

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold all your ordinary shares in P.I.E. Industrial Berhad, you should at once hand this Circular to the agent through whom the sale was effected for transmission to the purchaser.

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P.I.E. INDUSTRIAL BERHAD

(Company No.424086-X)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

In Relation To

PROPOSED MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Notice convening the Extraordinary General Meeting of the Company to be held at the Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11, Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai on Friday, June 15, 2001 at 10.45 a.m. or immediately following the conclusion or adjournment of the 4th AGM is enclosed together with this Circular.

A Proxy Form is enclosed in this Circular which you are urged to complete and return in accordance with the instructions therein as soon as possible so as to arrive at the Registered Office of the Company not later than 48 hours before the time set for holding the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

This Circular is dated May 31, 2001

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“AGM”	:	Annual General Meeting
“Company”	:	P.I.E. Industrial Berhad (Company No. 424086-X)
“Directors”	:	has the same meaning given in Section 4 of the Companies Act, 1965 and includes any person who is or was within the preceding 12 months of the date of which the terms of the transaction were agreed upon, a director of the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company);
“EGM”	:	Extraordinary General Meeting
“HH”	:	Hon Hai Precision Industry Co. Ltd.
“KLSE”	:	Kuala Lumpur Stock Exchange (Company No. 30632-P)
“Mandated Related Parties”	:	PIT, SBS, PDG, PIIC and HH collectively
“PDG”	:	Dong Guan Pan-International Wire & Cable Co., Ltd.
“PGH”	:	Pan Global Holding Co. Ltd.
“PIB Group”	:	The Company and its four subsidiary companies, namely PIE, PIE Enterprise, PIW and PIS
“PIE”	:	Pan-International Electronics (Malaysia) Sdn. Bhd.
“PIE Enterprise”	:	PIE Enterprise (M) Sdn. Bhd.
“PIIC”	:	Pan-International Industrial Corporation
“PIS”	:	Pan-International Corporation (S) Pte. Ltd.
“PIT”	:	Pan-International Electronics (Thailand) Co., Ltd.
“PIW”	:	Pan-International Wire & Cable (Malaysia) Sdn. Bhd.

“Proposed RPT Mandate”	:	Proposed mandate for Related Party Transactions for the Company and its subsidiary companies in their normal course of business, to enter into the transactions set out in paragraph 3 of this Circular with the Mandated Related Parties
“Related Party Transactions”	:	Transaction entered into by the Company or its subsidiary companies involving the interest, direct and indirect, of related parties which are more particularly described in paragraph 3 of this Circular
“Requirements”	:	Listing Requirements of KLSE
“SBS”	:	PT Pan Super Bintang Surya

P.I.E. INDUSTRIAL BERHAD

(Company No. 424086-X)

(Incorporated in Malaysia)

Registered Office

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

Date: May 31, 2001

Directors

Y.T.M. Tunku Dato' Dr.Ismail

Ibni Almarhum Tunku Mohd Jewa (*Chairman*)(*Independent Non-Executive Director*)

Mui Chung Meng (*Managing Director*)

Chen, Chih-Wen (*Executive Director*)

Cheng Shing Tsung (*Non-Executive Director*)

Y.A.M Tengku Syarif Temenggung Perlis

Dato' Seri Diraja Syed Amir

Abidin Putra Jamalullail (*Independent Non-Executive Director*)

Ahmad Murad bin Abdul Aziz (*Independent Non-Executive Director*)

Yen, Chien-Kun (*Non-Executive Director*)

To: The Shareholders of P.I.E. Industrial Berhad ("the Company")

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE IN RESPECT OF RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

1. INTRODUCTION

Pursuant to paragraph 10.09 of the Requirements, a listed company is required to seek the mandate of its shareholders with regard to related party transactions involving recurrent transactions of a revenue or trading nature which are necessary for its day-to-day operations.

The Company is principally an investment holding company. The PIB Group is principally an Original Equipment Manufacturing supplier where products are manufactured according to clients' designs and specification.

Four subsidiary companies of the Company, namely, PIE, PIE Enterprise (a wholly-owned subsidiary of PIE, PIS (a wholly-owned subsidiary of PIE) and PIW are involved in recurrent related party transactions of a revenue nature with other related parties. The related parties are non-Malaysian companies related to PIIC, a substantial shareholder of the Company.

The purpose of this Circular is to seek the mandate of the Company's shareholders for the Company to carry out recurrent related party transactions of a revenue or trading nature to comply with Part E, Chapter 10.09 of the Requirements.

