

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2001 AND 2000

Report of Independent Auditor

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

I have audited the accompanying consolidated balance sheets of Delta Electronics (Thailand) Public Company Limited and its subsidiaries as at 31 December 2001 and 2000, the related consolidated statements of earnings, changes in shareholders' equity and cash flows for the years then ended, 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 express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Electronics (Thailand) Public Company Limited and its subsidiaries and of Delta Electronics (Thailand) Public Company Limited as at 31 December 2001 and 2000, and the results of their operations, and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my report, I draw attention to subsequent event matter as mentioned in Note 31 to the financial statements.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok : 1 February 2002

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

BALANCE SHEETS

AS AT 31 DECEMBER 2001 AND 2000

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2001	2000	2001	2000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	11,076,093,164	5,007,433,235	9,824,338,652	4,307,498,390
Current investments	5				
Investments in available-for-sale securities		65,232,699	431,805,084	-	-
Investments in bank deposit		221,348,500	-	-	-
Accounts receivable - trade					
Related parties	26	528,002,707	754,028,653	4,409,512,272	3,590,064,868
Unrelated parties		5,438,824,501	6,503,388,691	3,780,602,474	5,181,342,850
Less : Allowance for doubtful accounts		(59,325,169)	(76,821,388)	(59,325,169)	(76,765,812)
Accounts receivable - trade, net	6	5,907,502,039	7,180,595,956	8,130,789,577	8,694,641,906
Amounts due from related parties	26	-	11,040,020	-	-
Inventories - net	7	2,652,878,948	4,311,383,914	905,054,624	2,725,541,960
Other current assets					
Input tax refundable		81,375,148	89,068,212	42,590,114	53,298,034
Advance payments		54,235,432	102,144,010	15,387,504	77,666,369
Others		38,143,287	20,529,242	24,002,829	20,560,213
TOTAL CURRENT ASSETS		20,096,809,217	17,153,999,673	18,942,163,300	15,879,206,872
NON - CURRENT ASSETS					
Investments accounted for under equity method	8	621,935,811	707,971,957	2,185,343,873	1,761,605,717
Other long-term investments					
Investments in other related parties	9	299,823,578	132,821,616	-	-
Investments in unit trusts	10	120,000,000	120,000,000	120,000,000	120,000,000
Long-term loan to related party	11, 26	67,289,944	-	-	-
Property, plant and equipment - net	12	3,628,869,609	3,270,520,100	3,354,485,506	2,742,409,514
Consolidation goodwill		90,462,270	10,656,787	-	-
Other non-current assets		1,927,808	2,376,018	1,927,808	2,376,018
TOTAL NON-CURRENT ASSETS		4,830,309,020	4,244,346,478	5,661,757,187	4,626,391,249
TOTAL ASSETS		24,927,118,237	21,398,346,151	24,603,920,487	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)

AS AT 31 DECEMBER 2001 AND 2000

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2001	2000	2001	2000
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short-term loans from financial institutions	13	1,160,000,000	685,000,000	1,160,000,000	461,000,000
Accounts payable - trade					
Related parties	26	50,726,899	153,436,622	359,231,760	162,092,783
Unrelated parties		5,941,531,657	5,461,336,758	5,933,785,307	5,268,083,028
Total accounts payable - trade		5,992,258,556	5,614,773,380	6,293,017,067	5,430,175,811
Amounts due to related parties	26	587,923,439	559,651,748	604,255,339	567,579,044
Other current liabilities					
Accrued expenses	14	949,379,316	206,491,893	938,752,439	194,109,647
Advance received		106,417,991	157,260,062	106,417,991	157,260,062
Advance received for share capital from minority interest of a subsidiary		-	67,500,000	-	-
Forward contracts payable	15	9,007,245	-	1,528,000	-
Other accounts payable		120,333,766	147,705,793	120,333,766	147,705,793
Others		53,129,981	34,666,050	31,737,272	8,136,800
TOTAL CURRENT LIABILITIES		8,978,450,294	7,473,048,926	9,256,041,874	6,965,967,157
SHAREHOLDERS' EQUITY					
Share capital	16				
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
(2000 : 120 million ordinary shares of Baht 10 each)					
Issued and fully paid up					
1,188.04 million ordinary shares of Baht 1 each					
(2000 : 105.04 million ordinary shares of Baht 10 each)		1,188,042,920	1,050,387,500	1,188,042,920	1,050,387,500
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 gain (loss) on available-for-sale securities		(20,927,361)	52,546,439	(20,927,361)	52,546,439
Translation adjustments		139,859,753	118,206,134	139,859,753	118,206,134
Retained earnings					
Appropriated					
Statutory reserve	18	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		12,428,990,801	10,706,578,391	12,428,990,801	10,706,578,391
Equity attributable to the Company's shareholders		15,347,878,613	13,539,630,964	15,347,878,613	13,539,630,964
Minority interest - equity attributable to minority shareholders of subsidiaries		600,789,330	385,666,261	-	-
TOTAL SHAREHOLDERS' EQUITY		15,948,667,943	13,925,297,225	15,347,878,613	13,539,630,964
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		24,927,118,237	21,398,346,151	24,603,920,487	20,505,598,121
		0	0	0	0

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

DIRECTORS

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

EARNINGS STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000

(Unit : Baht)

	Note	Consolidated		The Company Only	
		2001	2000	2001	2000
REVENUES					
Sales		30,556,670,863	27,036,569,985	30,305,129,706	28,332,904,137
Other income					
Interest income		337,033,828	248,051,469	294,117,012	243,433,020
Gain on exchange rate	20	289,810,076	1,003,283,359	308,233,536	1,019,080,952
Gain on sales of available-for-sale securities		105,505,413	189,107,658	-	-
Gain on exchange from available-for-sale securities		-	92,537,663	-	-
Others		61,968,096	275,604,176	26,157,006	164,775,638
Share of profit from investments accounted for under equity method		-	-	91,082,421	-
TOTAL REVENUES		31,350,988,276	28,845,154,310	31,024,719,681	29,760,193,747
EXPENSES					
Cost of sales		24,316,837,373	22,733,301,874	24,244,310,371	23,947,831,974
Selling and administrative expenses		3,004,096,218	1,892,067,434	2,879,315,838	1,747,979,059
Directors' remuneration	21	2,318,500	2,096,000	2,318,500	2,096,000
Share of loss from investments accounted for under equity method		14,591,821	49,131,308	-	19,037,479
TOTAL EXPENSES		27,337,843,912	24,676,596,616	27,125,944,709	25,716,944,512
EARNINGS BEFORE INTEREST EXPENSES AND CORPORATE INCOME TAX		4,013,144,364	4,168,557,694	3,898,774,972	4,043,249,235
INTEREST EXPENSES		(36,201,792)	(5,320,519)	(33,825,102)	(958,990)
CORPORATE INCOME TAX	22	(4,497,415)	(3,519,662)	-	(728,113)
EARNINGS AFTER CORPORATE INCOME TAX		3,972,445,157	4,159,717,513	3,864,949,870	4,041,562,132
MINORITY INTEREST IN NET EARNINGS OF SUBSIDIARIES		(107,495,287)	(118,155,381)	-	-
NET EARNINGS FOR THE YEAR		3,864,949,870	4,041,562,132	3,864,949,870	4,041,562,132
EARNINGS PER SHARE					
	23, 24				
Basic earnings per share					
Net earnings		3.28	3.53	3.28	3.53
Weighted average number of ordinary shares (shares)					
		1,179,822,037	1,145,740,546	1,179,822,037	1,145,740,546
Diluted earnings per share					
	24				
Net earnings		3.28	3.44	3.28	3.44
Weighted average number of ordinary shares (shares)					
		1,179,891,723	1,174,110,496	1,179,891,723	1,174,110,496

