

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2002

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 2002, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the three-month periods ended 31 March 2002 and 2001, 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 2001, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 1 February 2002, drawing attention to the damage to the Company's factory. The balance sheets as at 31 December 2001, 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 : 2 May 2002

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

(Unit : Baht)

	Note	Consolidated		The Company Only	
		31 March 2002	31 December 2001	31 March 2002	31 December 2001
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	2	13,105,661,368	11,076,093,164	11,663,711,847	9,824,338,652
Current investments	3				
Investments in available-for-sale securities		76,045,255	65,232,699	-	-
Investments in bank deposit		-	221,348,500	-	-
Accounts receivable - trade					
Related parties	14	664,428,097	528,002,707	4,940,937,425	4,409,512,272
Unrelated parties		5,389,395,514	5,438,824,501	3,294,857,329	3,780,602,474
Less : Allowance for doubtful accounts		(58,842,841)	(59,325,169)	(58,842,841)	(59,325,169)
Accounts receivable - trade, net	4	5,994,980,770	5,907,502,039	8,176,951,913	8,130,789,577
Inventories - net		2,860,353,482	2,652,878,948	1,149,736,599	905,054,624
Other current assets					
Input tax refundable		78,867,970	81,375,148	40,563,297	42,590,114
Advance payments		45,903,920	54,235,432	2,233,859	15,387,504
Others		57,401,498	38,143,287	26,035,296	24,002,829
TOTAL CURRENT ASSETS		22,219,214,263	20,096,809,217	21,059,232,811	18,942,163,300
NON - CURRENT ASSETS					
Investments accounted for under equity method	5	611,509,741	621,935,811	2,201,271,703	2,185,343,873
Other long-term investments					
Investments in other related parties	6	327,424,481	299,823,578	-	-
Investments in unit trusts		120,000,000	120,000,000	120,000,000	120,000,000
Long-term loan to related party		66,158,152	67,289,944	-	-
Property, plant and equipment - net		3,626,085,069	3,628,869,609	3,357,474,634	3,354,485,506
Consolidation goodwill		89,266,901	90,462,270	-	-
Other non-current assets		2,136,118	1,927,808	2,136,118	1,927,808
TOTAL NON-CURRENT ASSETS		4,842,580,462	4,830,309,020	5,680,882,455	5,661,757,187
TOTAL ASSETS		27,061,794,725	24,927,118,237	26,740,115,266	24,603,920,487

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 2002	31 December 2001	31 March 2002	31 December 2001
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	7	2,895,200,000	1,160,000,000	2,895,200,000	1,160,000,000
Accounts payable - trade					
Related parties	14	44,048,452	50,726,899	362,311,574	359,231,760
Unrelated parties		5,488,818,405	5,941,531,657	5,486,975,468	5,933,785,307
Total accounts payable - trade		5,532,866,857	5,992,258,556	5,849,287,042	6,293,017,067
Amounts due to related parties	14	668,161,839	587,923,439	681,526,333	604,255,339
Other current liabilities					
Accrued expenses	8	801,051,300	949,379,316	797,016,157	938,752,439
Advance received		97,639,837	106,417,991	97,639,837	106,417,991
Forward contracts payable	9	34,657,198	9,007,245	6,504,500	1,528,000
Dividend payable	17	3,861,239,772	-	3,861,239,772	-
Other accounts payable		227,065,723	120,333,766	227,065,723	120,333,766
Others		53,641,049	53,129,981	21,661,944	31,737,272
TOTAL CURRENT LIABILITIES		14,171,523,575	8,978,450,294	14,437,141,308	9,256,041,874
SHAREHOLDERS' EQUITY					
Share capital	10				
Registered					
1,200 million ordinary shares of Baht 1 each		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and fully paid					
1,188.07 million ordinary shares of Baht 1 each					
(2001 : 1,188.04 million ordinary shares of Baht 1 each)		1,188,073,776	1,188,042,920	1,188,073,776	1,188,042,920
Additional paid-in capital					
Premium on share capital		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealised loss on available-for-sale securities		(8,367,815)	(20,927,361)	(8,367,815)	(20,927,361)
Translation adjustments		115,517,556	139,859,753	115,517,556	139,859,753
Retained earnings					
Appropriated					
Statutory reserve		120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		9,395,837,941	12,428,990,801	9,395,837,941	12,428,990,801
Equity attributable to the Company's shareholders		12,302,973,958	15,347,878,613	12,302,973,958	15,347,878,613
Minority interest - equity attributable to minority shareholders of subsidiaries		587,297,192	600,789,330	-	-
TOTAL SHAREHOLDERS' EQUITY		12,890,271,150	15,948,667,943	12,302,973,958	15,347,878,613
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		27,061,794,725	24,927,118,237	26,740,115,266	24,603,920,487
		0	0	0	0