The Company had on 23rd May 2001 announced to the KLSE that in line with the introduction of Part E, Chapter 10.09 of the Requirements, which requires the mandate of the Company's shareholders on recurrent related party transactions of a revenue or trading nature, the Board of Directors of the Company proposes to seek authorisation from the Company's shareholders for such transactions.

2. THE CLASS OF PARTIES RELATED TO P.I.E INDUSTRIAL BERHAD WITH WHOM THE TRANSACTION WILL BE CARRIED OUT

Under paragraph 1.01 of Requirements, unless the context otherwise requires:-

“related party” means a director, major shareholder or person connected with such director or major shareholder;

“person connected” in relation to a director or a major shareholder, means such person who falls under any one of the following categories:-

- (a) a member of the director's or major shareholder's family, which family shall have the meaning given in section 122A of the Companies Act, 1965; or
- (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the director, major shareholder or a member of the director's or major shareholder's family is the sole beneficiary; or
- (c) a partner of the director, major shareholder or a partner of a person connected with that director or major shareholder; or
- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; or

- (e) a person in accordance with whose directions, instructions or wishes the director or major shareholder is accustomed or is under an obligation, whether formal or informal to act; or
- (f) a body corporate or its directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the director or major shareholder; or
- (g) a body corporate or its directors whose directions, instructions or wishes the director or major shareholder is accustomed or under an obligation, whether formal or informal, to act; or
- (h) a body corporate in which the director, major shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or
- (i) a body corporate which is a related corporation.

Under paragraph 10.02 of the Requirements, for the purpose of Chapter 10 of the Requirements:-

“director” has the same meaning given in Section 4 of the Companies Act, 1965 and includes any person who is or was within the preceding 12 months of the date of which the terms of the transaction were agreed upon, a director of the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company); and

“major shareholder” is defined to include any person who is or was within the preceding 12 months of the date of which the terms of the transaction were agreed upon, a major shareholder of the Company (or any other company which is its subsidiary or holding company or a subsidiary of its holding company).

Based on the above definitions, the parties related to the Company which have recurrent transactions of a revenue or trading nature with the Company and its group of companies are as follows:-

- (a) **PIT**, a wholly-owned subsidiary of Pan Global Holding Co. Ltd., a company incorporated in the British Virgin Island, which is in turn a wholly-owned subsidiary of PIIC. PIT is incorporated in Thailand;
- (b) **SBS**, a 90.3% owned subsidiary of Pan Global Holding Co. Ltd.. SBS is incorporated in Indonesia;
- (c) **PDG**, a wholly-owned subsidiary of Pan Global Holding Co. Ltd.. PDG is incorporated in People Republic of China;

- (d) **PIIC**, a substantial shareholder of P.I.E. Industrial Berhad PIIC is incorporated in Taiwan, Republic of China. PIIC indirectly holds 32,909,998 ordinary shares of RM1.00 each or 54.85% of the issued and paid up share capital of the Company by virtue of its 100% shareholding in PGH;
- (e) **HH**, a substantial shareholder of PIIC. HH is incorporated in Taiwan, Republic of China and holds 21.54% of the issued and paid up share capital of PIIC.

(3) **THE NATURE OF TRANSACTIONS CONTEMPLATED UNDER THE MANDATE AND ESTIMATED VALUE**

PIW

The principal activities of PIW are the manufacturing of wires and cables for personal computer and electronic devices and cable moulding compounds.

PIW currently sells and intends to continue selling raw wire and cable to PIT, SBS, PDG and PIIC. The estimate annual values for such sales are RM3,000,000.00, RM2,500,000.00, RM500,000.00 and RM300,000.00 respectively.

PIW currently purchases and intends to continue purchasing raw material in small volume for cables manufacturing and spare parts for maintenance of machines from PIIC. The raw materials are mainly plastic compound, pigments, wrapping taps. The estimate annual value for such purchase is RM600,000.00.

PIE

The principal activities of PIE are the assembly of cables and Contract Electronic Manufacturing (CEM).

PIE intends to purchase mechanical parts and electronic components from HH. The mechanical parts and electronic components are mainly used as part of the components or raw materials for products manufactured by PIE. The estimate annual value for such purchase is RM30,000,000.00.

PIE Enterprise

The principal activities of PIE Enterprise relate to the trading of computer peripheral products and cable assembly products.

PIE Enterprise intends to purchase low end cable assembly products from SBS. The low end cable assembly products are products traded by PIE Enterprise. The estimate value for such purchase is RM2,000,000.00

PIS

The principal activities of PIS are in the marketing and trading of cables assembly and personal computer related components for Singapore and Peninsular Malaysia.