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000

(Unit : Baht)

CONSOLIDATED

	Issued and paid-up share capital	Premium on share capital	Unrealised gain (loss) on available-for-sale securities	Translation adjustments	Retained earnings		Minority interest-equity attributable to minority shareholders of subsidiaries	Total
					Appropriated	Unappropriated		
					Balance as at 31 December 1999	945,000,000		
Unrealised gain on available-for-sale securities	-	-	51,008,968	-	-	-	-	51,008,968
Translation adjustments	-	-	-	151,622,822	-	-	-	151,622,822
Unrealised items in earnings statement	-	-	51,008,968	151,622,822	-	-	-	202,631,790
Net earnings for the year	-	-	-	-	-	4,041,562,132	-	4,041,562,132
Dividend paid (Note 29)	-	-	-	-	-	(945,000,000)	-	(945,000,000)
Increased share capital	105,387,500	-	-	-	-	-	-	105,387,500
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	157,012,698	157,012,698
Balance as at 31 December 2000	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	-	-	(73,473,800)	-	-	-	-	(73,473,800)
Translation adjustments	-	-	-	21,653,619	-	-	-	21,653,619
Unrealised items in earnings statement	-	-	(73,473,800)	21,653,619	-	-	-	(51,820,181)
Net earnings for the year	-	-	-	-	-	3,864,949,870	-	3,864,949,870
Dividend paid (Note 29)	-	-	-	-	-	(2,142,537,460)	-	(2,142,537,460)
Increased share capital	137,655,420	-	-	-	-	-	-	137,655,420
Minority interest - equity attributable to minority shareholders of subsidiaries	-	-	-	-	-	-	215,123,069	215,123,069
Balance as at 31 December 2001	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

The accompanying notes are an integral part of financial statement

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000

(Unit : Baht)

THE COMPANY ONLY

	Unrealised gain (loss)						Total
	Issued and paid-up share capital	Premium on share capital	on available-for-sale securities	Translation adjustments	Retained earnings		
					Appropriated	Unappropriated	
Balance as at 31 December 1999	945,000,000	1,491,912,500	1,537,471	(33,416,688)	120,000,000	7,610,016,259	10,135,049,542
Unrealised gain on available-for-sale securities	-	-	51,008,968	-	-	-	51,008,968
Translation adjustments	-	-	-	151,622,822	-	-	151,622,822
Unrealised items in earnings statement	-	-	51,008,968	151,622,822	-	-	202,631,790
Net earnings for the year	-	-	-	-	-	4,041,562,132	4,041,562,132
Dividend paid (Note 29)	-	-	-	-	-	(945,000,000)	(945,000,000)
Increased share capital	105,387,500	-	-	-	-	-	105,387,500
Balance as at 31 December 2000	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	-	-	(73,473,800)	-	-	-	(73,473,800)
Translation adjustments	-	-	-	21,653,619	-	-	21,653,619
Unrealised items in earnings statement	-	-	(73,473,800)	21,653,619	-	-	(51,820,181)
Net earnings for the year	-	-	-	-	-	3,864,949,870	3,864,949,870
Dividend paid (Note 29)	-	-	-	-	-	(2,142,537,460)	(2,142,537,460)
Increased share capital	137,655,420	-	-	-	-	-	137,655,420
Balance as at 31 December 2001	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

The accompanying notes are an integral part of financial statement

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Cash flows from (used in) operating activities :-				
Net earnings	3,864,949,870	4,041,562,132	3,864,949,870	4,041,562,132
Adjustments to reconcile net earnings to net cash from (used in) operating activities :-				
Depreciation and amortisation	584,019,540	371,304,875	521,697,412	335,599,452
Amortisation in forward contracts	2,179,167	(3,541,953)	330,132	(3,268,032)
Allowance for doubtful accounts (reversal)	(17,496,219)	16,773,392	(17,440,643)	16,765,812
Provision for obsolete inventories (reversal)	(9,100,000)	72,191,303	(9,100,000)	72,191,303
Provision for diminution in value of investments in other related party	-	760,000	-	760,000
Gain from exchange of available for-sale securities	-	(92,537,663)	-	-
Loss from sale of investments in other related parties	16,262,029	146,910	-	-
Loss from sale of fixed assets	36,179,214	155,471,751	35,883,125	155,308,533
Gain from sale of available-for-sale securities	(105,505,413)	(189,107,658)	-	-
Loss from liquidation in related party	-	-	-	889,049
Share dividend received from other related party	(268,165)	(2,078,536)	-	-
Share of (profit) loss from investments accounted for under equity method	14,591,821	49,131,308	(91,082,421)	19,037,479
Amortisation of goodwill	4,081,550	646,510	-	-
Unrealised gain on exchange rate	(106,630,523)	(619,877,653)	(106,579,078)	(631,742,929)
Minority interest in net earnings of subsidiaries	107,495,287	118,155,381	-	-
Earnings from operating activities before changes in operating assets and liabilities	4,390,758,158	3,919,000,099	4,198,658,397	4,007,102,799
Decrease (increase) in operating assets :-				
Accounts receivable - trade	1,267,036,979	509,276,307	557,739,815	(1,169,519,695)
Amounts due from related parties	11,040,020	(11,040,020)	-	-
Inventories	1,667,604,966	(2,430,177,980)	1,829,587,336	(910,797,622)
Other current assets	25,187,972	(65,703,591)	68,996,724	(59,982,939)
Other non - current assets	448,210	283,186	448,210	283,186
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	497,508,889	1,180,505,414	982,864,969	1,100,957,425
Amounts due to related parties	29,381,391	208,828,519	37,785,995	233,496,992
Other current liabilities	569,542,416	(214,134,410)	573,646,508	(221,097,330)
Net cash flows from operating activities	8,458,509,001	3,096,837,524	8,249,727,954	2,980,442,816

