-	-
Underprovision in prior year	188,000	-	-	-
	505,000	(400,000)	-	-
	3,339,904	5,924,154	-	6,200

The Group's taxation for the current year reflects an effective tax rate which is higher than the statutory income tax rate due mainly to certain expenses are not allowable as deduction for income tax purposes. The Group's taxation in prior year reflects an effective tax rate which is lower than the statutory income tax rate due mainly to the claim of reinvestment allowances.

No provision for income tax expenses is made for the Company in the current year in view of the losses incurred. The Company's taxation in prior year reflects an effective tax rate which is lower than the statutory income tax rate because the dividend income received was exempted from tax.

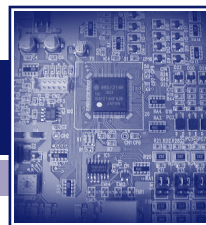
7. EARNINGS PER ORDINARY SHARE

The basic earnings per share is calculated by dividing the Group's profit after tax of RM7,591,406 (2000: RM18,386,134) by the weighted average number of ordinary shares in issue during the year of 60,000,000 (2000: 55,500,000).

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

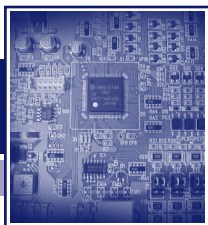
December 31, 2001



8. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost Unless Stated Otherwise	Beginning of year RM	Additions RM	Disposals/ Written-off RM	Revaluation/ Exchange Reserve RM	End of year RM
2001:					
Short leasehold land					
- at cost	2,013,795	-	-	-	2,013,795
- at 2000 valuation	10,149,047	-	-	-	10,149,047
Leasehold improvement	203,884	-	-	-	203,884
Buildings					
- at cost	2,886,205	-	-	-	2,886,205
- at 2000 valuation	18,990,083	-	-	-	18,990,083
Plant and machinery	32,166,584	1,315,920	-	-	33,482,504
Production tools and equipment	1,604,880	102,530	-	-	1,707,410
Furniture, fixtures and office equipment	2,021,466	66,744	(34,322)	(5,235)*	2,048,653
Mechanical and electrical installation	1,523,337	85,200	-	-	1,608,537
Motor vehicles	1,352,559	45,895	(67,070)	(3,501)*	1,327,883
Leasehold flats					
- at 2000 valuation	2,170,000	-	-	-	2,170,000
	75,081,840	1,616,289	(101,392)	(8,736)	76,588,001
2000	50,917,443	12,136,107	(161,584)	12,189,874	75,081,840



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

Accumulated Depreciation	Beginning of year RM	Charge for the year RM	Disposals/ Written-off RM	Revaluation/ Exchange Reserve RM	End of year RM
2001:					
Short leasehold land					
- at cost	3,356	40,276	-	-	43,632
- at 2000 valuation	154,936	202,981	-	-	357,917
Leasehold improvement	203,862	-	-	-	203,862
Buildings					
- at cost	24,052	288,621	-	-	312,673
- at 2000 valuation	661,997	563,472	-	-	1,225,469
Plant and machinery	17,728,055	3,703,064	-	-	21,431,119
Production tools and equipment	953,092	179,420	-	-	1,132,512
Furniture, fixtures and office equipment	1,544,646	143,052	(33,275)	(5,114)*	1,649,309
Mechanical and electrical installation	1,348,385	154,346	-	-	1,502,731
Motor vehicles	931,753	164,416	(67,070)	(599)*	1,028,500
Leasehold flats					
- at 2000 valuation	20,681	23,587	-	-	44,268
	23,574,815	5,463,235	(100,345)	(5,713)	28,931,992
2000	21,917,440	4,455,303	(160,301)	(2,637,627)	23,574,815

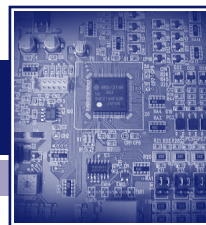
* Exchange reserve arising from translation of assets owned by a foreign subsidiary company.