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

DIRECTORS

(UNAUDITED BUT REVIEWED)

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2002 AND 2001

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2002	2001	2002	2001
REVENUES					
Sales		8,557,138,348	8,217,657,600	8,594,319,592	7,380,362,153
Other income					
Interest income		56,769,868	79,724,282	46,334,134	78,137,726
Gain on exchange rate		-	468,834,561	-	407,817,608
Gain on sales of available-for-sale securities		3,909,887	102,429,906	-	-
Others		17,778,107	68,898,673	9,420,143	39,702,643
Share of profit from investments accounted for under equity method		34,839	-	27,710,481	240,661,371
TOTAL REVENUES		8,635,631,049	8,937,545,022	8,677,784,350	8,146,681,501
EXPENSES					
Cost of sales		7,093,137,748	6,621,398,872	7,143,070,540	5,957,061,836
Selling and administrative expenses		523,815,417	565,986,496	500,843,407	507,331,012
Directors' remuneration		60,000	176,000	60,000	176,000
Loss on exchange rate		183,968,679	-	195,756,635	-
Share of loss from investments accounted for under equity method		-	7,791,130	-	-
TOTAL EXPENSES		7,800,981,844	7,195,352,498	7,839,730,582	6,464,568,848
EARNINGS BEFORE INTEREST EXPENSES		834,649,205	1,742,192,524	838,053,768	1,682,112,653
INTEREST EXPENSES		(9,993,976)	(2,129,674)	(9,993,976)	(872,433)
EARNINGS AFTER INTEREST EXPENSES		824,655,229	1,740,062,850	828,059,792	1,681,240,220
MINORITY INTEREST IN NET (EARNINGS) LOSS OF SUBSIDIARIES		3,404,563	(58,822,630)	-	-
NET EARNINGS FOR THE PERIOD		828,059,792	1,681,240,220	828,059,792	1,681,240,220
EARNINGS PER SHARE					
<i>12,13</i>					
Basic earnings per share					
Net earnings		0.70	1.58	0.70	1.58
Weighted average number of ordinary shares (shares)		1,188,070,690	1,065,128,680	1,188,070,690	1,065,128,680
Diluted earnings per share					
<i>13</i>					
Net earnings		0.70	1.56	0.70	1.56
Weighted average number of ordinary shares (shares)		1,188,112,143	1,078,810,587	1,188,112,143	1,078,810,587

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 2002 AND 2001

(Unit : Baht)

	Consolidated						Minority interest-equity attributable to minority shareholders of subsidiaries	Total
	Issued and paid-up share capital	Premium on share capital	Unrealised gain (loss) on available-for-sale securities	Translation adjustments	Retained earnings			
					Appropriated	Unappropriated		
Balance as at 31 December 2000 (Audited)	1,050,387,500	1,491,912,500	52,546,439	118,206,134	120,000,000	10,706,578,391	385,666,261	13,925,297,225
Unrealised loss on available-for-sale securities	-	-	(96,960,892)	-	-	-	-	(96,960,892)
Translation adjustments	-	-	-	49,265,001	-	-	-	49,265,001
Unrealised items in earnings statement	-	-	(96,960,892)	49,265,001	-	-	-	(47,695,891)
Net earnings for the period	-	-	-	-	-	1,681,240,220	-	1,681,240,220
Increased share capital	15,331,180	-	-	-	-	-	-	15,331,180
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	144,299,589	144,299,589
Balance as at 31 March 2001	<u>1,065,718,680</u>	<u>1,491,912,500</u>	<u>(44,414,453)</u>	<u>167,471,135</u>	<u>120,000,000</u>	<u>12,387,818,611</u>	<u>529,965,850</u>	<u>15,718,472,323</u>
Balance as at 31 December 2001 (Audited)	1,188,042,920	1,491,912,500	(20,927,361)	139,859,753	120,000,000	12,428,990,801	600,789,330	15,948,667,943
Unrealised gain on available-for-sale securities	-	-	12,559,546	-	-	-	-	12,559,546
Translation adjustments	-	-	-	(24,342,197)	-	-	-	(24,342,197)
Unrealised items in earnings statement	-	-	12,559,546	(24,342,197)	-	-	-	(11,782,651)
Net earnings for the period	-	-	-	-	-	828,059,792	-	828,059,792
Dividend paid (Note 17)	-	-	-	-	-	(3,861,239,772)	-	(3,861,239,772)
Returned dividend paid	-	-	-	-	-	27,120	-	27,120
Increased share capital	30,856	-	-	-	-	-	-	30,856
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	(13,492,138)	(13,492,138)
Balance as at 31 March 2002	<u>1,188,073,776</u>	<u>1,491,912,500</u>	<u>(8,367,815)</u>	<u>115,517,556</u>	<u>120,000,000</u>	<u>9,395,837,941</u>	<u>587,297,192</u>	<u>12,890,271,150</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 CHANGES IN SHAREHOLDERS' EQUITY (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2002 AND 2001