PIS intend to purchase low end cable assembly products from SBS. The low end cable assembly products are products traded by PIS. The estimate value for such purchase is RM2,000,000.00

4. THE RELATIONSHIP OF THE COMPANY AND ITS RELATED PARTIES FROM A BUSINESS POINT OF VIEW

4.1 It is the business strategy of HH and PIIC to establish subsidiaries in different countries to take advantage of the unique characteristics of their respective operating environments including customer profile and requirements, labour costs, availability of skilled labour and market condition. As such, the products manufactured by the HH and PIIC group of companies (“HH/PIIC Group”) throughout the world, including the Company and its group of companies are driven by suitability and market condition.

4.2 All the companies within the HH/PIIC Group employ the profit center system. This means that each company and their respective management are responsible for their own profit generating activities and all transactions are conducted on an arms length basis based on prevailing market conditions.

5. THE RATIONALE FOR, AND THE BENEFIT TO P.I.E INDUSTRIAL BERHAD AND ITS GROUP OF COMPANIES TRANSACTING WITH RELATED PARTIES

Strictly from a business point of view, the sale of raw wires and cables by PIW to PIIC, PIT, SBS and PDG are premised on commercial terms not more or less favourable than those that PIW would transact with any other non-related parties.

However, by PIW selling raw wires and cables to PIIC, PIT, SBS and PDG, PIW would be transacting with parties whose background, financial well-being and management are familiar to PIW. PIW can therefore make more informed commercial decisions and help ensure timely recovery of business debts from such parties.

Similarly, the purchase of products by PIW, PIE, PIE Enterprise and PIS from related parties are also based on prevailing market conditions and terms and as such there is no price advantage for PIW, PIE, PIE Enterprise and PIS to purchase products from PIIC, SBS and HH on terms which are no more or less favourable than those available to other non-related parties.

However, by PIW, PIE, PIE Enterprise and PIS purchasing products from PIIC, HH and SBS, the PIB Group benefits by the sharing of products information which will lead to improving product quality, specification, reliability vis-à-vis other non-related party suppliers. Furthermore, transactions are between parties who are confident of the financial well-being and management of the related parties. Therefore, the in-depth knowledge and sharing of products information will enable the PIB Group to ensure (i) consistency in the quality of its products (which use and/or incorporate materials purchased from PIIC/HH/SBS) (ii) reliable supply of materials (iii) better control of inventory, time and costs and (iv) a more effective channel of review and (v) improvement in product quality.

The related party transactions above are made in the ordinary course of business and are made on terms not more favorable to the related party than those generally available to the public.

6. THE METHODS OR PROCEDURES ON WHICH A TRANSACTION IS PRICED

The Directors of the Company and its group of companies will ensure that the methods or procedures adopted for pricing a transaction with related parties are determined in accordance with the normal procedures and standards currently adopted by the Company and its group of companies in transactions with non-related parties conducted on an arms-length willing buyer and willing seller basis taking into account prevailing market conditions and that such transactions are negotiated on the basis of prudent business practice to maximize profit margin or minimize costs and not to the detriment of the minority shareholders.

As disclosed in paragraph 10 of the prospectus issued by the Company dated 26 May 2000, all related party transactions will be subject to periodic reviews by the Audit Committee to ensure that they have been transacted on arms length basis and on commercial terms not detrimental to the Company and its group of companies and that proper disclosures will be made in the annual report of the Company in respect of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year.

The PIB Group will implement the following procedures for general transactions and the methods for which transaction prices are determined in order to ensure that recurrent related party transactions will be undertaken on an arms length basis and on normal commercial terms and on terms not more favourable to the related party than those generally available to the public:-

- a. A list of related parties will be circulated within the PIB Group and each related party will be notified that all recurrent related party transactions are required to be undertaken on arms length basis and on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public;
- b. All recurrent related party transactions to be entered into will be reviewed by one senior manager and the executive directors to ensure that the transactions are not more favourable to the related party and will not be to the detriment of minority shareholders;
- c. The annual internal audit plan shall incorporate a review of all recurrent related party transactions intended to be entered into pursuant to the shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to;
- d. Records will be maintained by the Company to capture all recurrent related party transactions which are entered into pursuant to the shareholders' mandate;
- e. The board of directors of the Company and the audit committee shall review the internal audit reports on a quarterly basis to ascertain that the guidelines and procedures established to monitor recurrent related party transactions have been complied with;
- f. The board of directors of the Company and the audit committee shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to such responsibilities to individuals or committees within the Company as they deem appropriate. If a member of the board of directors or audit committee has an interest in a transaction, as the case may be, he will abstain from any decision making by the board of directors or audit committee in respect of the said transaction;
- g. The prices, terms and conditions of a transactions will be determined by market force, under similar commercial terms in respect of transactions with third parties taking into considerations the demand and supply of the products and its availability in the domestic market.