	2001 RM	2000 RM
Net Book Value:		
Short leasehold land		
- at cost	1,970,163	2,010,439
- at 2000 valuation	9,791,130	9,994,111
Leasehold improvement	22	22
Buildings		
- at cost	2,573,532	2,862,153
- at 2000 valuation	17,764,614	18,328,086
Plant and machinery	12,051,385	14,438,529
Production tools and equipment	574,898	651,788
Furniture, fixtures and office equipment	399,344	476,820
Mechanical and electrical installation	105,806	174,952
Motor vehicles	299,383	420,806
Leasehold flats		
- at 2000 valuation	2,125,732	2,149,319
	47,656,009	51,507,025

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



The short leasehold land, buildings and leasehold flats of the Group were revalued in 2000 based on the reports of an independent firm of professional valuers using open market values on existing use basis. The surplus arising from the revaluation has been credited to revaluation reserve account.

The tax effect relating to the increase in the carrying value of the revalued properties is not disclosed or provided for as there is no intention to dispose of these assets in the foreseeable future.

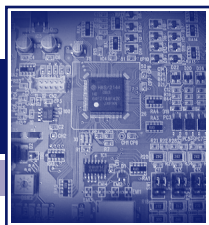
The historical costs of the short leasehold land, buildings and leasehold flats which were revalued are as follows:

	The Group	
	2001	2000
	RM	RM
At cost:		
Short leasehold land	3,530,739	3,530,739
Buildings	14,109,458	14,109,458
Leasehold flats	1,472,000	1,472,000
	19,112,197	19,112,197
Accumulated depreciation:		
Short leasehold land	655,064	596,218
Buildings	3,433,685	3,028,764
Leasehold flats	120,189	105,320
	4,208,938	3,730,302
Net book value	14,903,259	15,381,895

As of December 31, 2001, the strata titles for the leasehold flats with a carrying value of RM2,125,732 (2000: RM2,149,319) have not yet been issued by the relevant authorities to one of the subsidiary company.

9. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2001	2000
	RM	RM
Unquoted shares, at cost	56,499,998	56,499,998



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

The subsidiary companies are as follows:

	Country of incorporation	Principal Activity	Percentage of Ownership	
			2001	2000
Direct holdings				
Pan-International Electronics (Malaysia) Sdn. Bhd.	Malaysia	Contract electronic manufacturing services	100%	100%
Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	Malaysia	Manufacture of raw wires and cables for electronic devices	100%	100%
Indirect holdings				
*PIE Enterprise (M) Sdn. Bhd.	Malaysia	Trading of personal computer peripheral products	100%	100%
*Pan-International Corporation (S) Pte. Ltd.	Singapore	Marketing and trading of Group’s products in Singapore	100%	100%

* The above companies are wholly owned by Pan-International Electronics (Malaysia) Sdn. Bhd.

10. INVENTORIES

	The Group	
	2001 RM	2000 RM
At cost:		
Raw materials	13,814,351	37,229,061
Work-in-progress	5,038,209	8,267,328
Finished goods	2,729,975	6,140,193
Goods-in-transit	-	801,232
	21,582,535	52,437,814
Less: Allowance for slow moving inventories	(2,669,638)	(2,947,871)
	18,912,897	49,489,943

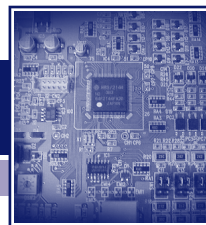
11. TRADE RECEIVABLES

	The Group	
	2001 RM	2000 RM
Amount outstanding	23,519,741	20,361,538
Less: Allowance for doubtful debts	(328,787)	(512,764)
	23,190,954	19,848,774

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



12. HOLDING COMPANIES AND RELATED PARTIES TRANSACTIONS

The Company's immediate and ultimate holding companies are Pan Global Holding Co. Ltd., a corporation incorporated in British Virgin Islands and Pan-International Industrial Corporation, a corporation incorporated in Taiwan respectively.

The amount owing by/ (to) subsidiary companies and other related companies are as follows:

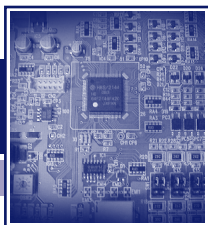
	The Company	
	2001	2000
	RM	RM
Amount owing by subsidiary companies:		
Pan-International Electronics (Malaysia) Sdn. Bhd.	10,000,000	20,410,800
Pan-International Wire & Cable (Malaysia) Sdn. Bhd.	-	1,105,400
	10,000,000	21,516,200