(Unit : Baht)

	The Company Only						
	Issued and paid-up share capital	Premium on share capital	Unrealised gain (loss)		Retained earnings		Total
			on available-for-sale securities	Translation adjustments	Appropriated	Unappropriated	
Balance as at 31 December 2000 (Audited)	1,050,387,500	1,491,912,500	52,546,439	118,206,134	120,000,000	10,706,578,391	13,539,630,964
Unrealised loss on available-for-sale securities	-	-	(96,960,892)	-	-	-	(96,960,892)
Translation adjustments	-	-	-	49,265,001	-	-	49,265,001
Unrealised items in earnings statement	-	-	(96,960,892)	49,265,001	-	-	(47,695,891)
Net earnings for the period	-	-	-	-	-	1,681,240,220	1,681,240,220
Increased share capital	15,331,180	-	-	-	-	-	15,331,180
Balance as at 31 March 2001	<u>1,065,718,680</u>	<u>1,491,912,500</u>	<u>(44,414,453)</u>	<u>167,471,135</u>	<u>120,000,000</u>	<u>12,387,818,611</u>	<u>15,188,506,473</u>
Balance as at 31 December 2001 (Audited)	1,188,042,920	1,491,912,500	(20,927,361)	139,859,753	120,000,000	12,428,990,801	15,347,878,613
Unrealised gain on available-for-sale securities	-	-	12,559,546	-	-	-	12,559,546
Translation adjustments	-	-	-	(24,342,197)	-	-	(24,342,197)
Unrealised items in earnings statement	-	-	12,559,546	(24,342,197)	-	-	(11,782,651)
Net earnings for the period	-	-	-	-	-	828,059,792	828,059,792
Dividend paid (Note 17)	-	-	-	-	-	(3,861,239,772)	(3,861,239,772)
Returned dividend paid	-	-	-	-	-	27,120	27,120
Increased share capital	30,856	-	-	-	-	-	30,856
Balance as at 31 March 2002	<u>1,188,073,776</u>	<u>1,491,912,500</u>	<u>(8,367,815)</u>	<u>115,517,556</u>	<u>120,000,000</u>	<u>9,395,837,941</u>	<u>12,302,973,958</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 2002 AND 2001

(Unit : Baht)

	Consolidated		The Company Only	
	2002	2001	2002	2001
Cash flows from (used in) operating activities :-				
Net earnings	828,059,792	1,681,240,220	828,059,792	1,681,240,220
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	164,422,466	122,664,112	158,835,159	105,791,593
Amortisation in forward contracts	3,853,572	8,471,712	895,146	(352,254)
Allowance for doubtful accounts (reversal)	(482,328)	-	(482,328)	-
Provision for obsolete inventories (reversal)	(40,016,725)	-	(40,016,725)	-
Gain from sale of fixed assets	(9,284,897)	(696,945)	(9,284,897)	(127,125)
Gain from sale of available - for - sale	(3,909,887)	(102,429,906)	-	-
Share of (profit) loss from investments accounted for under equity method	(34,839)	7,791,130	(27,710,481)	(240,661,371)
Amortisation of goodwill	1,197,760	174,103	-	-
Unrealised (gain) loss on exchange rate	180,720,868	(410,217,684)	165,447,524	(364,297,008)
Minority interest in net earnings (loss) of subsidiaries	(3,404,563)	63,463,422	-	-
Earnings from operating activities before changes in operating assets and liabilities	1,121,121,219	1,370,460,164	1,075,743,190	1,181,594,055
Decrease (increase) in operating assets :-				
Accounts receivable - trade	(118,809,747)	1,225,919,482	(77,493,352)	1,545,570,669
Amounts due from related parties	-	11,009,309	-	-
Inventories	(167,457,809)	1,246,023,169	(204,665,250)	747,242,516
Other current assets	(6,568,025)	(205,923,730)	12,516,743	(98,924,036)
Other non - current assets	(208,310)	267,900	(208,310)	267,900
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	(580,509,088)	(1,278,821,744)	(564,847,414)	(1,180,677,333)
Amounts due to related parties	79,953,997	13,694,196	76,986,591	11,500,404
Other current liabilities	89,102,449	140,048,745	85,107,787	137,888,078
Net cash flows from operating activities	416,624,686	2,522,677,491	403,139,985	2,344,462,253