In addition, additional quotations will be obtained from third parties by the Company's purchasing department and such department will perform true and fair evaluation and comparisons of such quotations made by third parties with quotations made by a related party on the price, delivery, services and other terms and conditions before a transaction is entered into;

- h. The cost plus method will be used to determine the transaction price. This method adds an appropriate mark-up to the cost of production and will best determine an arm's length price. The appropriate mark-up is the percentage earned by the Company on the related party transactions/sales.

The audit committee is of the view that the procedures adopted by PIB Group are sufficient to ensure that the recurrent related party transactions are not more favourable to the related party than those generally available to the general public and not be to the detriment of minority shareholders.

7. VALIDITY OF THE MANDATE

The shareholders' mandate is subject to annual renewal and the resolution passed shall continue in force until the conclusion of the annual general meeting commencing next after the date on which the resolution is passed.

The obtaining of the shareholders' mandate and the renewal of the mandate on an annual basis would eliminate the need to convene separate general meeting from time to time to seek shareholders' approval as and when potential recurrent related party transactions with a Mandated Related Party arise, thereby reducing substantially administrative time and expenses in convening such meetings, without comprising the corporate objectives and adversely affecting the business opportunities available to the Company and its subsidiary companies.

8. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND PERSONS CONNECTED TO THEM.

According to the Register of Directors' Shareholdings and Register of Substantial Shareholders as at 30th April 2001, the direct and indirect interests of those Directors and substantial shareholders of the Company who are interested in the Proposed RPT Mandate are as follows:-

	No. of ordinary shares of RM 1.00 each held in the Company				
	Directors	Direct	%	Indirect	%
Mui Chung Meng		10,000	0.02	-	-
Chen, Chih-Wen		10,000	0.02	-	-
Cheng Ching Tsung		10,000	0.02	-	-
Yen, Chien-Kun		-	-	-	-

Substantial Shareholders	No. of ordinary shares of RM 1.00 each held in the Company			
	Direct	%	Indirect	%
PGH	32,909,998	54.85	-	-

Persons Connected to Directors or Substantial Shareholders	No. of ordinary shares of RM 1.00 each held in the Company			
	Direct	%	Indirect	%
PIIC	-	-	32,909,998	(a) 54.85

Notes

(a) *Deemed interested by virtue of its shareholding in PGH*

Mui Chung Meng, Chen, Chih-Wen, Cheng Shing Tsung and Yen, Chien-Kun are directors of the Company and are the representatives of PGH. As such they are deemed related to PGH and PIIC by virtue of the fact that they are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of PGH and PIIC.

Consequently, Mui Chung Meng, Chen, Chih-Wen, Cheng Shing Tsung and Yen, Chien-Kun have abstained and will continue to abstain from all deliberations and voting on the Proposed RPT Mandate at all board meetings and will abstain from voting in respect of their direct and indirect shareholding in the forthcoming EGM.

Save as disclosed above, there are no directors, substantial shareholders or persons connected to them who have any direct or indirect interest in the Proposed RPT Mandate.

In compliance with paragraph 10.09(d) of the Listing Requirements of Kuala Lumpur Stock Exchange, PGH, the interested major shareholders of the Company shall abstain from voting in respect of its direct and indirect interest on the Proposed RPT Mandate at the forthcoming EGM.

9. DIRECTORS' RECOMMENDATION

After taking into consideration all relevant factors, your Directors are of the opinion that the Proposed RPT Mandate described above are in the best interest of the Company.

Accordingly, your Directors (other than Mui Chung Meng,, Chen, Chih-Wen, Cheng Shing Tsung, Yen, Chien-Kun who are directors of the Company and representatives of PGH) recommend that you vote in favour of the ordinary resolution to be tabled at the forthcoming EGM.

10. EXTRAORNINARY GENERAL MEETING

The EGM, notice of which is enclosed in this Circular, will be held at Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11, Lebu Tenggiri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai on Friday, June 15, 2001 at 10.45 a.m. or immediately following the conclusion or adjournment of the Fourth AGM for the purpose of considering and if thought fit, passing the resolution.

11. FURTHER INFORMATION

Shareholders are requested to refer to the attached Appendix I contained in this Circular for further information.