	The Group	
	2001	2000
	RM	RM
Amount owing by related companies:		
PT Pan Super Bintang Surya Manufacturing	1,119,694	3,395,646
Pan-International Electronics (Thailand) Co. Ltd.	478,589	671,024
	1,598,283	4,066,670

	The Group	
	2001	2000
	RM	RM
Amount owing to related companies:		
PT Pan Super Bintang Surya Manufacturing	756,223	1,109,814
Pan-International Electronics (Thailand) Co. Ltd.	-	181,992
Pan-International Electronics Inc.	-	7,651
	756,223	1,299,457

Included in the following accounts of the Group as of December 31, 2001 are amounts owing by/ to related parties:

	The Group	
	2001	2000
	RM	RM
Trade receivables:		
Foxconn Advanced Technology Inc. Ltd.*	2,659,309	-
Hon Hai Precision Industry Co. Ltd.*	630,852	-
	3,290,161	-



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

	The Group	
	2001	2000
	RM	RM
Trade payables:		
Foxconn Advanced Technology Inc. Ltd.*	2,613,488	-
Hon Hai Precision Industry Co. Ltd.*	249,474	192,193
	<u>2,862,962</u>	<u>192,193</u>

* A substantial shareholder of Pan-International Industrial Corporation.

The amount owing by/ (to) ultimate holding company, other related companies and related parties arose mainly from trade transaction. The amount owing by subsidiary companies arose mainly from unsecured advances which bear interest at 1.5% per annum on daily rest basis (2000: Nil) during the year and have no fixed term of repayment.

Significant transactions between the Group and the Company and its related parties during the financial year are as follows:

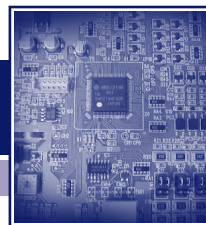
	The Group	
	2001	2000
	RM	RM
With Ultimate Holding Company		
Purchase of trading goods	931,566	23,591,450
Purchase of raw materials	518,808	271,837
Sales of finished goods	290,046	305,638
Purchase of property, plant and equipment	148,164	70,183
Commission income received	464	157,166
Miscellaneous purchases	421,317	588,189

	The Company	
	2001	2000
	RM	RM
With Subsidiary Companies		
Interest charges received	207,125	-
Management fee received/ receivable	129,600	32,400
Dividend receivable	-	4,100,000

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



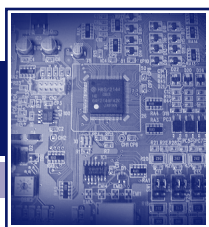
	The Group	
	2001	2000
	RM	RM
With Other Related Companies		
Sales of finished goods		
Pan-International Electronics (Thailand) Co. Ltd.	2,111,778	3,031,180
PT Pan Super Bintang Surya Manufacturing	1,682,595	2,437,888
Dong Guan Pan International Wire & Cable Co. Ltd.	-	423,700
Pan-Precision Technology Co. Ltd.	-	9,300
Purchase of trading goods		
PT Pan Super Bintang Surya Manufacturing	2,168,699	2,102,995
Sales commission paid		
Pan-International Electronics Inc.	22,953	91,813
Purchase of raw materials		
Pan-International Electronics (Thailand) Co. Ltd.	9,029	1,871
PT Pan Super Bintang Surya Manufacturing	5,172	23,095
Sales of semi-finished goods		
Pan-International Electronics (Thailand) Co. Ltd.	6,800	-
With Related Parties		
Sales of finished goods		
Foxconn Advanced Technology Inc. Ltd.	2,937,462	-
Hon Hai Precision Industry Co. Ltd.	861,892	779
Purchase of raw materials		
Foxconn Advanced Technology Inc. Ltd.	2,879,184	-
Hon Hai Precision Industry Co. Ltd.	845,371	4,235,516

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.

13. BANK BORROWINGS

	The Group	
	2001	2000
	RM	RM
Unsecured:		
Bankers acceptance	1,590,000	3,301,000
Bank overdraft	190,847	-
	1,780,847	3,301,000

The Group has banking facilities totalling RM67.85 million obtained from three local banks. The banking facilities bear interests at rates ranging from 0.1% to 1.5% per annum above the lending banks' base lending rates and are covered by corporate guarantees from the Company.