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 YEARS ENDED 31 DECEMBER 2001 AND 2000

(Unit : Baht)

	Consolidated		The Company Only	
	2001	2000	2001	2000
Cash flows from (used in) investing activities :-				
Increase in investments in marketable securities	(17,894,664)	(7,906,398)	-	-
Increase in investments in bank deposit	(221,348,500)	-	-	-
Increase in loan to related party	(67,289,944)	-	-	-
Cash paid for additional investments in related parties	(149,424,328)	(398,663,300)	(384,475,916)	(372,203,023)
Cash paid to minority interest from liquidation in related party	-	(52,763,945)	-	-
Acquisition of fixed assets	(1,297,923,758)	(1,035,957,810)	(1,190,841,316)	(910,745,207)
Proceeds from sales of fixed assets	319,965,157	47,738,778	21,184,787	47,071,330
Proceeds from sale of investments in related parties	17,927,722	13,584,018	-	-
Proceeds from sale of available-for-sale securities	420,225,795	452,496,368	-	-
Proceeds from liquidation of related party	-	-	-	12,389,037
Net cash flows used in investing activities	(995,762,520)	(981,472,289)	(1,554,132,445)	(1,223,487,863)
Cash flows from (used in) financing activities :-				
Increase in loans from financial institutions	475,000,000	104,306,529	699,000,000	58,306,529
Cash received from increased share capital	137,655,420	105,387,500	137,655,420	105,387,500
Advance received for increased share capital of a subsidiary	-	67,500,000	-	-
Dividend paid	(2,142,537,460)	(945,000,000)	(2,142,537,460)	(945,000,000)
Net cash flows used in financing activities	(1,529,882,040)	(667,805,971)	(1,305,882,040)	(781,305,971)
Increase in translation adjustments	8,668,695	12,525,362	-	-
Net increase in cash and cash equivalent	5,941,533,136	1,460,084,626	5,389,713,469	975,648,982
Cash and cash equivalents - beginning of year	5,007,433,235	3,029,262,963	4,307,498,390	2,813,763,762
Cash and cash equivalents - end of year (Note 28)	10,948,966,371	4,489,347,589	9,697,211,859	3,789,412,744
Supplemental cash flows information				
Cash paid during the year for :				
Interest	35,466,124	8,922,179	32,692,129	1,349,943
Corporate income tax	2,916,865	872,771	178,055	872,771

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

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

1. GENERAL INFORMATION

Delta Electronics (Thailand) Public Company Limited was incorporated as a limited company under Thai laws. Its major shareholder is Deltron Holding Co., Ltd., a company existing under United Kingdom laws. The Company registered the change of its status to a public company under the Public Limited Company Act on 23 September 1994. The Company operates in Thailand and its principal activity is manufacture and export of electronic components.

2. BASIS OF CONSOLIDATION

2.1 The consolidated financial statements incorporate the financial statements for the years ended 31 December 2001 and 2000 of Delta Electronics (Thailand) Public Company Limited (hereinafter referred to as “the Company”) and its subsidiaries as follows :-

	Percentage directly and indirectly owned by the Company		Incorporated in	Nature of business	Percentage of total assets included in the consolidated total assets		Percentage of total revenues included in the consolidated total revenues	
	2001	2000			2001	2000	2001	2000
DET International Holding Limited	100	100	Cayman Island	Holding business	10.20	8.07	1.78	1.00
Newton Power Limited (owned by DET Internatinoal Holding Limited)	100	58	Hong Kong	Product and marketing, research and development for electronic components	0.29	0.26	-	0.34
Delcom Electronics Company Limited (owned by DET International Holding Limited)	51	51	Thailand	Manufacturing and sales of electronic components	1.60	1.86	0.11	0.03
DET Logistic (USA) Corporation Limited (owned by DET International Holding Limited)	100	100	United states of America	Sales of electronic components	12.60	13.56	32.35	21.22
Delta Electronics Components (Thailand) Company Limited (owned by DET International Holding Limited)*	10	10	Thailand	Manufacturing and sales of electronic components	0.27	3.17	1.39	1.28

* Please refer to note 8.2

- 2.2 The assets and liabilities and results of operations of the subsidiaries are included in the consolidated financial statements from the date of acquisition to the date of disposition.
- 2.3 Outstanding balances between the Company and the subsidiaries, significant intercompany transactions, investments in subsidiaries in the Company's records and share capital of subsidiaries have been eliminated from the consolidated financial statements.
- 2.4 The excess of cost of investments over the net assets of the subsidiaries on the acquisition date is shown as "Consolidation goodwill" in the consolidated balance sheet and is amortised on the straight-line method over the period of 20 years.
- 2.5 Financial statements of the subsidiaries denominated in foreign currency have been translated into Baht at the exchange rates ruling on the balance sheet date or where appropriate, the average rate. The difference has been shown under the caption of "Translation adjustments" in the shareholders' equity.
- 2.6 On 2 April 2001, a meeting of the Board of Directors of a subsidiary, DET International Holding Limited, approved the increasing in investment of 840,000 shares in Newton Power Limited, resulting in its percentage holding changing from 58% to 100%.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting standards pronounced by the Institute of Certified Accountants and Auditors of Thailand which are effective under the Accounting Act B.E. 2543.

Significant accounting policies adopted by the Company and its subsidiaries are summarised below.

3.1 Sales

Sales are the invoiced value of goods supplied after deducting discounts and allowances, and excluding value added tax.

3.2 Allowance for doubtful accounts

Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in collection of receivables. The allowance is based on collection experience and current status of receivables outstanding at the balance sheet date.

3.3 Inventories

Inventories are valued at the lower of cost (average method) and net realizable value, with cost being the standard cost, which approximates the actual cost incurred.

Cost of work in process and finished goods includes direct material and labour costs and factory overheads.

3.4 Property, plant and equipment/depreciation

Plant and equipment are stated at cost less accumulated depreciation. Depreciation of plant and equipment is calculated by reference to their costs on the straight-line method over the estimated useful lives as follows :-

Building	20, 50	years
Land improvement	10, 20	years
Machinery and equipment	5 - 20	years
Molds and toolings	2, 5	years
Furniture and fixtures	5 , 10 , 20	years
Office equipment	3, 5	years
Vehicle	5	years

No depreciation has been provided for land and construction in progress.

