

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2001

Report of Independent Auditor

To The Board of Directors and Shareholders of
Delta Electronics (Thailand) Public Company Limited

I have reviewed the accompanying consolidated balance sheet of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 March 2001, and the related consolidated statements of earnings, retained earnings, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2001 and 2000, and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the same periods. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and completeness of the presentation. My responsibility is to report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the reviews to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the consolidated financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and the separate financial statements of Delta Electronics (Thailand) Public Company Limited for the year ended 31 December 2000, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 2 February 2001. The balance sheets as at 31 December 2000, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok : 27 April 2001

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated		The Company Only	
		31 March 2001	31 December 2000	31 March 2001	31 December 2000
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash in hand and at banks		7,277,903,477	5,007,433,235	6,321,358,000	4,307,498,390
Short-term investments	2				
Investments in marketable securities - available for sale		88,461,148	431,805,084	-	-
Bank deposit		134,459,700	-	-	-
Accounts receivable - trade					
Related companies		584,970,100	754,028,653	3,320,393,109	3,590,064,868
Others		5,807,726,334	6,503,388,691	4,157,658,096	5,181,342,850
Less : Allowance for doubtful accounts		(76,823,320)	(76,821,388)	(76,765,812)	(76,765,812)
Accounts receivable - trade, net	3	6,315,873,114	7,180,595,956	7,401,285,393	8,694,641,906
Amounts due from related companies		30,711	11,040,020	-	-
Inventories - net		3,065,360,745	4,311,383,914	1,978,299,444	2,725,541,960
Other current assets					
Forward contracts receivable	4	12,558,600	259,200	12,558,600	259,200
Input tax refundable		73,062,108	89,068,212	34,554,378	53,298,034
Advance payments		170,397,360	77,666,369	170,397,360	77,666,369
Premium / discount on forward contracts		95,795,668	-	-	-
Others		70,085,890	44,747,683	45,996,712	20,301,013
TOTAL CURRENT ASSETS		17,303,988,521	17,153,999,673	15,964,449,887	15,879,206,872
LOAN TO RELATED COMPANY		68,126,248	-	-	-
INVESTMENTS					
Unit Trusts		120,000,000	120,000,000	120,000,000	120,000,000
Related companies	5	724,632,569	707,971,957	1,997,853,997	1,761,605,717
Other companies	6	182,251,400	132,821,616	-	-
PROPERTY, PLANT AND EQUIPMENT - net		3,311,673,021	3,270,520,100	2,707,321,549	2,742,409,514
CONSOLIDATION GOODWILL		10,508,774	10,656,787	-	-
OTHER ASSETS					
Deposits		2,108,118	2,376,018	2,108,118	2,376,018
TOTAL ASSETS		21,723,288,651	21,398,346,151	20,791,733,551	20,505,598,121

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS (Continued)

(Unit : Baht)

Note	Consolidated		The Company Only	
	31 March 2001	31 December 2000	31 March 2001	31 December 2000
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES				
Loans from financial institutions	231,035,424	685,000,000	-	461,000,000
Accounts payable - trade				
Related companies	61,746,901	153,436,622	109,406,893	162,092,783
Others	4,546,647,758	5,609,042,551	4,405,520,638	5,415,788,821
	4,608,394,659	5,762,479,173	4,514,927,531	5,577,881,604
Amounts due to related companies	573,921,438	559,651,748	579,654,942	567,579,044
Other current liabilities				
Accrued expenses	342,651,651	206,491,893	327,510,322	194,109,647
Advance received	171,068,126	157,260,062	171,068,126	157,260,062
Advance received for share capital from minority interest of a subsidiary	-	67,450,721	-	-
Forward contract payable	44,368,810	-	-	-
Others	33,376,220	34,715,329	10,066,157	8,136,800
TOTAL CURRENT LIABILITIES	6,004,816,328	7,473,048,926	5,603,227,078	6,965,967,157
SHAREHOLDERS' EQUITY				
Share capital	7			
Registered				
120 million ordinary shares of Baht 10 each	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and fully paid up				
106.57 million ordinary shares of Baht 10 each (2000 : 105.04 million issued and fully paid ordinary shares of Baht 10 each)	1,065,718,680	1,050,387,500	1,065,718,680	1,050,387,500
Capital premium				
Share premium	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised gain (loss) on investments in marketable securities	(44,414,453)	52,546,439	(44,414,453)	52,546,439
Retained earnings				
Appropriated				
Statutory reserve	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated	12,387,818,611	10,706,578,391	12,387,818,611	10,706,578,391
Translation adjustments	167,471,135	118,206,134	167,471,135	118,206,134
Equity attributable to the Company's shareholders	15,188,506,473	13,539,630,964	15,188,506,473	13,539,630,964
Minority interest - equity attributable to minority shareholders of subsidiaries	529,965,850	385,666,261	-	-
TOTAL SHAREHOLDERS' EQUITY	15,718,472,323	13,925,297,225	15,188,506,473	13,539,630,964
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,723,288,651	21,398,346,151	20,791,733,551	20,505,598,121
	0	0	0	0