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

14. SHARE CAPITAL

	The Group and the Company			
	2001		2000	
	No. of shares	RM	No. of shares	RM
Authorised:				
Shares of RM1 each:				
At beginning of year	100,000,000	100,000,000	100,000	100,000
Created during the year	-	-	99,900,000	99,900,000
At end of year	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid:				
Ordinary shares of RM1 each:				
At beginning of year	60,000,000	60,000,000	2	2
Issued during the year	-	-	50,999,998	50,999,998
Public issue	-	-	9,000,000	9,000,000
At end of year	60,000,000	60,000,000	60,000,000	60,000,000

15. RESERVES

	The Group		The Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Non-distributable:				
Share premium	14,057,166	14,057,166	14,057,166	14,057,166
Revaluation reserve	14,827,895	14,827,895	-	-
Translation reserve	(275,812)	(99,689)	-	-
Merger deficit	(38,999,998)	(38,999,998)	-	-
	(10,390,749)	(10,214,626)	14,057,166	14,057,166
Distributable:				
Retained profit/ (Accumulated losses)	79,314,695	75,725,289	(588,578)	4,096,250
	68,923,946	65,510,663	13,468,588	18,153,416

The share premium arose from the issue of shares at premium, net of listing expenses written off.

The revaluation reserve is used to record increase and decrease in revaluation of non-current assets as described in the accounting policies. This amount arose from the revaluation of short leasehold land, buildings and leasehold flats as disclosed in Note 8.

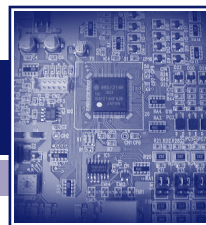
The translation reserve is used to record exchange differences arising on translation of foreign subsidiary company, as described in the accounting policies.

The merger deficit represents the difference between the nominal value of shares issued as consideration plus the cash consideration and the nominal value of the shares of those subsidiary companies transferred to the Company.

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



16. DEFERRED TAX LIABILITIES

	The Group		The Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Balance as of beginning of year	-	400,000	-	-
Current year	317,000	(400,000)	-	-
Underprovision in prior year	188,000	-	-	-
Transfer from/ (to) income statements (Note 6)	505,000	(400,000)	-	-
Balance as of end of year	505,000	-	-	-

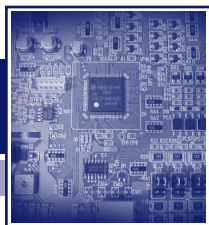
RM

The deferred tax liability of the Group in 2001 is represented as follows:

Tax effect of timing differences between tax capital allowances and depreciation of property, plant and equipment	(1,338,000)
Tax effect of other timing differences	833,000
	<u>505,000</u>

As mentioned in Note 3, the tax effects of timing differences which give rise to net deferred tax assets are recognised generally on actual realisation. As of December 31, 2001, the amount of deferred taxation, calculated at applicable tax rate, which is not recognised in the financial statements, is as follows:

	Deferred Tax Assets/(Liability)			
	The Group		The Company	
	2001 RM	2000 RM	2001 RM	2000 RM
Tax effects of timing differences between tax capital allowances and depreciation on property, plant and equipment	(86,000)	(1,574,500)	-	-
Tax effects of carryforward tax losses	22,000	-	22,000	-
Tax effects of other timing differences	162,000	1,694,600	-	-
	<u>98,000</u>	<u>120,100</u>	<u>22,000</u>	<u>-</u>



notes to the financial statements (continued)

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements consist of the following balance sheet items:

	The Group		The Company	
	2001	2000	2001	2000
	RM	RM	RM	RM
Short-term deposits with licensed banks	41,080,809	8,274,541	6,900,000	150,000
Cash and bank balances	10,606,662	10,820,485	106,186	32,256
Bank overdrafts	(190,847)	-	-	-
	51,496,624	19,095,026	7,006,186	182,256

18. CONTINGENT LIABILITY - Unsecured

As of December 31, 2001, the Company is contingently liable to the extent of RM54.85 million in respect of guarantees given for credit facilities granted by certain banks and other financial institutions to subsidiary companies.