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 (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2002 AND 2001

(Unit : Baht)

	Consolidated		The Company Only	
	2002	2001	2002	2001
Cash flows from (used in) investing activities :-				
Increase in investments in available - for - sale	(11,366,347)	-	-	-
Proceeds from sale of available - for - sale	16,824,842	363,184,053	-	-
(Increase) decrease in investments in bank deposit	221,348,500	(134,459,700)	-	-
Increase in loan to related party	-	(68,126,248)	-	-
Cash paid for additional investments in related parties	(32,643,825)	(44,988,423)	-	(43,282,800)
Acquisition of fixed assets	(187,003,882)	(167,418,864)	(187,003,882)	(74,161,495)
Proceeds from sales of fixed assets	34,464,492	5,035,253	34,464,492	3,584,992
Net cash flows from (used in) investing activities	41,623,780	(46,773,929)	(152,539,390)	(113,859,303)
Cash flows from (used in) financing activities :-				
Increase (decrease) in loans from financial institutions	1,735,200,000	(453,964,576)	1,735,200,000	(461,000,000)
Cash received from increased share capital	30,856	15,331,180	30,856	15,331,180
Returned dividend	27,120	-	27,120	-
Net cash flows from (used in) financing activities	1,735,257,976	(438,633,396)	1,735,257,976	(445,668,820)
Increase (decrease) in translation adjustments	(17,452,862)	4,274,596	-	-
Net increase in cash and cash equivalent	2,176,053,580	2,041,544,762	1,985,858,571	1,784,934,130
Cash and cash equivalents - beginning of period	11,076,093,164	5,007,433,235	9,824,338,652	4,307,498,390
Cash and cash equivalents - end of period (Note 16)	13,252,146,744	7,048,977,997	11,810,197,223	6,092,432,520
Supplemental cash flows information				
Cash paid during the period for :				
Interest	11,836,207	2,564,685	11,836,207	1,080,830
Corporate income tax	412,628	513,912	191,880	42,642

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, 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 2001.

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 2001. There have been no change in the composition of the Group during the current quarter.

(UNAUDITED BUT REVIEWED)

2. CASH AND CASH EQUIVALENTS

The majority of “Cash and cash equivalents” of the Company and its subsidiaries consists of cash deposited with various oversea banks in US dollar accounts (most of balance is in 5 banks). As at 31 March 2002, the Company and its subsidiaries have cash amounting to approximately USD 297 million (31 December 2001 : approximately USD 244 million), which bear interest at rates of between 1.59 to 1.81 percent per annum.

3. CURRENT INVESTMENTS

3.1 Investments in available-for-sale securities

(Unit : Baht)

	31 March 2002		31 December 2001	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Available-for-sale securities</u>				
a) Cyntec	8,938,465	12,966,750	10,507,145	14,239,340
b) Others	75,930,301	63,534,201	75,930,301	51,270,745
Total	84,868,766	76,500,951	86,437,446	65,510,085
Add : Unrealised loss on investments in marketable securities	(8,367,815)		(20,927,361)	
Less : Translation adjustments	(455,696)		(277,386)	
Net marketable securities - equity	<u>76,045,255</u>		<u>65,232,699</u>	

3.2 Investment in bank deposit

This amount was a subsidiary’s bond - linked structured deposit with an overseas bank, bearing interest at a rate equal to LIBOR 6 months + 1% per annum, for which the convertible bond of an overseas related party was placed as a reference obligation, and the principal redemption conditions depended on the performance of that overseas company. The deposit has been redeemed during this quarter.