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

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DIRECTORS

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DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2001 AND 2000

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2001	2000	2001	2000
REVENUES					
Sales		8,217,657,600	5,022,081,167	7,380,362,153	5,892,663,725
Share of gains of subsidiary companies		-	-	240,661,371	-
Other income					
Interest income		79,724,282	61,557,332	78,137,726	60,929,196
Gain on sale of marketable securities		102,429,906	-	-	-
Gain on exchange rate	9	468,834,561	113,317,289	407,817,608	113,828,435
Others		68,898,673	117,103,611	39,702,643	92,837,421
TOTAL REVENUES		8,937,545,022	5,314,059,399	8,146,681,501	6,160,258,777
EXPENSES					
Cost of sales		6,621,398,872	4,296,451,295	5,957,061,836	5,096,646,716
Selling and administrative expenses		565,812,393	432,579,086	507,331,012	407,277,966
Directors' remuneration		176,000	107,000	176,000	107,000
Interest expenses		2,129,674	624,825	872,433	624,825
Share of losses of subsidiary and associated companies		7,791,130	27,555,341	-	98,999,830
Amortisation of goodwill		174,103	151,655	-	-
TOTAL EXPENSES		7,197,482,172	4,757,469,202	6,465,441,281	5,603,656,337
EARNINGS BEFORE MINORITY INTEREST		1,740,062,850	556,590,197	1,681,240,220	556,602,440
MINORITY INTEREST		(58,822,630)	12,243	-	-
NET EARNINGS FOR THE PERIOD		1,681,240,220	556,602,440	1,681,240,220	556,602,440
EARNINGS PER SHARE					
Basic earnings per share					
Net earnings	10	15.78	5.83	15.78	5.83
Weighted average number of ordinary shares (shares)		106,512,868	95,445,000	106,512,868	95,445,000
Diluted earnings per share					
Net earnings	10, 11	15.59	5.83	15.59	5.83
Weighted average number of ordinary shares (shares)		107,848,783	95,445,000	107,848,783	95,445,000

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF RETAINED EARNINGS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
RETAINED EARNINGS - UNAPPROPRIATED				
BALANCE - beginning of period	10,706,578,391	7,610,016,259	10,706,578,391	7,610,016,259
NET EARNINGS FOR THE PERIOD	<u>1,681,240,220</u>	<u>556,602,440</u>	<u>1,681,240,220</u>	<u>556,602,440</u>
TOTAL RETAINED EARNINGS - UNAPPROPRIATED	<u>12,387,818,611</u>	<u>8,166,618,699</u>	<u>12,387,818,611</u>	<u>8,166,618,699</u>
RETAINED EARNINGS - APPROPRIATED				
STATUTORY RESERVE	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
TOTAL RETAINED EARNINGS - APPROPRIATED	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
TOTAL RETAINED EARNINGS	<u>12,507,818,611</u>	<u>8,286,618,699</u>	<u>12,507,818,611</u>	<u>8,286,618,699</u>
	0	0	0	0

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
SHARE CAPITAL				
ORDINARY SHARES				
BALANCE - beginning of period	1,050,387,500	945,000,000	1,050,387,500	945,000,000
INCREASE DURING THE PERIOD	15,331,180	-	15,331,180	-
BALANCE - end of period	<u>1,065,718,680</u>	<u>945,000,000</u>	<u>1,065,718,680</u>	<u>945,000,000</u>
CAPITAL PREMIUM				
SHARE PREMIUM				
BALANCE - beginning of period	1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
BALANCE - end of period	<u>1,491,912,500</u>	<u>1,491,912,500</u>	<u>1,491,912,500</u>	<u>1,491,912,500</u>
RETAINED EARNINGS				
APPROPRIATED				
STATUTORY RESERVE				
BALANCE - beginning of period	120,000,000	120,000,000	120,000,000	120,000,000
BALANCE - end of period	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>	<u>120,000,000</u>
UNAPPROPRIATED				
BALANCE - beginning of period	10,706,578,391	7,610,016,259	10,706,578,391	7,610,016,259
INCREASE DURING THE PERIOD	1,681,240,220	556,602,440	1,681,240,220	556,602,440
BALANCE - end of period	<u>12,387,818,611</u>	<u>8,166,618,699</u>	<u>12,387,818,611</u>	<u>8,166,618,699</u>
UNREALISED GAIN (LOSS) ON INVESTMENTS IN				
MARKETABLE SECURITIES				
BALANCE - beginning of period	52,546,439	1,537,471	52,546,439	1,537,471
DECREASE DURING THE PERIOD	(96,960,892)	(23,412,732)	(96,960,892)	(23,412,732)
BALANCE - end of period	<u>(44,414,453)</u>	<u>(21,875,261)</u>	<u>(44,414,453)</u>	<u>(21,875,261)</u>
TRANSLATION ADJUSTMENTS				
BALANCE - beginning of period	118,206,134	(33,416,688)	118,206,134	(33,416,688)
INCREASE DURING THE PERIOD	49,265,001	7,273,935	49,265,001	7,273,935
BALANCE - end of period	<u>167,471,135</u>	<u>(26,142,753)</u>	<u>167,471,135</u>	<u>(26,142,753)</u>
MINORITY INTEREST				
BALANCE - beginning of period	385,666,261	228,653,563	-	-
INCREASE (DECREASE) DURING THE PERIOD	144,299,589	(51,197,342)	-	-
BALANCE - end of period	<u>529,965,850</u>	<u>177,456,221</u>	<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS' EQUITY	<u>15,718,472,323</u>	<u>10,852,969,406</u>	<u>15,188,506,473</u>	<u>10,675,513,185</u>