19. LEASE COMMITMENTS

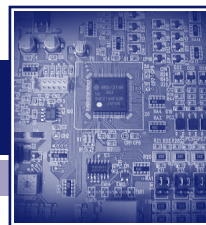
As of December 31, 2001, non-cancellable long-term lease commitments pertaining to the Group in respect of rental of premises are as follows:

	2001	2000
	RM	RM
2001	-	66,920
2002	38,270	15,750
2003	3,010	-
	41,280	82,670

notes to the financial statements (continued)

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



20. SEGMENTAL INFORMATION

Analysis by Geographical Area

The point of origin (the location of the manufacturing facilities) of revenue and the location of the assets determine the geographical area. The following tables set forth information by geographical area of the Group for the year ended December 31, 2001:

	Revenue RM	Profit before tax RM	Total Assets Employed RM
2001			
Malaysia	137,875,811	10,871,210	141,343,150
Singapore	6,507,937	60,100	3,750,097
	<hr/> 144,383,748	<hr/> 10,931,310	<hr/> 145,093,247
2000			
Malaysia	170,565,927	24,139,480	140,481,022
Singapore	11,192,355	170,808	4,471,564
	<hr/> 181,758,282	<hr/> 24,310,288	<hr/> 144,952,586

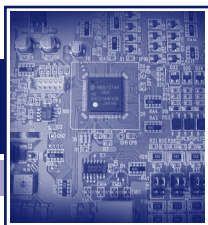
Analysis by Activities

The analysis of the Group's operations by activities is as follows:

	Revenue RM	Profit before tax RM	Total Assets Employed RM
2001			
Manufacturing	114,206,583	10,838,465	130,302,502
Trading	30,177,165	1,108,348	7,765,963
Others	-	(1,015,503)	7,024,782
	<hr/> 144,383,748	<hr/> 10,931,310	<hr/> 145,093,247
2000			
Manufacturing	150,485,223	23,439,388	135,068,830
Trading	31,273,059	885,413	9,701,000
Others	-	(14,513)	182,756
	<hr/> 181,758,282	<hr/> 24,310,288	<hr/> 144,952,586

21. SUBSEQUENT EVENT

Subsequent to the financial year end, the directors proposed a first and final dividend of 10 sen per ordinary share, tax exempt, amounting to RM6,000,000 in respect of the current financial year. This dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements.



statement by directors

December 31, 2001

P. I. E. INDUSTRIAL BERHAD

The directors of P.I.E. INDUSTRIAL BERHAD state that, in their opinion, the accompanying balance sheets and the related statements of income, changes in equity and cash flows, are drawn up in accordance with the provisions of the Companies Act, 1965 and the 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 as of December 31, 2001 and of their results and cash flows for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

MUI CHUNG MENG

CHEN, CHIH-WEN

Penang,

February 25, 2002

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, CHEN, CHIH-WEN, the director primarily responsible for the financial management of P.I.E. INDUSTRIAL BERHAD, do solemnly and sincerely declare that the accompanying balance sheets and the related statements of income, changes in equity and cash flows, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed) Before me,

CHEN, CHIH-WEN at GEORGETOWN in the State of)

PENANG on February 25, 2002

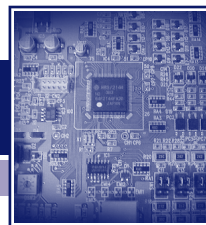
GM. Govindasamy, PJM

) COMMISSIONER FOR OATHS

analysis of shareholdings

P. I. E. INDUSTRIAL BERHAD

December 31, 2001



SHARE CAPITAL

Authorised	: RM100,000,000.00
Issued and Fully Paid-Up	: RM60,000,000.00
Class of Shares	: Ordinary Shares of RM1.00 each with equal voting rights
Number of Shareholders	: 4,167

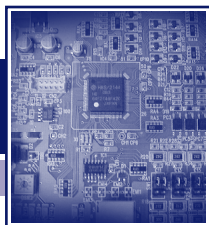
DISTRIBUTION OF SHAREHOLDERS

Holdings	No. of holders	Total holdings	%
1 – 999	3	1,000	0.00
1,000 - 10,000	3,986	7,907,000	13.18
10,001 - 100,000	159	4,550,002	7.58
100,001 - 2,999,999	17	9,832,000	16.39
3,000,000 and above	2	37,709,998	62.85
Total	4,167	60,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name	Direct		Indirect	
	No. of shares held	%	No. of shares held	%
Pan Global Holding Co., Ltd.	32,909,998	54.85	-	-
Lembaga Tabung Haji	4,800,000	8.00	-	-
Pan-International Industrial Corporation	-	-	32,909,998*	54.85
	37,709,998	62.85	32,909,998	54.85