3.5 Investments

Short-term investments in marketable equity securities, which the Company intends to hold as investments available for sales are determined at fair value. Fair value is based on the latest bid price of the last working day quoted by the Stock Exchange or net asset value of the unit trust at the balance sheet date. Losses on the changes in value of investments are shown as a separate item under the shareholders' equity in the balance sheet and is credited or charged against earnings when the investments have been disposed of.

Investments in subsidiaries (in the financial statements of the Company only) and associated companies are accounted for by the equity accounting method. The investments are initially carried at their acquisition cost. The investments are also adjusted to incorporate the Company's proportionate share of the operating results of the subsidiaries and associated companies after acquisition.

Investments in the ordinary and preference shares of other companies and in unit trusts which are non-listed securities are valued at cost. Allowance for impairment of securities may be set up after taking into consideration the net book value or net asset value and other factors.

For investments in ordinary and preference shares in other companies and investments in unit trusts which are non-listed securities, the Company recognises loss on impairment of securities (if any) in the earnings statement.

3.6 Foreign currencies

Foreign currency transactions incurred during the year are translated at the rates ruling on the transaction dates.

Assets and liabilities denominated in foreign currency outstanding on the balance sheet dates are translated at the rates ruling on the balance sheet dates, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Exchange gains and losses are included in determining earnings.

3.7 Financial derivative instruments

The Company and its subsidiary occasionally purchase forward exchange contracts to reduce their exposure from exchange rate fluctuation risk. Premiums or discounts (the difference between the spot exchange rate and the forward exchange rate at inception of the contracts) are deferred and amortised to earnings over the contract lives using the straight-line method while gains or losses resulting from subsequent changes in the spot exchange rates are credited or charged to earnings.

3.8 Earnings per share

Basic earnings per share is calculated by dividing net earnings for the year by the weighted average number of ordinary shares in issue and paid up during the year.

Diluted earnings per share is calculated by dividing net earnings for the year by the total sum of the weighted average number of ordinary shares in issue during the year and the weighted average number of ordinary shares issuable to convert all dilutive potential ordinary shares (warrants) into ordinary shares.

For comparison purposes, basic earnings per share for the year ended 31 December 2000 have therefore been recalculated by dividing net earnings for the year by the weighted average number of ordinary shares in issue during the year multiplied by a factor calculated from the fair value of ordinary shares before and after the exercise of share subscription rights.

In addition, as discussed in note 16, there was share split in 2001, the weighted average number of ordinary share has been reflected by share split as if it had occurred at the beginning of 2000.

4. CASH AND CASH EQUIVALENTS

The majority of “Cash and cash equivalents” consists of cash deposited with various oversea banks in US dollar accounts (most of the balance is in 3 banks ; 2 in the USA and 1 in Singapore). As at 31 December 2001, the Company and its subsidiaries have cash amounting to approximately USD 244 million (2000 : approximately USD 115 million), which bear interest at rates of between 0.50 to 2.33 percent per annum.

5. CURRENT INVESTMENTS

5.1 Investments in available-for-sale securities

	(Unit : Baht)			
	31 December 2001		31 December 2000	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
<u>Available-for-sale securities</u>				
a) Flextronics	-	-	274,498,724	362,246,276
b) Cyntec	10,507,145	14,239,340	-	-
c) Others	75,930,301	51,270,745	75,930,301	40,729,188
Total	86,437,446	65,510,085	350,429,025	402,975,464
Add : Unrealised gain (loss) on available-for-sale securities	(20,927,361)		52,546,439	
Less : Translation adjustments	(277,386)		28,829,620	
Net available-for-sale securities	65,232,699		431,805,084	

5.2 Investment in bank deposit

This amount is a bond - linked structured deposit of a subsidiary with an overseas bank for which the convertible bond of an overseas related party has been placed as reference obligation, and the principal redemption conditions depend on the performance of that overseas company. This deposit matures in February 2002 and bears interest at a rate equal to LIBOR 6 months + 1% per year.

6. ACCOUNTS RECEIVABLE - TRADE

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

	(Unit : Baht)			
	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
<u>Accounts receivable - Related parties</u>				
Current	508,829,076	725,828,403	4,349,439,484	3,560,466,148
Past due 1 - 3 months	7,749,734	26,579,226	49,872,491	27,752,160
Past due 3 - 6 months	6,852,298	1,621,024	5,633,328	1,846,560
Past due 6 - 12 months	4,571,599	-	4,566,969	-
Total	<u>528,002,707</u>	<u>754,028,653</u>	<u>4,409,512,272</u>	<u>3,590,064,868</u>
<u>Accounts receivable – Unrelated parties</u>				
Current	4,675,130,644	5,360,300,126	3,111,488,960	4,196,918,454
Past due 1 - 3 months	659,556,972	1,048,831,524	566,777,384	891,391,871
Past due 3 - 6 months	15,733,535	75,699,704	16,828,132	74,475,188
Past due over 12 months	88,403,350	18,557,337	85,507,998	18,557,337
Total	<u>5,438,824,501</u>	<u>6,503,388,691</u>	<u>3,780,602,474</u>	<u>5,181,342,850</u>
Total Accounts receivable - Trade	5,966,827,208	7,257,417,344	8,190,114,746	8,771,407,718
Less : Allowance for doubtful accounts	(59,325,169)	(76,821,388)	(59,325,169)	(76,765,812)
Accounts receivable - net	<u><u>5,907,502,039</u></u>	<u><u>7,180,595,956</u></u>	<u><u>8,130,789,577</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 situation.

7. INVENTORIES

(Unit : Baht)

	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Finished goods	1,881,303,734	2,209,495,834	135,059,580	691,162,146
Work in process	150,790,151	213,134,179	150,790,151	206,022,033
Raw materials	600,746,121	1,719,272,684	599,165,951	1,658,876,564
Raw materials in transit	108,324,534	266,866,809	108,324,534	266,866,809
Total	<u>2,741,164,540</u>	<u>4,408,769,506</u>	<u>993,340,216</u>	<u>2,822,927,552</u>
Less : Allowance for obsolete inventories	<u>(88,285,592)</u>	<u>(97,385,592)</u>	<u>(88,285,592)</u>	<u>(97,385,592)</u>
Inventories - net	<u><u>2,652,878,948</u></u>	<u><u>4,311,383,914</u></u>	<u><u>905,054,624</u></u>	<u><u>2,725,541,960</u></u>

The Company's management believes that allowance for obsolete inventories set aside is adequate in the present situation.

8. INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

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

	Issued and		Percentage owned		Balances as at 31 December			
	paid up capital		by the Company		Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	USD	USD	%	%	Baht	Baht	Baht	Baht
<u>Subsidiary company</u>								
DET International Holding Company Limited								
- Cost	53,852,576	45,275,093	100	100	-	-	2,133,050,147	1,748,574,231
- Share of loss (accumulated to 31 December)							(66,638,666)	(157,721,087)
Total investments in subsidiary company							<u>2,066,411,481</u>	<u>1,590,853,144</u>
<u>Associated companies</u>								
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 December)					(85,919,424)	(99,813,578)		
					162,091,776	148,197,622		
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 December)					(22,386,106)	(34,473,743)		
					371,997,364	359,909,727		
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 December)					(8,198,953)	(9,766,264)		

10,637,447

9,070,136

	Issued and		Percentage owned		Balances as at 31 December			
	paid up capital		by the Company		Consolidated		The Company Only	
	2001	2000	2001	2000	2001	2000	2001	2000
	USD	USD	%	%	Baht	Baht	Baht	Baht
Ezonics Corporation Company Limited								
- Cost	-	6,970,400	-	25	-	125,169,000	-	-
- Share of loss (accumulated to 31 December)					-	(3,745,697)		
					-	121,423,303		
Deltron Trading (Cambodia) Limited								
- Cost	8,000	-	47	-	168,523	-	-	-
- Share of loss (accumulated to 31 December)					(168,523)	-		
Unrealised gain (loss) on investments in marketable securities of subsidiary company								
					-	-	(20,927,361)	52,546,439
Translation adjustment								
					77,209,224	69,371,169	139,859,753	118,206,134
Total investments in associated companies								
					621,935,811	707,971,957		
Total investments accounted for under equity method								
					621,935,811	707,971,957	2,185,343,873	1,761,605,717

- 8.1 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.
- 8.2 Delta Electronics Components (Thailand) Company Limited has been under the Company's control since 1 October 2000 and the Company included the assets and liabilities and results of operations of this company in the consolidated financial statements for the year ended 31 December 2000. During the current year, such subsidiary ceased its operations and transferred its business, including its employees and BOI privileges, to the Company.
- 8.3 During the year, the Company sold part of its investment in an associated company, Ezonics Corporation Company Limited, causing the Company's percentage holding in that company to change from 25% to 16%. As a result, the classification of the investment in that company has changed from "Investment in associated company" to "Investment in other related party".

9. INVESTMENTS IN OTHER RELATED PARTIES

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

(Unit : Baht)

	The Company's interest in equity capital		Balance as at 31 December			
	2001 %	2000 %	Consolidated		The Company Only	
			2001	2000	2001	2000
Dafa Components Company Limited	-	19	-	760,000	-	760,000
Less : Provision for diminution of investment			-	(760,000)	-	(760,000)
Net investment			-	-	-	-
Cyntec Company Limited (owned by DET International Holding Limited)	0.83	0.83	26,215,676	30,192,681	-	-
IP Fund One, L.P.(owned by DET International Holding Limited)	3.80	3.80	202,252,900	90,048,450	-	-
Ezonics Corporation Company Limited (owned by DET International Holding Limited)	16.49	-	50,582,003	-	-	-
Translation adjustments			20,772,999	12,580,485	-	-
Total investments in other related parties			299,823,578	132,821,616	-	-

According to financial statements as at 31 December 2001 of the investee, the net asset value attributable to the holding of the Company is approximately Baht 56 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.

During the year, Dafa Components Company Limited has been passed a resolution to dissolve and deregistered with the Ministry of Commerce on 19 April 2001.

10. INVESTMENTS IN UNIT TRUSTS

The outstanding balance represents investment in 12,000,000 units of Baht 10 each of the Preferred Shares-Subordinated Debentures of Bank of Ayudhya Public Company Limited Fund which are non-listed securities.

11 . LONG-TERM LOAN TO RELATED PARTY

A subsidiary of the Company has provided a loan of USD 1.52 million to a related party at an interest rate of LIBOR plus 0.5 percent per annum. Full repayment of the loan is due by 19 February 2004. At present, the related party has ceased its operations, however, The management of the Company believes that the loan will be repaid in full.

12. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

CONSOLIDATED								
As at 31 December 2001								
	Land	Building	Machinery and equipment	Mold	Installation	Construction in progress	Others	Total
Cost :								
1 January 2001	312,646,818	796,504,679	1,929,787,811	479,261,197	473,206,482	13,057,544	440,109,296	4,444,573,827
Purchase/transfer in	-	1,642,352	1,212,727,282	288,590,675	22,718,384	397,722,563	47,177,479	1,970,578,735
Disposal/write-off/transfer out	-	-	(846,822,951)	(141,688,788)	(8,483,067)	(25,571,018)	(84,489,954)	(1,107,055,778)
31 December 2001	312,646,818	798,147,031	2,295,692,142	626,163,084	487,441,799	385,209,089	402,796,821	5,308,096,784
Accumulated depreciation :								
1 January 2001	-	88,845,402	681,750,168	164,272,734	116,911,122	-	122,274,301	1,174,053,727
Depreciation for the year	-	19,061,224	287,169,300	192,907,977	35,588,119	-	49,292,920	584,019,540
Depreciation – disposal/write-off	-	-	(30,518,389)	(30,681,336)	(2,060,998)	-	(14,995,279)	(78,256,002)
31 December 2001	-	107,906,626	938,401,079	326,499,375	150,438,243	-	156,571,942	1,679,817,265
Translation adjustments	-	-	243,838	-	-	-	346,252	590,090
Net book value :								
As 31 December 2001	312,646,818	690,240,405	1,357,534,901	299,663,709	337,003,556	385,209,089	246,571,131	3,628,869,609
As 31 December 2000	312,646,818	707,659,277	1,248,037,643	314,988,463	356,295,360	13,057,544	317,834,995	3,270,520,100
Depreciation charge (included in earnings statement) :								
Year 2001								584,019,540
Year 2000								371,304,875

Depreciation for the year amounting to Baht 517,945,248 (2000 : Baht 314,534,605) has been charged to cost of production and the remaining part of Baht 66,074,292 (2000 : Baht 56,770,270) has been charged to selling and administrative expenses.