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Cash flows from (used in) operating activities :-				
Net earnings	1,681,240,220	556,602,440	1,681,240,220	556,602,440
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	122,664,112	73,156,842	105,791,593	71,348,403
Amortisation in forward contracts	8,471,712	(11,949,613)	(352,254)	(11,949,613)
Allowance for doubtful accounts	-	27,200,000	-	27,200,000
Provision for obsolete inventories	-	57,200,000	-	57,200,000
Provision for diminution in value of investment in related companies	-	760,000	-	760,000
Gain from disposal of investments	(102,429,906)	-	-	-
(Gain) loss from disposal of fixed assets	(696,945)	3,019,340	(127,125)	3,037,959
Loss from liquidation in related companies	-	-	-	889,049
Share dividend received from other companies	-	(946,460)	-	-
Share of loss (gain) of subsidiary and associated companies	7,791,130	27,555,341	(240,661,371)	98,999,830
Amortisation of goodwill	174,103	151,655	-	-
Unrealised gain on exchange rate	(410,217,684)	(225,623,129)	(364,297,008)	(225,623,129)
Change in minority interest from liquidation in related company	-	(52,763,945)	-	-
(Gain) loss in respect of minority interest	63,463,422	(12,243)	-	-
Earnings from operating activities before changes in operating assets and liabilities	1,370,460,164	454,350,228	1,181,594,055	578,464,939
Decrease (increase) in operating assets :-				
Accounts receivable - trade	1,225,919,482	1,853,629,946	1,545,570,669	1,018,255,050
Amounts due from related companies	11,009,309	(19,448,861)	-	(19,448,861)
Inventories	1,246,023,169	(604,662,221)	747,242,516	171,619,661
Other current assets	(205,923,730)	(51,987,823)	(98,924,036)	(57,566,330)
Deposits	267,900	(16,364)	267,900	(16,364)
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	(1,278,821,744)	(647,958,858)	(1,180,677,333)	(647,274,657)
Amounts due to related companies	13,694,196	(38,404,079)	11,500,404	(52,617,732)
Other current liabilities	140,048,745	(201,561,244)	137,888,078	(180,554,544)
Net cash flows from operating activities	2,522,677,491	743,940,724	2,344,462,253	810,861,162

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Cash flows from (used in) investing activities :-				
Loan to related companies	(68,126,248)	-	-	-
Increase in investments in marketable securities	-	(8,036,604)	-	-
Increase in investments in bank deposit	(134,459,700)	-	-	-
Increase in investments in subsidiary and associated companies	(168,523)	-	(43,282,800)	(19,071,050)
Increase in investments in other companies	(44,819,900)	-	-	-
Acquisition of fixed assets	(167,418,864)	(92,784,690)	(74,161,495)	(90,901,344)
Proceeds from sales of fixed assets	5,035,253	31,082,107	3,584,992	30,458,323
Proceeds from disposal of investments	363,184,053	-	-	-
Proceeds from liquidation of related company	-	-	-	12,389,036
Net cash flows used in investing activities	<u>(46,773,929)</u>	<u>(69,739,187)</u>	<u>(113,859,303)</u>	<u>(67,125,035)</u>
Cash flows from (used in) financing activities :-				
Decrease in loans from financial institutions	(453,964,576)	(464,326,809)	(461,000,000)	(464,326,809)
Cash received from increased share capital	15,331,180	-	15,331,180	-
Net cash flows used in financing activities	<u>(438,633,396)</u>	<u>(464,326,809)</u>	<u>(445,668,820)</u>	<u>(464,326,809)</u>
Increase in translation adjustments	<u>4,274,596</u>	<u>1,620,273</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalent	2,041,544,762	211,495,001	1,784,934,130	279,409,318
Cash and cash equivalents - beginning of period	<u>5,007,433,235</u>	<u>3,132,228,991</u>	<u>4,307,498,390</u>	<u>2,918,391,789</u>
Cash and cash equivalents - end of period (Note 14)	<u><u>7,048,977,997</u></u>	<u><u>3,343,723,992</u></u>	<u><u>6,092,432,520</u></u>	<u><u>3,197,801,107</u></u>
Supplemental cash flows information				
Cash paid during the period for :				
Interest	2,564,685	1,224,175	1,080,830	1,224,175
Corporate income tax	42,642	126,840	42,642	126,840

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

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 "Interim financial statements", which the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, the statements of earnings, retained earnings, changes in shareholders' equity, and cash flows as in the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

1.2 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for preparation of the financial statements for the year ended 31 December 2000.