Yours faithfully,

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

APPENDIX I
Further information

1. Directors' Responsibility

This Circular has been seen and approved by the Directors of the Company and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no material facts, the omission of which would make any statements herein misleading.

2. Material Contracts

Save as disclosed below, the Company and its subsidiary companies have not entered into any contracts which are or may be material during the two (2) years preceding the date of this Circular other than contracts entered into in the ordinary course of business:

- (a) Sale and purchase agreement dated 23 June 2000 made between Yupiteru (Malaysia) Sdn. Bhd. and PIE for the purchase by PIE of all that piece of land known as Lot No. PT 3211, Mukim 1, Daerah Seberang Perai Tengah, Pulau Pinang comprised in H.S.(D) 4634 for a consideration of RM4,900,000.00 payable in cash.

3. Material Litigation

PIB Group is not engaged in any material litigation, either as plaintiff or defendant, and the Directors do not have any knowledge of any proceedings, pending or threatened, against PIB Group or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of the PIB Group.

4. Documents Available For Inspection

Copies of the following documents will be available for inspection during normal office hours (except public holidays) at the Registered Office of the Company at 3rd Floor, Wisma Wang, 251-A Jalan Burma 10350 Penang from the date of this Circular up to the date of AGM:

- a) Memorandum and Articles of Association of the Company;
- b) the audited accounts of the Company for the past three (3) financial years ended December 31, 2000 and the three (3) months unaudited results for the period ended March 31, 2001; and
- c) the material contract referred to in paragraph 3 above.

P.I.E. INDUSTRIAL BERHAD

(Company No. 424086-X)

(Incorporated In Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the Company will be held at the Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11, Lebuhr Tenggiri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya 13700 Prai on Friday, June 15, 2001 at 10.45 am. or immediately following the conclusion or adjournment of the Fourth Annual General Meeting, for the purpose of considering and if thought fit, passing with or without modifications the following resolution:-

ORDINARY RESOLUTION

PROPOSED MANDATE TO P.I.E. INDUSTRIAL BERHAD AND ITS GROUP OF COMPANIES TO ENTER INTO RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

“THAT, approval be and is hereby given for the purpose of Chapter 10 of the Listing Requirements of Kuala Lumpur Stock Exchange, for the Company and its group of companies to enter into the following recurrent related party transactions of a revenue or trading nature which are necessary for its day to day operation from the date hereof until the conclusion of the next annual general meeting:-

- a) sale of raw wires and cables by Pan-International Wire & Cable (Malaysia) Sdn. Bhd. to Pan-International Electronics (Thailand) Co., Ltd, PT Pan Super Bintang Surya, Dong Guan Pan-International Wire & Cable Co., Ltd. and Pan-International Industrial Corporation;
- b) purchase of raw materials in small volume for the manufacturing of cables and the purchase of spare parts for the maintenance of machines by Pan-International Wire & Cable (Malaysia) Sdn. Bhd. from Pan-International Industrial Corporation;
- c) purchase of low end cable assemblies products by PIE Enterprise (M) Sdn. Bhd. and Pan-International Corporation (S) Pte. Ltd. from PT Pan Super Bintang Surya; and
- d) purchase of mechanical parts and electronic components by Pan-International Electronics (Malaysia) Sdn. Bhd. from Hon Hai Precision Industry Co. Ltd..

provided that such transactions are carried out in the normal course of business, at arm's length, on normal commercial terms and on terms not more favourable to the Mandated Related Parties than those generally available to the public and the Directors of the Company are hereby authorized to give effect to the various arrangements and/or transactions related to the above transactions and this shareholders' mandate."

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 authorized.

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.

By Order of the Board,

KHOO KLAY TATT (MAICSA 7029262)
TAN YEE MIN (MAICSA 7025392)
Secretaries

Penang
Date: May 31, 2001

P.I.E. INDUSRTRIAL BERHAD (424086-X)

(Incorporated in Malaysia)

(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 EXTRAORDINARY GENERAL MEETING, of the Company to be held at Balau Room, Level 2, Sunway Hotel Seberang Jaya, No. 11 Lebu Tenggeri Dua, Pusat Bandar Seberang Jaya, Seberang Jaya, 13700 Prai on June 15, 2001 at 10.45 a.m. or immediately following the conclusion or adjournment of the Fourth Annual General Meeting thereof.

I/We hereby indicate with a "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)

Resolution

- 1. To approve the proposed Mandate to P.I.E. Industrial Berhad and its group of companies to enter into recurrent related party transactions of a revenue or trading nature.

For	Against

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 invalidated 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 or its officer or attorney duly authorized. 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 adjournment thereof.