(UNAUDITED BUT REVIEWED)

4. ACCOUNTS RECEIVABLE - TRADE

The aging of the outstanding balances as at 31 March 2002 and 31 December 2001 is as follows :-

(Unit : Baht)

	Consolidated		The Company Only	
	31 March 2002	31 December 2001	31 March 2002	31 December 2001
		(Audited)		(Audited)
<u>Accounts receivable - Related parties</u>				
Current	646,568,546	508,829,076	4,913,282,420	4,349,439,484
Past due 1 - 3 months	12,632,012	7,749,734	23,853,429	49,872,491
Past due 3 - 6 months	-	6,852,298	-	5,633,328
Past due 6 - 12 months	5,227,539	4,571,599	3,801,576	4,566,969
Total	664,428,097	528,002,707	4,940,937,425	4,409,512,272
<u>Accounts receivable - Unrelated parties</u>				
Current	4,362,222,902	4,675,130,644	2,674,135,529	3,111,488,960
Past due 1 - 3 months	903,895,068	659,556,972	500,072,267	566,777,384
Past due 3 - 6 months	22,401,177	15,733,535	20,422,309	16,828,132
Past due 6 - 12 months	3,126,299	3,227,031	2,477,155	331,679
Past due over 12 months	97,750,068	85,176,319	97,750,069	85,176,319
Total	5,389,395,514	5,438,824,501	3,294,857,329	3,780,602,474
Total Accounts receivable - Trade	6,053,823,611	5,966,827,208	8,235,794,754	8,190,114,746
Less : Allowance for doubtful accounts	(58,842,841)	(59,325,169)	(58,842,841)	(59,325,169)
Accounts receivable – trade, net	5,994,980,770	5,907,502,039	8,176,951,913	8,130,789,577

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

(UNAUDITED BUT REVIEWED)

5. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

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

	Issued and		Percentage owned		Consolidated		The Company Only	
	paid up capital		by the Company		31 March 2002	31 December 2001	31 March 2002	31 December 2001
	2002	2001	2002	2001	(Audited)		(Audited)	
	USD	USD	%	%				
Subsidiary company								
DET International Holding Company Limited								
- Cost	53,852,576	53,852,576	100	100	-	-	2,133,050,147	2,133,050,147
- Share of loss (accumulated to 31 March and 31 December)							(38,928,185)	(66,638,666)
							2,094,121,962	2,066,411,481
Total investments in subsidiary company							2,094,121,962	2,066,411,481
Associated companies								
Huada Holding Company Limited								
- Cost	15,000,000	15,000,000	45	45	248,011,200	248,011,200	-	-
- Share of loss (accumulated to 31 March and 31 December)					(89,005,132)	(85,919,424)		
					159,006,068	162,091,776		
Delta Green (Tianjin) Industries Company Limited								
- Cost	20,000,000	20,000,000	50	50	394,383,470	394,383,470	-	-
- Share of loss (accumulated to 31 March and 31 December)					(19,202,572)	(22,386,106)		
					375,180,898	371,997,364		
Delta Components International Limited								
- Cost	1,000,000	1,000,000	50	50	18,836,400	18,836,400	-	-
- Share of loss (accumulated to 31 March and 31 December)					(8,262,119)	(8,198,953)		
					10,574,281	10,637,447		
Deltron Trading (Cambodia) Limited								
- Cost	8,000	8,000	47	47	168,523	168,523	-	-
- Share of loss (accumulated to 31 March and 31 December)					(168,523)	(168,523)		
					-	-		
Unrealised loss on investments in marketable securities of a subsidiary company								
					-	-	(8,367,815)	(20,927,361)
Translation adjustment								
					66,748,494	77,209,224	115,517,556	139,859,753
Total investments in associated companies								
					611,509,741	621,935,811		
Total investments accounted for under equity method								
					611,509,741	621,935,811	2,201,271,703	2,185,343,873

5.1 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) Company Limited. All associated companies are also held through DET International Holding Limited.

5.2 Share of profit from subsidiary companies, which are Newton Power Limited and DET Logistic (USA) Corporation Limited, and share of loss from associated companies are based on the financial statements as prepare by the management of these companies which have not yet been reviewed by their auditors.

(UNAUDITED BUT REVIEWED)

6. INVESTMENTS IN OTHER RELATED PARTIES

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

	The Company's interest		Consolidated		The Company Only	
	in equity capital		31 March 2002	31 December 2001	31 March 2002	31 December 2001
	<u>2002</u>	<u>2001</u>		(Audited)		(Audited)
	%	%				
Cyntec Company Limited (owned by DET International Holding Limited)	0.83	0.83	26,215,676	26,215,676	-	-
IP Fund One, L.P.(owned by DET International Holding Limited)	3.80	3.80	234,896,725	202,252,900	-	-
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	16.49	50,582,003	50,582,003	-	-
Translation adjustments			<u>15,730,077</u>	<u>20,772,999</u>	-	-
Total investments in other related parties			<u><u>327,424,481</u></u>	<u><u>299,823,578</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

According to financial statements as at 31 March 2002 of the investee, the net asset value attributable to the holding of the Company is approximately Baht 75 million less than its recorded book value. However, the management of the Company believe that the decline in value is not of a permanent nature and that therefore no provision for impairment of the investment need be set aside.

7. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from banks consist of loans from various local banks and branches of overseas banks in Thailand, mainly maturing in April 2002, and carrying interest at rates of 0.30 - 2.45 percent per annum. They comprise loans of approximately Baht 2,090 million and 2,400 million Yen.

8. ACCRUED EXPENSES

The balance mainly represented expenses amounting to approximately Baht 570 million (31 December 2001 : Baht 700 million) in respect of product sales. The management of the Company believes that the actual expenditure incurred will be close to the amount estimated and accrued in the Company's records.

(UNAUDITED BUT REVIEWED)

9. RECEIVABLES/PAYABLE - FORWARD CONTRACTS

The Company and its subsidiary have entered into forward exchange contracts to purchase USD 24.50 million and have entered into forward exchange contracts to sell USD 10 million (31 December 2001 : forward exchange contracts to purchase USD 14.5 million and forward exchange contracts to sell approximately USD 14.5 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 “Receivables/Payable - forward contracts”.

10. SHARE CAPITAL

The increase in issued and paid-up share capital to Baht 1,188,073,776 is the result of the exercise of warrants and increase in share capital to purchase shares in an amount of Baht 30,856 upto 31 March 2002. The Company already registered this capital increase with the Ministry of Commerce on 10 January 2002.

11. WARRANTS

During the current period, 2,700 warrants have been exercised to purchase 30,856 new ordinary shares, leaving 3,668 warrants unexercised as at 31 March 2002.

12. EARNING PER SHARE

Options to purchase ordinary shares were exercised in May 2001 and in the par value of the Company's ordinary shares was changed in October 2001. For the purpose of comparison, the earnings per share of the three-month period ended 31 March 2001 have therefore been recalculated to reflect the effect of these matters.

(UNAUDITED BUT REVIEWED)

13. 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>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001*</u>	<u>2002</u>	<u>2001</u>
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	828,059,792	1,681,240,220	1,188,070,690	1,065,128,680	0.70	1.58
Effect of dilutive potential						
Ordinary shares						
Warrants 3,668 units (2001 : 1,410,132 units)	-	-	41,453	13,681,907	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>828,059,792</u>	<u>1,681,240,220</u>	<u>1,188,112,143</u>	<u>1,078,810,587</u>	<u>0.70</u>	<u>1.56</u>

*After reflecting the result of split par value of ordinary shares.

14. RELATED PARTY TRANSACTIONS

14.1 During the current period, the Company and its subsidiaries had business transactions with its local and overseas subsidiaries and related parties (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 :-

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

For the three-month periods ended 31 March

		Consolidated		The Company Only	
		2002	2001	2002	2001
		<u>Pricing policies</u>			
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	3,672,041,054	2,396,260,819
Purchase of raw material	Cost plus certain margin	-	-	-	82,389,173
Commission paid	Contract prices	-	-	40,942,520	16,607,845
<u>Transactions with related parties</u>					
Sales of goods	With reference to market prices	893,885,320	634,466,763	893,885,320	493,354,580
Sales of raw materials	With reference to market prices	4,367,292	34,875,438	4,367,292	34,255,919
Purchase of raw materials	Agreed upon basis	83,787,927	153,659,884	83,787,927	116,812,424
Purchase of fixed assets	Agreed upon basis	8,080,002	7,080,768	8,080,002	7,080,768
Commission received	Contract prices	-	23,857,802	-	-
Commission paid	Contract prices	182,082,359	112,646,280	182,082,359	112,646,280
Technical fee	Contract prices	27,143,364	35,858,571	27,143,364	35,858,571