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Delta Electronics (Thailand) Public Company Limited and its subsidiaries ("the Group") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2000. There have been no change in the composition of the Group during the current quarter.

(UNAUDITED BUT REVIEWED)

2. SHORT-TERM INVESTMENTS

2.1 Investments in marketable securities - available for sale

(Unit : Baht)

	31 March 2001		31 December 2000	
	Cost/		Cost/	
	Book value	Fair value	Book value	Fair value
<u>Available-for-sale securities</u>				
a) Flextronics	49,919,477	31,562,800	274,498,724	362,246,276
b) Others	75,930,301	49,872,525	75,930,301	40,729,188
Total	125,849,778	81,435,325	350,429,025	402,975,464
Add : Unrealised gain (loss) on securities	(44,414,453)		52,546,439	
Less : Translation adjustments	7,025,823		28,829,620	
Net marketable securities - equity	<u>88,461,148</u>		<u>431,805,084</u>	

2.2 Investment in bank deposit

This amount is a bond linked structured deposit with an overseas bank for which the convertible bond of an overseas company has been placed as collateral and the principal redemption conditions depend on the performance of that overseas company. This deposit matures in December 2001 and bears interest at a rate equal to LIBOR + 1.5% per year.

(UNAUDITED BUT REVIEWED)

3. ACCOUNTS RECEIVABLE - TRADE

The aging of the outstanding balances as at 31 March 2001 and 31 December 2000 is as follows :-

	Consolidated		The Company Only	
	31 March 2001	31 December 2000	31 March 2001	31 December 2000
		(Audited)		(Audited)
<u>Accounts receivable - Related companies</u>				
Current	548,170,397	725,828,403	3,300,502,255	3,560,466,148
Past due 1 - 3 months	33,092,449	26,579,226	16,844,756	27,752,160
Past due 3 - 6 months	3,182,062	1,621,024	2,520,906	1,846,560
Past due 6 - 12 months	525,192	-	525,192	-
Total	<u>584,970,100</u>	<u>754,028,653</u>	<u>3,320,393,109</u>	<u>3,590,064,868</u>
<u>Accounts receivable - Others</u>				
Current	4,630,018,174	5,360,300,126	3,233,900,773	4,196,918,454
Past due 1 - 3 months	1,036,423,351	1,048,831,524	782,981,208	891,391,871
Past due 3 - 6 months	53,834,098	75,699,704	53,649,720	74,475,188
Past due 6 - 12 months	65,904,936	-	65,580,619	-
Past due over 12 months	<u>21,545,775</u>	<u>18,557,337</u>	<u>21,545,776</u>	<u>18,557,337</u>
Total Accounts receivable - Others	<u>5,807,726,334</u>	<u>6,503,388,691</u>	<u>4,157,658,096</u>	<u>5,181,342,850</u>
Total Accounts receivable - Trade	6,392,696,434	7,257,417,344	7,478,051,205	8,771,407,718
Less : Allowance for doubtful accounts	<u>(76,823,320)</u>	<u>(76,821,388)</u>	<u>(76,765,812)</u>	<u>(76,765,812)</u>
Accounts receivable - net	<u><u>6,315,873,114</u></u>	<u><u>7,180,595,956</u></u>	<u><u>7,401,285,393</u></u>	<u><u>8,694,641,906</u></u>

The Company's management believes that the allowance for doubtful accounts set aside is adequate in the present circumstances.

4. RECEIVABLES - FORWARD CONTRACTS

The Company and its subsidiary have entered into forward exchange contracts to purchase USD 24 million and have entered into forward exchange contracts to sell USD 120 million (31 December 2000 : forward exchange contracts to purchase USD 8 million and forward exchange contracts to sell USD 8 million) in order to reduce exchange rate risk. The Company and its subsidiary have recorded the foreign currency assets and liabilities arising from its entering into these contracts in the balance sheets, under the captions of "Forward contracts receivable/payable".