Note: * By virtue of its substantial interest in Pan Global Holding Co., Ltd.



analysis of shareholdings (continued)

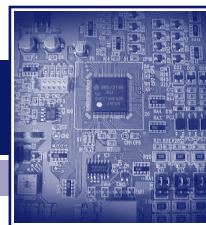
P. I. E. INDUSTRIAL BERHAD

LIST OF THIRTY LARGEST SHAREHOLDERS

Name	No. of shares held	%
1. Pan Global Holding Co., Ltd.	32,909,998	54.85
2. Lembaga Tabung Haji	4,800,000	8.00
3. Lembaga Tabung Angkatan Tentera	2,000,000	3.33
4. Allianz General Insurance Malaysia Berhad	1,270,000	2.12
5. Outstanding Growth Technology Limited	1,180,000	1.97
6. HSBC Nominees (Tempatan) Sdn. Bhd. Qualifier: HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust (3548)	912,000	1.52
7. Koperasi Permodalan Melayu Negeri Johor Berhad	685,000	1.14
8. Best Skill Technology Limited	630,000	1.05
9. Allianz Life Insurance Malaysia Berhad	500,000	0.83
10. Wong Yoke Fong @ Wong Nyok Fing	482,000	0.80
11. CIMSEC Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Man Bin Mat (MM0774)	429,000	0.72
12. Operate Technology Limited	377,000	0.63
13. Wong Yoke Fong @ Wong Nyok Fing	319,000	0.53
14. OSK Nominees (Tempatan) Sdn. Bhd. Qualifier: Wong Chong Shee (CK18573)	278,000	0.46
15. Loke Chong	150,000	0.25
16. Mayban Nominees (Tempatan) Sdn. Bhd. Qualifier: Mayban Trustees Berhad for Phileo Equityextra Fund (990405)	130,000	0.22
17. Uchi Electronic (M) Sdn. Bhd.	120,000	0.20
18. Amanah Raya Nominees (Tempatan) Sdn. Bhd. Qualifier: Amanah Saham Johor	120,000	0.20
19. Wong Yee Tim	112,000	0.19
20. Amanah Raya Nominees (Tempatan) Sdn. Bhd. Qualifier: Kuala Lumpur SmallCap Fund	103,000	0.17

analysis of shareholdings (continued)

P. I. E. INDUSTRIAL BERHAD



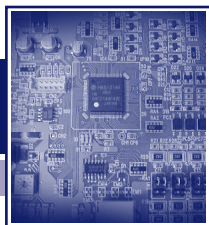
LIST OF THIRTY LARGEST SHAREHOLDERS

Name	No. of shares held	%
21. Mayban Securities Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Lin Yeen Lum (REM 838)	100,000	0.17
22. Chen Ming-Lung	100,000	0.17
23. Yeoh Kean Hua	95,000	0.16
24. Koperasi Polis Diraja Malaysia Berhad	89,000	0.15
25. Lee Wee Mien	88,000	0.15
26. Citicorp Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account for Susy Ding (471873)	84,000	0.14
27. Chong Ah Him @ Chong Kum Kwan	83,000	0.14
28. Kao, Te-Pei @ Edward Kao	79,000	0.13
29. Allianz General Insurance Malaysia Berhad	77,000	0.13
30. Allianz General Insurance Malaysia Berhad	72,000	0.12
	48,373,998	80.64

DIRECTORS' SHAREHOLDINGS

Name	No. of shares held	%
1. Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa	10,001	0.02
2. Mui Chung Meng	10,000	0.02
3. Chen, Chih-Wen	10,000	0.02
4. Cheng Shing Tsung	10,000	0.02
5. Ahmad Murad bin Abdul Aziz	10,001	0.02
6. Yen, Chien-Kun	NIL	NIL
7. Yeap Hun Leng	NIL	NIL

Note: No indirect shareholdings.