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

Relationship		(Unit : Baht)			
		Consolidated		The Company Only	
		31 March 2002	31 December 2001	31 March 2002	31 December 2001
		(Audited)		(Audited)	
<u>Accounts receivable - related parties</u>					
<u>Subsidiary companies</u>					
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	3,916,723,254	3,518,450,597
DET International Holding Ltd.	Subsidiary Company	-	-	373,612,519	374,281,025
Delta Electronics Components (Thailand) Co., Ltd.	Subsidiary Company	-	-	119,930	696,237
		-	-	4,290,455,703	3,893,427,859
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	252,049,477	278,886,086	252,046,580	278,882,542
Delta Electronics (Japan) Ltd.	Common shareholder	250,735,560	74,810,174	250,735,560	74,571,979
Delta Products Corporation Ltd.	Common shareholder	65,994,126	59,354,275	65,078,698	55,267,704
Delta Electronics International Ltd.	Common shareholder	17,014,107	23,896,488	16,915,385	23,797,215
Delta Video Technology Ltd.	Common shareholder	39,346,089	54,683,539	39,346,089	54,683,538
Delta Electronics (Scotland) Ltd.	Common shareholder	19,139,629	24,897,728	19,139,629	24,897,728
Others		20,149,109	11,474,417	7,219,781	3,983,707
		664,428,097	528,002,707	650,481,722	516,084,413
Total Accounts receivable - related parties		664,428,097	528,002,707	4,940,937,425	4,409,512,272
<u>Long - term loan to related party</u>					
Deltron Trading (Cambodia) Limited	Common shareholder	66,158,152	67,289,944	-	-
Total loan to related party		66,158,152	67,289,944	-	-

(UNAUDITED BUT REVIEWED)

(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		31 March 2002	31 December 2001	31 March 2002	31 December 2001
		(Audited)		(Audited)	
<u>Accounts payable - related parties</u>					
<u>Subsidiary company</u>					
Delta Electronics Components (Thailand) Co., Ltd.	Subsidiary Company	-	-	318,314,758	318,177,702
		-	-	318,314,758	318,177,702
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	8,767,347	16,364,471	8,767,347	16,364,471
Delta Electronics (Japan) Ltd.	Common shareholder	8,090,249	10,525,183	8,090,248	10,525,183
Delta Electronics International Ltd.	Common shareholder	18,777,214	14,164,404	18,777,214	14,164,404
Others		8,413,642	9,672,841	8,362,007	-
		44,048,452	50,726,899	43,996,816	41,054,058
Total Accounts payable - related parties		44,048,452	50,726,899	326,311,574	359,231,760
<u>Amounts due to related parties</u>					
<u>Subsidiary companies</u>					
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	14,104,164	16,559,858
		-	-	14,104,164	16,559,858
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	595,182,406	557,532,944	595,182,406	557,532,944
Delta Products Corporation Ltd.	Common shareholder	35,415,002	24,686,385	35,415,002	24,686,385
Delta Electronics (Japan) Ltd.	Common shareholder	18,535,083	-	18,535,083	-
Delta Electronics Europe Ltd.	Common shareholder	18,289,423	5,367,524	18,289,423	5,367,524
Others		739,925	336,586	255	108,628
		668,161,839	587,923,439	667,422,169	587,695,481
Total Amounts due to related parties		668,161,839	587,923,439	681,526,333	604,255,339

14.2 The Company has entered into agreements with a subsidiary and with related parties whereby the subsidiary and the related parties 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 maximum rate not over than 3 percent of the purchasing price for the raw material purchasing services.

(UNAUDITED BUT REVIEWED)

15. COMMITMENT AND CONTINGENT LIABILITIES

15.1 Financial derivatives

1) Option agreements

A subsidiary of the Company has entered into various sell “call/put option” agreements with overseas financial institutions. The outstanding balances under the agreements as at 31 March 2002 and 31 December 2001 are as follows :-

	Amount (Million USD)		Contractual exchange rate (per 1 USD)	
	<u>31 March 2002</u>	<u>31 December 2001</u>	<u>31 March 2002</u>	<u>31 December 2001</u>
		(Audited)		(Audited)
Sell “call option” agreements	110	158	45.00 - 48.00 Baht	45.00 - 48.50 Baht
Sell “put option” agreements	50	59	43.65 - 46.00 Baht	44.55 - 46.00 Baht

The subsidiary has also entered into various buy “put option” agreements and “call option” agreements. As at 31 March 2002, the subsidiary had outstanding agreements to sell USD 40 million at a rate of Baht 45.00 to Baht 47.45 per 1 USD (31 December 2001 : USD 59 million at Baht 45.00 to Baht 47.45) and had outstanding agreements to buy USD 20 million at a rate of Baht 42.50 to Baht 45.00 per 1 USD (31 December 2001 : Nil).