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS IN RELATED COMPANIES

These represent investments in ordinary and preference shares of the following companies :-

	Currency	Issued and paid up capital		Percentage owned by the Company		Consolidated		The Company Only	
		2001	2000	2001	2000	31 March 2001	31 December 2000	31 March 2001	31 December 2000
				%	%				
(Unit : Baht)									
<u>Subsidiary companies</u>									
DET International Holding Company Limited									
- Cost	USD	46,275,093	45,275,093	100	100			1,791,857,031	1,748,574,231
- Share of gain (loss) (accumulated to 31 March and 31 December)								82,940,284	(157,721,087)
								1,874,797,315	1,590,853,144
Total investments in subsidiary companies						-	-	1,874,797,315	1,590,853,144
<u>Associated companies</u>									
Huada Holding Company Limited									
- Cost	USD	15,000,000	15,000,000	45	45	248,011,200	248,011,200	-	-
- Share of loss (accumulated to 31 March and 31 December)						(98,107,534)	(99,813,578)		
						149,903,666	148,197,622		
Delta Green (Tianjin) Industries Company Limited									
- Cost	USD	20,000,000	20,000,000	50	50	394,383,470	394,383,470	-	-
- Share of loss (accumulated to 31 March and 31 December)						(31,262,118)	(34,473,743)		
						363,121,352	359,909,727		
Delta Components International Limited									
- Cost	USD	1,000,000	1,000,000	50	50	18,836,400	18,836,400	-	-
- Share of loss (accumulated to 31 March and 31 December)						(6,794,440)	(9,766,264)		
						12,041,960	9,070,136		
Ezonics Corporation Company Limited									
- Cost	USD	6,988,550	6,970,400	25	25	125,169,000	125,169,000	-	-
- Share of loss (accumulated to 31 March and 31 December)						(19,447,175)	(3,745,697)		
						105,721,825	121,423,303		

(UNAUDITED BUT REVIEWED)

	Currency	Issued and paid up capital		Percentage owned		Consolidated		The Company Only		(Unit : Baht)
		2001	2000	by the Company		31 March 2001	31 December 2000	31 March 2001	31 December 2000	
				2001	2000	31 March 2001	31 December 2000	31 March 2001	31 December 2000	
				%	%		(Audited)		(Audited)	
Deltron Trading (Cambodia) Limited										
- Cost	USD	8,000	-	47	-	168,523	-	-	-	
- Share of loss (accumulated to 31 March and 31 December)						(267,741)	-			
Share of unrealised gain (loss) on investments in marketable securities of a subsidiary company						(99,218)	-			
Translation adjustments						93,942,984	69,371,169	167,471,135	118,206,134	
Total investments in associated companies						724,632,569	707,971,957			
Total investments in related companies						724,632,569	707,971,957	1,997,853,997	1,761,605,717	

5.1 Share of loss of associated companies is based on the financial statements as prepared by the management of these associated companies which have not yet been reviewed by their auditors.

5.2 The subsidiaries held through DET International Holding Limited are Newton Power Limited, Delcom Electronics Company Limited, DET Logistic (USA) Corporation Limited and Delta Electronics Components (Thailand) Limited. All associated companies are also held through DET International Holding Limited.

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN OTHER COMPANIES

These represent investments in ordinary shares of the following companies :-

(Unit : Baht)

	Company's interest		Consolidated		The Company Only	
	in equity capital		31 March 2001	31 December 2000	31 March 2001	31 December 2000
	2001	2000	(Audited)		(Audited)	
	%	%				
Dafa Components Company Limited	19	19	760,000	760,000	760,000	760,000
Less : Provision for diminution of investment			(760,000)	(760,000)	(760,000)	(760,000)
Net investment			-	-	-	-
Cyntec Company Limited (owned by DET International Holding Limited)	0.83	0.83	30,192,681	30,192,681	-	-
IP Fund One, L.P. (owned by DET International Holding Limited)	3.8	3.8	134,868,350	90,048,450	-	-
Translation adjustments			17,190,369	12,580,485	-	-
Total investments in other companies			182,251,400	132,821,616	-	-

7. SHARE CAPITAL

On 5 April 2001, the Annual General Meeting of shareholders resolved to increase the Company's issued share capital by Baht 107,249,600 and 10,724,960 newly-issued shares were subsequently allocated to existing shareholders at a ratio of 10 old shares for 1 new share at a price of Baht 10 per share. The closing date for registration for the right to subscribe to the new shares was 19 April 2001 and subscriptions are to be paid between 14 and 18 May 2001. Any remaining shares will be provided to Deltron Holding Co.,Ltd.

The increase in issued and paid-up share capital to Baht 1,065,718,680 is the result of the exercise of warrants to purchase shares in an amount of Baht 15,331,180 up to 31 March 2001. The Company registered this capital increase with the Ministry of Commerce on 12 January 2001.