list of properties

P. I. E. INDUSTRIAL BERHAD

Title/ Location	Tenure/ Date of expiry of lease	Description/ Existing use (approximate age of building)	Land area/ Built-up area	Net book value as at 31.12.2001 (RM)	Date of revaluation	Date of acquisition
H.S.(D) 4633 P.T. No. 3210, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	60 year leasehold expiring 3.12.2050	* Industrial complex - 2 storey office -1 storey factory (7 years)	5.0 acres/ 12,257 sq. meters	13,400,007	30 May 2000	-
H.S.(D) 4628 P.T. No. 3205, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	60 year leasehold expiring 11.11.2050	# Industrial complex - 2 storey office - 1 storey factory - 1 storey warehouse - 2 storey training centre (9 years)	7.0 acres/ 10,448 sq. meters	14,155,737	30 May 2000	-
H.S.(D) 4634 P.T. No. 3211, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	60years leasehold expiring 3.12.2050	# Vacant, Future Investment - 1 storey office - 2 storey factory - 1 storey store (9 years)	3.08 acres/ 8,527 sq. meters	4,543,695	-	22 December 2000
H.S.(D) HBM2 P.T. No. 3410, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang	99 years leasehold expiring 13.4.2091	# Staff housing - 24 units of medium -cost apartments (7 years)	1,801 sq. meters	2,125,732	30 May 2000	-
TOTAL				34,225,171		

Note :

*The land is owned by Pan-International Electronics (Malaysia) Sdn. Bhd. whilst the industrial building on the land is owned by Pan-International Wire & Cable (Malaysia) Sdn. Bhd.

#All the land and buildings are owned by Pan-International Electronics (Malaysia) Sdn. Bhd.

PROXY FORM

I/We,
of
being a Member of the above Company hereby appoint,
.....
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 FIFTH ANNUAL GENERAL MEETING of the Company to be held at the Semangkok Room, Level 2, Sunway Hotel Seberang Jaya, No. 11 Lebuhr Tenggeri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai on Friday, June 14, 2002 at 9:00 a.m. and at any adjournment thereof.

I/We hereby indicate with an "X" in the spaces provided how I/we wish my/our votes to be cast. (Unless otherwise instructed, the proxy may vote, as he thinks fit)

R E S O L U T I O N S		FOR	AGAINST
1.	To receive and adopt the Audited Financial Statements of the Company for the year ended December 31, 2001 together with the Reports of the Directors and of the Auditors thereon.		
2.	To declare a First and Final Dividend of 10 sen per share, exempt from Income Tax for the year ended December 31, 2001		
3.	To approve the payment of Directors' fees for the year ended December 31, 2001.		
4.	To re-elect Y.T.M. Tunku Dato' Dr. Ismail Ibni Almarhum Tunku Mohd Jawa, a Directors retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible offer themselves for re-election.		
5.	To re-elect Mr. Mui Chung Meng, a Directors retiring under the provision of Article 98(1) of the Articles of Association of the Company, and who, being eligible offer themselves for re-election.		
6.	To re-elect Mr. Yeap Hun Leng, a Director retiring under the provision of Article 105 of the Articles of Association of the Company, and who, being eligible offer himself for re-election.		
7.	To re-appoint Messrs. Deloitte KassimChan as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
Special Business			
Ordinary Resolution			
8.	To approve the resolution pursuant to Section 132D of the Companies Act, 1965.		

Signature of Member : _____

Signed this : _____

Number of shares held : _____

Notes: -

A Member of the Company entitled to attend and vote is entitled to appoint 2 or more proxies to attend and vote in his place. A proxy may but need not be a Member and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not, apply to the Company. If a Member appoints 2 or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

The instrument appointing the proxy shall be in writing, executed by or on behalf of the appointor. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.

The instrument appointing a proxy must be deposited at the Registered Office, 3rd Floor, Wisma Wang, 251-A Jalan Burma, 10350 Penang at least 48 hours before the time for holding the Meeting or any adjournments thereof.

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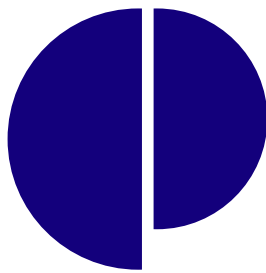
Postage
Stamp

The Company Secretary

P.I.E. INDUSTRIAL BERHAD (Co. No. 424086-X)

3rd Floor, Wisma Wang,
251-A Jalan Burma,
10350 Penang.

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P.I.E. INDUSTRIAL BERHAD

(Co. No. 424086-X)
(Incorporated In Malaysia)

PENANG:

Plot 6, Jalan Jelawat Satu,
Kawasan Perusahaan Seberang Jaya,
13700 Seberang Jaya, Seberang Prai,
Penang, Malaysia.

Tel : 604-399 3516-9, 399 3617-8
Fax : 604-398 6248