(Unit : Baht)

THE COMPANY ONLY								
As at 31 December 2001								
	Land	Machinery			Construction		Total	
		Building	and equipment	Mold	Installation	in progress		Others
Cost :								
1 January 2001	312,646,818	665,646,343	1,775,863,121	381,365,676	467,755,777	-	229,224,361	3,832,502,096
Purchase/transfer in	-	1,642,352	1,158,507,817	258,797,388	19,686,022	386,522,971	39,080,434	1,864,236,984
Disposal/write-off/transfer out	-	-	(683,325,481)	(13,999,980)	-	(1,313,882)	(49,312,511)	(747,951,854)
31 December 2001	312,646,818	667,288,695	2,251,045,457	626,163,084	487,441,799	385,209,089	218,992,284	4,948,787,226
Accumulated depreciation :								
1 January 2001	-	86,228,235	640,488,432	158,214,976	115,829,482	-	89,331,457	1,090,092,582
Depreciation for the year	-	16,444,057	269,993,274	172,650,073	34,608,761	-	28,001,247	521,697,412
Depreciation - disposal/write-off	-	-	(9,379,956)	(4,365,674)	-	-	(3,742,644)	(17,488,274)
31 December 2001	-	102,672,292	901,101,750	326,499,375	150,438,243	-	113,590,060	1,594,301,720
Net book value :								
As 31 December 2001	312,646,818	564,616,403	1,349,943,707	299,663,709	337,003,556	385,209,089	105,402,224	3,354,485,506
As 31 December 2000	312,646,818	579,418,108	1,135,374,689	223,150,700	351,926,295	-	139,892,904	2,742,409,514
Depreciation charge (included in earnings statement) :								
Year 2001								521,697,412
Year 2000								335,599,452

Depreciation for the year amounting to Baht 481,997,474 (2000 : Baht 306,854,037) has been charged to cost of production and the remaining part of Baht 39,699,938 (2000 : Baht 28,745,415) has been charged to selling and administrative expenses.

13. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

Loans from banks consist of loans from various branches of overseas banks in Thailand, mainly payable at call, and carrying interest rates of 3.0-3.5 percent per annum. These loans are denominated in Thai Baht.

14. ACCRUED EXPENSES

The balance mainly represented expenses amounting to approximately 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.

15. RECEIVABLES/PAYABLE - FORWARD CONTRACTS

The Company and its subsidiary have entered into forward exchange contracts to purchase USD 14.5 million and have entered into forward exchange contracts to sell USD 14.5 million (2000 : forward exchange contracts to purchase USD 8 million and forward exchange contracts to sell approximately 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 "Receivables/Payable - forward contracts".

16. 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 was paid between 14 and 18 May 2001. Any remaining shares was provided to Deltron Holding Co.,Ltd.

On 10 October 2001, the extraordinary general meeting of the Company's shareholders approved the reduction of the par value of the Company's ordinary shares from Baht 10 per share to Baht 1 per share, resulting in an increase in the number of ordinary shares comprising the registered share capital from 120,000,000 shares to 1,200,000,000 shares. The Company registered the change in the par value of its shares with the Ministry of Commerce on 25 October 2001.

The increase in issued and paid-up share capital to Baht 1,188,042,920 is the result of the exercise of warrants and increase in share capital to purchase shares in an amount of Baht 137,655,420 upto 31 December 2001. The Company already registered this capital increase with the Ministry of Commerce.

17. WARRANTS

During the second quarter of 2000, the Company issued 4,032,000 warrants 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.

As a result of the Annual General Meeting of shareholders on 5 April 2001, which approved a resolution to pay a dividend and to increase the Company's issued share capital allocated to current shareholders, and the change in the par value of the Company's ordinary shares from Baht 10 to Baht 1, as discussed in Note 16, the Company has adjusted the exercise ratio and exercise price of the warrants such that 1 warrant can be exercised to purchase 11.4284 ordinary shares at a price of Baht 1 per share, effective from 1 November 2001 onward.

During the year, 2,936,882 warrants have been exercised to purchase 3,040,582 new ordinary shares, leaving 6,368 warrants unexercised as at 31 December 2001.

18. STATUTORY RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital.

19. EMPLOYEES AND RELATED COSTS

	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Number of employees at the end of year (persons)	11,480	8,623	11,404	7,811
Employee costs (Million Baht)	1,465	1,341	1,312	1,208

20. GAIN ON EXCHANGE RATE

(Unit : Baht)

	For the year ended 31 December			
	Consolidated		The Company Only	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Realised gain on exchange rate	183,179,553	383,405,706	201,654,458	387,338,023
Unrealised gain on exchange rate	106,630,523	619,877,653	106,579,078	631,742,929
Gain on exchange rate	<u>289,810,076</u>	<u>1,003,283,359</u>	<u>308,233,536</u>	<u>1,019,080,952</u>

21. DIRECTORS' REMUNERATION

Directors' remuneration represents the benefits paid to the Company directors in accordance with Section 90 of the Public Limited Companies Act exclusive of salaries and related benefits payable to executive directors.

22. CORPORATE INCOME TAX

Corporate income tax for the year was calculated at the rate of 30 percent of pre-tax earnings from the non-tax-exempted activities, after adding back expenses which are disallowable for tax computation purposes. No corporate income tax of the Company is payable for the current year since there is a tax loss for the non-tax-exempted activities.

23. EARNINGS PER SHARE

Rights to purchase ordinary shares have been exercised and there has been a change in the par value of the Company's ordinary shares, as discussed in Note 16. For the purpose of comparison, the earnings per share of the previous year have therefore been recalculated to reflect the effect of these factors.

24. RECONCILIATION OF DILUTED EARNINGS PER SHARE

(Unit : Baht)

	For the year ended 31 December					
	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>
Basic earnings per share						
Net earnings	3,864,949,870	4,041,562,132	1,179,822,037	1,145,740,546	3.28	3.53
Effect of dilutive potential						
Ordinary shares						
Warrants 6,368 unit and 2,943,250 units	-	-	69,686	28,369,950	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>3,864,949,870</u>	<u>4,041,562,132</u>	<u>1,179,891,723</u>	<u>1,174,110,496</u>	<u>3.28</u>	<u>3.44</u>

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

25. PROMOTIONAL PRIVILEGES

The Company and its subsidiary were granted the following tax privileges for certain specified category of products under the Investment Promotion Act B.E. 2520 by the Board of Investment :-

- 25.1 Exemption of corporate income tax on profit for the periods of 3 to 8 years commencing as from the date of earning operating income.
- 25.2 Dividends derived from a promoted activity granted an exemption of juristic person income tax shall be exempted from computation of taxable income throughout the period the promoted person receives the exemption of juristic person income tax.
- 25.3 Exemption of import duties on the raw and essential materials imported during the promotional period for use specifically in producing for export.
- 25.4 Exemption of import duties on items which the promoted person imports for re-export during the promotional period.
- 25.5 Exemption of import duties on machinery and equipment as approved by the Board.
- 25.6 An allowance of five percent of the increment in export income over the preceding year is deductible from taxable income for a period of ten years commencing as from the date of earning operating income.