(UNAUDITED BUT REVIEWED)

8. WARRANTS

During the second quarter of 2000, the Company issued 4,032,000 warrant for offer to directors and employees of the Company. The warrants can be exercised subscribe to newly issued ordinary shares in a ratio of 1 warrant per 1 ordinary share, at an exercise price of Baht 10 each. The warrants are a one-time issue and their life is 5 years, with the exercise period running from 2 October 2000. They were listed on the Stock Exchange of Thailand on 6 July 2000.

On 5 April 2001, the Annual General Meeting of shareholders approved a resolution to pay dividend and increase the Company's issued share capital allocated to current shareholders. As a result the exercise ratio for the warrants changed to 1 warrant per 1.14284 ordinary shares.

During the period, 1,533,118 warrants have been exercised to purchase 1,533,118 new ordinary shares, leaving 1,410,132 warrants unexercised as at 31 March 2001.

9. GAIN ON EXCHANGE RATE

(Unit : Baht)

	For the three-month periods ended 31 March			
	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Realised gain (loss) on exchange rate	58,616,877	(112,305,840)	43,520,600	(111,794,694)
Unrealised gain on exchange rate	410,217,684	225,623,129	364,297,008	225,623,129
Gain on exchange rate	<u>468,834,561</u>	<u>113,317,289</u>	<u>407,817,608</u>	<u>113,828,435</u>

10. BASIC EARNINGS PER SHARE

During the period, the rights to purchase ordinary shares referred to in Note 9 were exercised, and basic earnings per share for the three-month period ended 31 March 2001 have therefore been recalculated by dividing net earnings for the period by the weighted average number of ordinary shares in issue during the period multiplied by a factor calculated from the fair value of ordinary shares before and after the exercise of share subscription rights.

(UNAUDITED BUT REVIEWED)

11. RECONCILIATION OF DILUTED EARNINGS PER SHARE

	For the three-month periods ended 31 March					
	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	1,681,240,220	556,602,440	106,512,868	95,445,000	15.78	5.83
Effect of dilutive potential						
Ordinary shares						
Warrants 1,410,132 units	-	-	1,335,915	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>1,681,240,220</u>	<u>556,602,440</u>	<u>107,848,783</u>	<u>95,445,000</u>	<u>15.59</u>	<u>5.83</u>

12. RELATED PARTY TRANSACTIONS

12.1 During the period, the Company had business transactions with its overseas subsidiary and related companies (related by way of common shareholders and/or common directors) in respect of raw materials and production equipment purchases, sales of manufactured finished goods, commission and technical fee. The transactions, which were concluded on the terms and basis as specified in the agreements between the Company and those companies and in the ordinary course of business, are summarised below :-

		(Unit : Baht)			
		For the three-month periods ended 31 March			
		Consolidated		The Company Only	
		<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
<u>Pricing policies</u>					
<u>Transactions with subsidiary companies</u> (eliminated from the consolidated financial statements)					
Sales of goods	With reference to market prices	-	-	2,396,260,819	1,273,502,276
Purchase of raw material	Invoices	-	-	82,389,173	-
Commission paid	Contract price	-	-	16,607,845	13,768,288
<u>Transactions with related companies</u>					
Sales of goods	With reference to market prices	634,466,763	357,394,064	493,354,580	357,394,064
Purchase of raw material	Invoices	153,659,884	41,072,214	116,812,424	41,072,214
Purchase of fixed assets	Invoices	7,080,768	11,317,873	7,080,768	11,317,873
Commission received	Contract prices	23,857,802	22,724,176	-	-
Commission paid	Contract prices	112,646,280	52,943,120	112,646,280	52,943,120
Technical fee	Contract prices	35,858,571	29,985,791	35,858,571	29,985,791

(UNAUDITED BUT REVIEWED)

The outstanding balances of the above transactions have been separately shown in the balance sheets and are as follows :-

