

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED  
AND ITS SUBSIDIARIES  
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2000 AND 1999

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 and the balance sheets of Delta Electronics (Thailand) Public Company Limited as at 31 December 2000 and 1999, and the related statements of earnings, retained earnings, changes in shareholders' equity and cash flows for the years then ended. 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 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 2000 and 1999, the results of their operations, changes in shareholders' equity and cash flows for the years then ended in accordance with generally accepted accounting principles.

Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok : 2 February 2001

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
BALANCE SHEETS  
AS AT 31 DECEMBER 2000 AND 1999

(Unit : Baht)

Note	Consolidated		The Company Only	
	2000	1999	2000	1999
ASSETS				

CURRENT ASSETS

Cash in hand and at banks

5,007,433,235 3,027,600,964 4,307,498,390 2,813,763,762

Investments in marketable securities - available for sale

4 431,805,084 69,217,555 - -

Accounts receivable - trade

Related companies 22 754,028,653 463,416,621 3,590,064,868 463,416,621

Others 6,503,388,691 6,849,477,304 5,181,342,850 6,848,693,021

Less : Allowance for doubtful accounts

(76,821,388) (60,047,996) (76,765,812) (60,000,000)

Accounts receivable - trade, net

5 7,180,595,956 7,252,845,929 8,694,641,906 7,252,109,642

Amounts due from related companies

22 19,681,606 - 8,641,586 -

Inventories - net 6 4,311,383,914 1,887,079,366 2,725,541,960 1,886,935,641

Other current assets

Receivables - forward contracts

7 259,200 129,165,243 259,200 129,165,243

Input tax refundable 89,068,212 74,217,957 53,298,034 45,694,629

Advance payments 77,666,369 19,710,689 77,666,369 19,710,689

Others 36,106,097 45,900,401 11,659,427 24,849,474

TOTAL CURRENT ASSETS 17,153,999,673 12,505,738,104 15,879,206,872 12,172,229,080

INVESTMENTS

Unit Trusts 8 120,000,000 120,000,000 120,000,000 120,000,000

Related companies 9 707,971,957 543,439,654 1,761,605,717 1,219,086,469

Other companies 10 132,821,616 270,924,150 - 760,000

PROPERTY, PLANT AND EQUIPMENT - net

11 3,270,520,100 2,662,814,812 2,742,409,514 2,369,643,622

CONSOLIDATION GOODWILL 10,656,787 11,248,835 - -

OTHER ASSETS

Deposits 2,376,018 2,659,204 2,376,018 2,659,204

TOTAL ASSETS 21,398,346,151 16,116,824,759 20,505,598,121 15,884,378,375

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 2000 AND 1999

(Unit : Baht)

	Consolidated		The Company Only	
Note	2000	1999	2000	1999

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Loans from financial institutions					
	12	685,000,000	397,653,855	461,000,000	397,653,855
Accounts payable - trade					
Related companies	22	153,436,622	207,352,761	162,092,783	207,352,761
Others		5,609,042,551	4,235,460,635	5,415,788,821	4,234,664,022
		5,762,479,173	4,442,813,396	5,577,881,604	4,442,016,783
Amounts due to related companies					
	22	559,651,748	314,776,713	567,579,044	333,205,945
Other current liabilities					
Accrued expenses		206,491,893	340,175,055	194,109,647	317,848,257
Advance received		157,260,062	170,161,747	157,260,062	170,161,747
Advance received for share capital from minority					
interest of a subsidiary		67,450,721	-	-	-
Others		34,715,329	87,540,888	8,136,800	88,442,246
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,473,048,926</b>	<b>5,753,121,654</b>	<b>6,965,967,157</b>	<b>5,749,328,833</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital	13				
Registered					
120 million ordinary shares of Baht 10 each					
		1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000
Issued and fully paid up					
105,038,750 ordinary shares of Baht 10 each					
(1999 : 94.5 million ordinary shares of Baht 10 each)					
		1,050,387,500	945,000,000	1,050,387,500	945,000,000
Capital premium					
Share premium		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
Unrealized gain on investments in marketable securities					
		52,546,439	1,537,471	52,546,439	1,537,471
Retained earnings					
Appropriated					
Statutory reserve	14	120,000,000	120,000,000	120,000,000	120,000,000
Unappropriated		10,706,578,391	7,610,016,259	10,706,578,391	7,610,016,259
Translation adjustments		118,206,134	(33,416,688)	118,206,134	(33,416,688)
Equity attributable to the Company's shareholders					
		13,539,630,964	10,135,049,542	13,539,630,964	10,135,049,542
Minority interest - equity attributable to					
minority shareholders of subsidiaries					
		385,666,261	228,653,563	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>13,925,297,225</b>	<b>10,363,703,105</b>	<b>13,539,630,964</b>	<b>10,135,049,542</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
		<b>21,398,346,151</b>	<b>16,116,824,759</b>	<b>20,505,598,121</b>	<b>15,884,378,375</b>

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
EARNINGS STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Unit : Baht)