The Company and its subsidiaries' operating revenues are divided according to promoted and non-promoted activities, as shown below :-

	Promoted		Non-promoted		Total	
	2001	2000	2001	2000	2001	2000
(Unit : Baht)						
<u>CONSOLIDATED</u>						
Sales	19,948,701,434	20,919,653,119	10,607,969,429	6,116,916,866	30,556,670,863	27,036,569,985
<u>THE COMPANY ONLY</u>						
Sales	30,272,221,906	28,332,904,137	32,907,800	-	30,305,129,706	28,332,904,137

26. RELATED PARTY TRANSACTIONS

26.1 During the year, 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 :-

		Consolidated		The Company Only	
		<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
(Unit : Baht)					
<u>Pricing policies</u>					
Transactions with subsidiary companies					
(eliminated from the consolidated financial statements)					
Sales of goods	Cost plus certain margin	-	-	10,703,325,435	7,774,340,735
Purchase of raw material	Cost plus certain margin	-	-	203,949,688	68,113,178
Purchase of fixed assets	Net book value	-	-	294,709,895	-
Commission paid	Contract prices	-	-	168,942,793	77,398,091
Transactions with related parties					
Sales of goods	With reference to market prices	2,613,409,467	1,664,641,488	2,385,710,928	1,664,641,488
Sales of raw materials	With reference to market prices	77,544,856	39,328,503	74,029,604	33,805,014
Purchase of raw materials	Agreed upon basis	406,665,805	446,747,407	320,135,975	446,747,407
Purchase of fixed assets	Agreed upon basis	35,674,457	57,096,594	35,674,457	57,096,594
Commission received	Contract prices	-	97,256,455	-	-
Commission paid	Contract prices	824,699,088	406,944,750	824,699,088	406,944,750
Technical fee	Contract prices	144,619,639	153,381,842	144,619,639	153,381,842

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

		Consolidated		The Company Only	
		<u>31 December 2001</u>	<u>31 December 2000</u>	<u>31 December 2001</u>	<u>31 December 2000</u>
(Unit : Baht)					
<u>Relationship</u>					
Accounts receivable - related parties					
<u>Subsidiary companies</u>					
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	3,518,450,597	3,110,827,567
DET International Holding Ltd.	Subsidiary Company	-	-	374,281,025	-
Delta Electronics Components (Thailand) Co., Ltd.	Subsidiary Company	-	-	696,237	-
Delcom Electronics Ltd.	Subsidiary Company	-	-	-	4,252,711
		-	-	3,893,427,859	3,115,080,278

(Unit : Baht)

	Relationship	Consolidated		The Company Only	
		31 December 2001	31 December 2000	31 December 2001	31 December 2000
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	278,886,086	161,444,401	278,882,542	157,984,199
Delta Electronics (Japan) Ltd.	Common shareholder	74,810,174	112,461,102	74,571,979	112,461,102
Delta Products Corporation Ltd.	Common shareholder	59,354,275	349,880,211	55,267,704	78,266,288
Delta Electronics International Ltd.	Common shareholder	23,896,488	38,922,055	23,797,215	38,922,055
Delta Video Technology Ltd.	Common shareholder	54,683,539	16,426,143	54,683,538	16,426,143
Delta Electronics (Scotland) Ltd.	Common shareholder	24,897,728	46,032,167	24,897,728	46,032,167
Others		11,474,417	28,862,574	3,983,707	24,892,636
		528,002,707	754,028,653	516,084,413	474,984,590
Total Accounts receivable - related parties		528,002,707	754,028,653	4,409,512,272	3,590,064,868
<u>Amounts due from related parties</u>					
Delta Electronics International Ltd.	Common shareholder	-	8,663,411	-	-
Delta Electronics Power (Dongguan) Co., Ltd.	Common shareholder	-	2,053,479	-	-
Others		-	323,130	-	-
Total Amounts due from related parties		-	11,040,020	-	-
<u>Long - term loan to related party</u>					
Deltron Trading (Cambodia) Limited	Common shareholder	67,289,944	-	-	-
Total loan to related party		67,289,944	-	-	-
<u>Accounts payable - related parties</u>					
<u>Subsidiary company</u>					
Delta Electronics Components (Thailand) Co., Ltd.	Subsidiary Company	-	-	318,177,702	69,663,360
		-	-	318,177,702	69,663,360
<u>Other related parties</u>					
Delta Electronics Inc.	Shareholder	16,364,471	48,755,003	16,364,471	42,655,519
Delta Electronics (Japan) Ltd.	Common shareholder	10,525,183	57,249,658	10,525,183	3,678,002
Delta Electronics International Ltd.	Common shareholder	14,164,404	19,748,361	14,164,404	19,588,317
Others		9,672,841	27,683,600	-	26,507,585
		50,726,899	153,436,622	41,054,058	92,429,423
Total Accounts payable – related parties		50,726,899	153,436,622	359,231,760	162,092,783
<u>Amounts due to related parties</u>					
<u>Subsidiary companies</u>					
Newton Power Limited	Subsidiary Company	-	-	-	13,729,346
DET Logistics (USA) Corporation Ltd.	Subsidiary Company	-	-	16,559,858	-
		-	-	16,559,858	13,729,346

(Unit : Baht)

Relationship	Consolidated		The Company Only		
	31 December 2001	31 December 2000	31 December 2001	31 December 2000	
	<u>Other related parties</u>				
Delta Electronics Inc.	Shareholder	557,532,944	354,883,029	557,532,944	354,883,029
Delta Products Corporation Ltd.	Common shareholder	24,686,385	162,421,584	24,686,385	162,421,584
Delta Electronics International Ltd.	Common shareholder	30,095	9,990,356	30,095	9,990,356
Delta Electronics Europe Ltd.	Common shareholder	5,367,524	4,687,856	5,367,524	4,687,856
Others		306,491	27,668,923	78,533	21,866,873
		<u>587,923,439</u>	<u>559,651,748</u>	<u>587,695,481</u>	<u>553,849,698</u>
Total Amounts due to related parties		<u>587,923,439</u>	<u>559,651,748</u>	<u>604,255,339</u>	<u>567,579,044</u>

26.2 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.

27. COMMITMENT AND CONTINGENT LIABILITIES

27.1 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 December 2001 and 2000 are as follows :-

	Amount		Contractual exchange rate	
	(Million USD)		(per 1 USD)	
	31 December 2001	31 December 2000	31 December 2001	31 December 2000
Sell “call option” agreements	158	78	45.00 – 48.50 Baht	42.00 - 47.00 Baht
	-	6	-	108.80 - 109.50 Yen
Sell “put option” agreements	59	-	44.55 – 46.00 Baht	-
	-	6	-	103.00 - 103.40 Yen

The subsidiary has also entered into various buy “put option” agreements. As at 31 December 2001, the subsidiary had outstanding agreements to buy USD 59 million at a rate of Baht 45.0 – 47.45 per 1 USD (2000 : USD 36 million at Baht 42.00 to Baht 44.39 per 1 USD).