	Consolidated		The Company Only	
	31 March 2001	31 December 2000	31 March 2001	31 December 2000
	(Audited)		(Audited)	
(Unit : Baht)				
<u>Accounts receivable - related companies</u>				
<u>Subsidiary companies</u>				
DET Logistics (USA) Corporation	-	-	2,896,572,300	3,110,827,567
Delta Electronics Components (Thailand) Ltd.	-	-	1,925,800	-
Delcom Electronics Ltd.	-	-	-	4,252,711
	<u>-</u>	<u>-</u>	<u>2,898,498,100</u>	<u>3,115,080,278</u>
<u>Other related companies</u>				
Delta Electronics Inc.	179,776,444	161,444,401	178,956,667	157,984,199
Delta Electronics (Japan) Ltd.	92,745,400	112,461,102	92,745,400	112,461,102
Delta Products Corporation	171,676,749	349,880,211	42,131,568	78,266,288
Delta Electronics International	49,964,245	38,922,055	24,401,493	38,922,055
Delta Electronics GMBH	13,231,193	14,727,866	12,805,137	14,727,866
Delta Video Technology Ltd.	26,282,786	16,426,143	26,282,786	16,426,143
Delta Electronics (Scotland) Ltd.	41,779,146	46,032,167	41,779,146	46,032,167
Delta Electronics Europe Ltd.	3,327,934	3,969,940	-	-
Others	6,186,203	10,164,768	2,792,812	10,164,770
	<u>584,970,100</u>	<u>754,028,653</u>	<u>421,895,009</u>	<u>474,984,590</u>
Total Accounts receivable - related companies	<u>584,970,100</u>	<u>754,028,653</u>	<u>3,320,393,109</u>	<u>3,590,064,868</u>
<u>Amounts due from related companies</u>				
Delta Electronics International	-	8,663,411	-	-
Delta Electronics Power (Dongguan) Co., Ltd.	-	2,053,479	-	-
Others	30,711	323,130	-	-
	<u>30,711</u>	<u>11,040,020</u>	<u>-</u>	<u>-</u>
Total Amounts due from related companies	<u>30,711</u>	<u>11,040,020</u>	<u>-</u>	<u>-</u>
<u>Accounts payable - related companies</u>				
<u>Subsidiary companies</u>				
Delta Electronics Components (Thailand) Ltd.	-	-	54,262,143	69,663,360
	<u>-</u>	<u>-</u>	<u>54,262,143</u>	<u>69,663,360</u>

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

	Consolidated		The Company Only	
	31 March 2001	31 December 2000 (Audited)	31 March 2001	31 December 2000 (Audited)
<u>Other related companies</u>				
Delta Electronics Inc.	24,426,928	48,755,003	23,726,756	42,655,519
Delta Electronics (Japan) Ltd.	28,211,080	57,249,658	2,322,749	3,678,002
Delta Electronics International	8,396,228	19,748,361	8,396,228	19,588,317
Others	712,665	27,683,600	20,699,017	26,507,585
	<u>61,746,901</u>	<u>153,436,622</u>	<u>55,144,750</u>	<u>92,429,423</u>
	<u>61,746,901</u>	<u>153,436,622</u>	<u>109,406,893</u>	<u>162,092,783</u>
<u>Amounts due to related companies</u>				
<u>Subsidiary companies</u>				
Newton Power Limited	-	-	-	13,729,346
DET Logistics (USA) Corporation	-	-	11,241,731	-
	<u>-</u>	<u>-</u>	<u>11,241,731</u>	<u>13,729,346</u>
<u>Other related companies</u>				
Delta Electronics Inc.	417,810,716	354,883,029	417,810,716	354,883,029
Delta Products Corporation	88,800,622	162,421,584	88,800,622	162,421,584
Delta Electronics GMBH	758,067	2,172,023	758,067	2,172,023
Delta Electronics International	48,630,025	9,990,356	48,630,025	9,990,356
Flextronics International	4,686,213	4,526,524	4,686,213	4,526,524
Delta Electronics Europe Ltd.	5,435,622	4,687,856	5,435,622	4,678,856
Delta Electronics (Japan) Ltd.	2,269,485	-	2,269,485	-
Others	5,530,688	20,970,376	22,461	15,168,326
	<u>573,921,438</u>	<u>559,651,748</u>	<u>568,413,211</u>	<u>553,849,698</u>
Total Amounts due to related companies	<u>573,921,438</u>	<u>559,651,748</u>	<u>579,654,942</u>	<u>567,579,044</u>

12.2 The Company has entered into agreements with a subsidiary and with related companies whereby the subsidiary and the related companies will provide sales services, marketing services, management services, after-sales services, technical information, and raw material purchasing services, and also sell the Company's products. The agreements are not for an identified period and are cancellable. Under the agreements, the Company is obliged to pay remuneration to its related companies at rates ranging from 0.25 to 10 percent of sales, and 3 percent of the purchasing price for the raw material purchasing services.

(UNAUDITED BUT REVIEWED)

13. COMMITMENT AND CONTINGENT LIABILITIES

13.1 Financial derivatives

The Company has entered into various sell “call/put option” agreements with branches of overseas banks in Thailand. The outstanding balances under the mentioned agreements as at 31 March 2001 and 31 December 2000 are as follows :-

	Amount		Contractual exchange rate	
	(Million USD)		(per 1 USD)	
	<u>31 March 2001</u>	<u>31 December 2000</u>	<u>31 March 2001</u>	<u>31 December 2000</u>
		(Audited)		(Audited)
Sell “call option” agreements	16	50	43.22 - 44.02 Baht	42.45 - 43.85 Baht
Sell “put option” agreements	-	2	-	43.00 Baht

In addition, the Company has entered into various buy “put option” agreements. As at 31 March 2001, the Company had outstanding agreements to sell USD 8 million at Baht 43.22 to Baht 44.02 per 1 USD (31 December 2000 : USD 14 million).