2) Sell “Special-condition option” agreements

A subsidiary of the Company has entered into various sell “call special-condition option” agreements approximately USD 10 million (31 December 2001 : USD 10 million) and entered into various sell “put special-condition option” agreements approximately USD 87 million (31 December 2001 : USD 5 million). The subsidiary has also entered into various buy “call special-condition option” agreements approximately USD 45 million (31 December 2001 : Nil).

(UNAUDITED BUT REVIEWED)

3) Interest Rate Swap Transaction agreements

A subsidiary of the Company has entered into USD 120 million Interest Rate Swap Transaction agreements with 3 overseas banks. The contract period are 6 months, 9 months, 1 year and 2 years, maturing in September 2002 - August 2004. Every 6 months and 9 months, the subsidiary is required to pay interest at the 6-month, 9-month and 1- year LIBOR to those banks and the banks are required to pay interest at a fixed rate of between 3.73 to 5.50 percent per annum to the subsidiary (31 December 2001 : USD 80 million).

15.2 Commitments

As at 31 March 2002, the Company had capital commitments amounting to Baht 57 million for the purchase of fixed assets (31 December 2001 : Baht 55 million).

15.3 Bank guarantees

As at 31 March 2002, there were outstanding bank guarantees of approximately Baht 31 million and USD 20.5 million (31 December 2001 : Baht 35.0 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.

15.4 Assets/liabilities - foreign currency not hedged against foreign exchange risk

As at 31 March 2002, the Company and its subsidiaries have assets/liabilities denominated in foreign currencies which have not yet been hedged against foreign exchange risk as follows :-

<u>Currency</u>	<u>Assets</u>	<u>Liabilities</u>
USD	430,605,506	77,040,443
JPY	65,692,852	-

(UNAUDITED BUT REVIEWED)

16. CASH FLOWS STATEMENTS

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 commitment.

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

(Unit : Baht)

	Consolidated		The Company Only	
	31 March		31 March	
	2002	2001	2002	2001
Cash and cash equivalents	13,105,661,368	7,277,903,477	11,663,711,847	6,321,358,000
Unrealised loss (gain) on exchange rate	146,485,376	(228,925,480)	146,485,376	(228,925,480)
Cash and cash equivalents in the statements of cash flows	<u>13,252,146,744</u>	<u>7,048,977,997</u>	<u>11,810,197,223</u>	<u>6,092,432,520</u>

17. DIVIDENDS

At the Annual General Meeting of shareholders held on 13 March 2002, it was resolved that the Company pay a dividend of Baht 3.25 per share for the year 2001, a total of Baht 3,861,239,772. The dividend is reflected in this quarter's financial statements.

At the Annual General Meeting of shareholders held on 5 April 2001, its was resolved that the Company pay a dividend of Baht 20 per share for the year 2000, a total of Baht 2,144,992,060. The dividend was reflected in the financial statements for the second quarter of the year 2001.

(UNAUDITED BUT REVIEWED)

18. 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 and the USA. Financial information of the Company and its subsidiaries by geographical segment, for the three-month periods ended 31 March 2002 and 2001 and as at 31 March 2002 and 31 December 2001, is as follow :-

(Unit : Million Baht)

Consolidated for the three-month periods ended 31 March

	Domestic	Foreign	Eliminated	Total	
				2002	2001
Sales - external	4,508	3,155	-	7,663	7,584
Sales - related parties	4,566	-	(3,672)	894	634
	<u>9,074</u>	<u>3,155</u>	<u>(3,672)</u>	<u>8,557</u>	<u>8,218</u>
Gross profit	1,448	12		1,464	1,597
Gain (loss) on exchange rate				(184)	469
Other income				78	250
Share of profit (loss) from investments accounted for under equity method				-	(8)
Selling and administrative expenses				(533)	(568)
Minority interest				3	(59)
Net earnings				<u>828</u>	<u>1,681</u>

(Unit : Million Baht)

Consolidated

	Domestic	Foreign	Eliminated	Total	
				31 March 2002	31 December 2001
Property, plant and equipment - net	3,617	9	-	3,626	3,629
Other assets	23,791	7,011	(7,366)	23,436	21,298
Total assets	<u>27,408</u>	<u>7,020</u>	<u>(7,366)</u>	<u>27,062</u>	<u>24,927</u>

(UNAUDITED BUT REVIEWED)

19. RECLASSIFICATION

Certain amounts in the financial statements for the year ended 31 December 2001 and for the three-month period ended 31 March 2001 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

20. APPROVAL OF INTERIM FINANCIAL STATEMENTS

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