2) Special-condition option agreements

A subsidiary of the Company has entered into various sell “call special-condition option” agreements approximately 10 million (2000 : Nil) and entered into various sell “put special – condition option” agreements approximately USD 5 million (2000 : Nil).

3) Interest Rate Swap Transaction agreements

A subsidiary of the Company has entered into USD 80 million Interest Rate Swap Transaction agreements with 2 overseas banks. The contract period is 1 year, maturing in November 2002. Every 6 months, the subsidiary is required to pay interest at the 6-month LIBOR and the banks are required to pay interest at a fixed rate of between 2.99 to 3.52 percent per annum.

27.2 Commitments

As at 31 December 2001, the Company had capital commitments amounting to Baht 55 million for the purchase of fixed assets and the construction of plant (2000 : Baht 364.3 million).

27.3 Bank guarantees

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

28. 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 :-

	Consolidated		The Company Only	
	2001	2000	2001	2000
Cash and cash equivalents	11,076,093,164	5,007,433,235	9,824,338,652	4,307,498,390
Unrealised gain on exchange rate	(127,126,793)	(518,085,646)	(127,126,793)	(518,085,646)
Cash and cash equivalents in the statements of cash flows	<u>10,948,966,371</u>	<u>4,489,347,589</u>	<u>9,697,211,859</u>	<u>3,789,412,744</u>

(Unit : Baht)

29. DIVIDENDS

At the Annual General Meeting of shareholders held on 5 April 2000, it was resolved that the Company pays a dividend for the year 2000 of Baht 20 per share, a total of Baht 2,144,992,060. The dividends have been recorded in the second quarter of the current year (for the year 1999 : Baht 10 per share, a total of Baht 945 million).

30. 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, as of 31 December 2001 and 2000 and for the years then ended, is as follows :-

(Unit : Million Baht)

	Consolidated for the year ended 31 December				
	Domestic	Foreign	Eliminated	Total	
				<u>2001</u>	<u>2000</u>
Sales – external	17,812	10,132	-	27,944	25,372
Sales - related parties	13,520	-	(10,907)	2,613	1,665
	<u>31,332</u>	<u>10,132</u>	<u>(10,907)</u>	<u>30,557</u>	<u>27,037</u>
Gross profit	6,188	55	-	6,240	4,303
Gain on exchange rate				290	1,003
Other income				504	805
Share of losses from investments accounted for under equity method				(15)	(49)
Selling and administrative expenses				(3,006)	(1,894)
Interest expense				(36)	(5)
Corporate income tax				(4)	(3)
Minority interest				(108)	(118)
Net earnings				<u>3,865</u>	<u>4,042</u>

(Unit : Million Baht)

	Consolidated				
	Domestic	Foreign	Eliminated	Total	
				<u>2001</u>	<u>2000</u>
Property, plant and equipment – net	3,617	12	-	3,629	3,271
Other assets	21,649	6,509	(6,860)	21,298	18,127
Total assets	<u>25,266</u>	<u>6,521</u>	<u>(6,860)</u>	<u>24,927</u>	<u>21,398</u>

31. SUBSEQUENT EVENT

On 1 February 2002, a part of the Company's factory ceiling collapsed and the Company was ordered by the relevant authorities to temporarily cease production in order to seek the reason for the incident. The Company and the relevant authorities are now in the process of seeking such reason. However, management believe that no significant losses will be incurred as a result of the incident.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management and policies

The Company and its subsidiaries are exposed to risks from changes in market interest rates and in currency exchange rates and from nonperformance of contractual obligations by counter parties. The Company and its subsidiaries use derivative instruments, as and when it considers appropriate, to manage such risks.

32.2 Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of operations of the Company and its subsidiaries and their cash flows. The Company's and its subsidiaries' exposure to interest rate risk related primarily to their deposits at banks, short-term investments and loans from financial institutions. The majority of these financial assets and liabilities carry interest rates which vary in line with market rates. However, one subsidiary of the Company has entered into interest rate swap agreements to hedge such interest rate risk, as discussed in note 27.1.

32.3 Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risks relates primarily to its receivable, payable which are denominated in foreign currencies. The Company and the subsidiary primarily utilise forward exchange contracts and currency options with maturities of less than one year to hedge such financial assets and liabilities. In addition to those transactional exposures, the Company and the subsidiary are also exposed to the effect of foreign exchange movements on their investments in foreign subsidiary and associated companies, which currently are not hedged by any derivative financial instruments.

Forward exchange contracts which remained outstanding on 31 December 2001 are summarised below :-

Contract to buy foreign currencies :

Foreign currency	Amount	Exchange rates (Baht/USD)	Maturity
USD	14,531,140	44.095 – 44.930	25.1.02 – 22.3.02

Contract to sell foreign currencies :

Foreign currency	Amount	Exchange rates (Baht/USD)	Maturity
USD	14,514,775	44.299 – 45.200	25.1.02 – 22.3.02

In addition, the subsidiary has entered into various sell/buy “put/call option” agreements and has also entered into various sell “call / put special – condition option” agreements as presented in note 27.1 to the financial statements.

Below is a summary of the Company’s unhedged foreign currency denominated assets/liabilities as at 31 December 2001. The majority of these liabilities are repayable within one year.

Foreign currency	Assets	Liabilities
US dollar	389,158,538	81,740,685
Japanese Yen	127,505,024	285,746,390

32.4 Credit risk

It is the Company’s and its subsidiaries’ policy to enter into financial instruments with creditworthy counterparties. Therefore the Company and its subsidiaries do not expect any material losses which may arise from the counterparties’ failure to perform their obligations under the financial instruments. The Company’s and its subsidiaries’ revenues are generated in the technology industry, which is characterised by short product life cycles and rapid advances in manufacturing technologies. The maximum exposure to credit risk is the carrying amount of the financial assets less provision for losses as stated in the balance sheets.

With respect to off-balance sheet derivative financial instruments, it is the Company’s and its subsidiaries’ policy to enter into financial instruments with creditworthy counterparties. Therefore, the Company and its subsidiaries do not expect any material losses to arise from the counterparties’ failure to perform their obligations under the financial instruments.

32.5 Fair value

Since the majority of financial assets are short-term and that the loans carry interest at rates close to current market rates, the management believes that fair value of their financial assets and liabilities does not materially differ from their carrying value.

33. PRESENTATION

The presentation of the financial statements has been made in compliance with the stipulations of the notification of the Commercial Registration Department dated 14 September 2001 as empowered under the Accounting Act B.E. 2543.

Certain amounts in the financial statements for the year ended 31 December 2000 have been reclassified to conform to the current year's classifications, with no effect on previously report net earnings or shareholders' equity.

34. APPROVAL OF FINANCIAL STATEMENTS

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