A subsidiary of the Company has entered into various sell “call/put option” agreements with overseas banks. The outstanding balances under the agreements as at 31 March 2001 and 31 December 2000 are as follows :-

	Amount		Contractual exchange rate	
	(Million USD)		(per 1 USD)	
	<u>31 March 2001</u>	<u>31 December 2000</u>	<u>31 March 2001</u>	<u>31 December 2000</u>
		(Audited)		(Audited)
Sell “call option” agreements	113	78	42.50 - 47.00 Baht	42.00 - 47.00 Baht
	-	6	-	108.80 - 109.50 Yen
Sell “put option” agreements	11	-	41.50 - 43.00 Baht	-
	-	6	-	103.00 - 103.40 Yen

In addition, the subsidiary has entered into various buy “put option” agreements. As at 31 March 2001, the subsidiary had outstanding agreements to sell USD 33 million at Baht 42.50 to Baht 44.39 per 1 USD (31 December 2000 : USD 36 million).

(UNAUDITED BUT REVIEWED)

13.2 Capital commitments

As at 31 March 2001, the Company and its subsidiaries had capital commitments for purchases of fixed assets and land, and construction of plant amounting to Baht 328.67 million (31 December 2000 : Baht 364.3 million).

13.3 Investment commitments

As at 31 March 2001, a subsidiary of the Company is committed to invest an amount of USD 400,000 in another subsidiary (31 December 2000 : USD 400,000) by 31 October 2001.

13.4 Bank guarantees

As at 31 March 2001, there were outstanding bank guarantees of approximately Baht 27.7 million and USD 20.5 million (31 December 2000 : Baht 26.5 million and USD 20.5 million) issued by the banks on behalf of the Company as required in the ordinary course of business of the Company.

13.5 Net assets/liabilities - foreign currency not hedged against foreign exchange risk

As at 31 March 2001, the Company and its subsidiaries have net liabilities (assets) denominated in foreign currencies which have not yet been hedged against foreign exchange risk as follows :-

Currency	(Unit : Thousand Dollar/Yen) Consolidated
USD	(236,353)
TWD	4,050
HKD	(24,678)
JPY	(175,386)

(UNAUDITED BUT REVIEWED)

14. STATEMENTS OF CASH FLOWS

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand and at banks with an original maturity of 3 months or less and without restrictions.

Cash and cash equivalents as reflected in the statements of cash flows consist of the following :-

	Consolidated		The Company Only	
	31 March		31 March	
	2001	2000	2001	2000
Cash in hand and at banks	7,277,903,477	3,398,866,370	6,321,358,000	3,252,943,485
Unrealised gain on exchange rate	(228,925,480)	(55,142,378)	(228,925,480)	(55,142,378)
Cash and cash equivalents	<u>7,048,977,997</u>	<u>3,343,723,992</u>	<u>6,092,432,520</u>	<u>3,197,801,107</u>

15. DIVIDENDS

At the Annual General Meeting of shareholders held on 5 April 2001, it was resolved that the Company pay a dividend of Baht 20 per share, a total of Baht 2,144,990,060. The dividends will be reflected in the next quarter's financial statements.

16. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of the manufacture and distribution of electronic components and are mainly carried on in Thailand or the USA. Financial information of the Company and its subsidiaries by geographical segment, for the three-month periods ended 31 March 2001 and 2000, and as of 31 March 2001 and 31 December 2000, is as follows :-

(UNAUDITED BUT REVIEWED)

(Unit : Million Baht)

Consolidated for the three-month periods ended 31 March					
	Domestic	Foreign	Eliminated	Total	
				2001	2000
Sales - external	4,565	3,019	-	7,584	4,665
Sales - related parties	<u>3,116</u>	<u>-</u>	<u>(2,482)</u>	<u>634</u>	<u>357</u>
	<u>7,681</u>	<u>3,019</u>	<u>(2,482)</u>	<u>8,218</u>	<u>5,022</u>
Gross profit	1,490	15		1,597	726
Gain on exchange rate				469	113
Other income				250	180
Shares of losses of subsidiary and associated companies				(8)	(28)
Selling and administrative expenses				(566)	(433)
Interest expense				(2)	(1)
Minority interest				<u>(59)</u>	<u>-</u>
Net profit				<u>1,681</u>	<u>557</u>

(Unit : Million Baht)

Consolidated					
	Domestic	Foreign	Eliminate	Total	
				31 March 2001	31 December 2000
Property, plant and equipment - net	3,291	21	-	3,312	3,271
Other assets	<u>18,515</u>	<u>4,890</u>	<u>(4,994)</u>	<u>18,411</u>	<u>18,127</u>
Total assets	<u>21,806</u>	<u>4,911</u>	<u>(4,994)</u>	<u>21,723</u>	<u>21,398</u>

17. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2000 and for the three-month period ended 31 March 2000 have been reclassified to conform to the current periods' classifications, with no effect on previously reported net earnings or equity attributable to Company's shareholders.

18. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved by the Company's directors.