	Consolidated		The Company Only		
	Note	2000	1999	2000	1999
<b>REVENUES</b>					
Sales		27,036,569,985	23,274,037,043	28,332,904,137	23,273,958,174
Other income					
Interest income		248,051,469	117,919,285	243,433,020	107,404,829
Gain on exchange rate	16	1,003,283,359	326,612,321	1,019,080,952	324,905,440
Gain on sales of marketable securities					
		189,142,300	-	-	-
Gain on exchange from investments in marketable securities					
		92,537,663	-	-	-
Others		275,569,534	168,969,926	164,775,638	167,870,398
<b>TOTAL REVENUES</b>		<b>28,845,154,310</b>	<b>23,887,538,575</b>	<b>29,760,193,747</b>	<b>23,874,138,841</b>
<b>EXPENSES</b>					
Cost of sales		22,733,301,874	19,500,759,971	23,947,831,974	19,500,350,646
Selling and administrative expenses					
		1,893,987,434	1,478,568,895	1,749,899,059	1,466,397,457
Directors' remuneration	17	176,000	1,504,000	176,000	1,504,000
Share of loss of subsidiary and associated companies					
		49,131,308	134,765,661	19,037,479	126,678,002
Interest expenses		5,320,519	13,576,059	958,990	13,538,139
<b>TOTAL EXPENSES</b>		<b>24,681,917,135</b>	<b>21,129,174,586</b>	<b>25,717,903,502</b>	<b>21,108,468,244</b>
<b>EARNINGS BEFORE MINORITY INTEREST AND INCOME TAX</b>					
		4,163,237,175	2,758,363,989	4,042,290,245	2,765,670,597
<b>CORPORATE INCOME TAX</b>	18	<b>(3,519,662)</b>	<b>(2,449,105)</b>	<b>(728,113)</b>	<b>(2,449,105)</b>
<b>EARNINGS BEFORE MINORITY INTEREST</b>					
		4,159,717,513	2,755,914,884	4,041,562,132	2,763,221,492
<b>MINORITY INTEREST</b>		<b>(118,155,381)</b>	<b>7,306,608</b>	<b>-</b>	<b>-</b>
<b>NET EARNINGS FOR THE YEAR</b>		<b>4,041,562,132</b>	<b>2,763,221,492</b>	<b>4,041,562,132</b>	<b>2,763,221,492</b>
<b>EARNINGS PER SHARE</b>					
<b>Basic earnings per share</b>					
Net earnings		38.70	29.58	38.70	29.58
Weighted average number of ordinary shares (shares)					
		104,443,077	93,402,863	104,443,077	93,402,863
<b>Diluted earnings pershare 19</b>					
Net earnings		37.67	29.58	37.67	29.58
Weighted average number of ordinary shares (shares)					
		107,280,072	93,402,863	107,280,072	93,402,863

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF RETAINED EARNINGS

FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Unit : Baht)

	Consolidated		The Company Only		
	Note	2000	1999	2000	1999
RETAINED EARNINGS - UNAPPROPRIATED					
BALANCE - beginning of year		7,610,016,259	5,371,794,767	7,610,016,259	5,371,794,767
TRANSFERRED TO STATUTORY RESERVE			-	(30,000,000)	-
DIVIDEND PAID	25	(945,000,000)	(495,000,000)	(945,000,000)	(495,000,000)
NET EARNINGS FOR THE YEAR		4,041,562,132	2,763,221,492	4,041,562,132	2,763,221,492
TOTAL RETAINED EARNINGS - UNAPPROPRIATED		10,706,578,391	7,610,016,259	10,706,578,391	7,610,016,259
RETAINED EARNINGS - APPROPRIATED					
STATUTORY RESERVE		120,000,000	120,000,000	120,000,000	120,000,000
TOTAL RETAINED EARNINGS - APPROPRIATED		120,000,000	120,000,000	120,000,000	120,000,000
TOTAL RETAINED EARNINGS		10,826,578,391	7,730,016,259	10,826,578,391	7,730,016,259

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 2000 AND 1999

(Unit : Baht)

	Consolidated		The Company Only		
		2000	1999	2000	1999
SHARE CAPITAL					
ORDINARY SHARES					
BALANCE - beginning of year		945,000,000	900,000,000	945,000,000	900,000,000
INCREASE DURING THE YEAR		105,387,500	45,000,000	105,387,500	45,000,000
BALANCE - end of year		1,050,387,500	945,000,000	1,050,387,500	945,000,000
CAPITAL PREMIUM					
SHARE PREMIUM					
BALANCE - beginning of year		1,491,912,500	816,912,500	1,491,912,500	816,912,500
INCREASE DURING THE YEAR		-	675,000,000	-	675,000,000
BALANCE - end of year		1,491,912,500	1,491,912,500	1,491,912,500	1,491,912,500
RETAINED EARNINGS					
APPROPRIATED					
STATUTORY RESERVE					
BALANCE - beginning of year		120,000,000	90,000,000	120,000,000	90,000,000

INCREASE DURING THE YEAR	-	30,000,000	-	30,000,000
BALANCE - end of year	120,000,000	120,000,000	120,000,000	120,000,000
UNAPPROPRIATED				
BALANCE - beginning of year	7,610,016,259	5,371,794,767	7,610,016,259	5,371,794,767
INCREASE DURING THE YEAR	4,041,562,132	2,763,221,492	4,041,562,132	2,763,221,492
DECREASE DURING THE YEAR	(945,000,000)	(525,000,000)	(945,000,000)	(525,000,000)
BALANCE - end of year	10,706,578,391	7,610,016,259	10,706,578,391	7,610,016,259
UNREALISED GAIN ON INVESTMENTS IN				
MARKETABLE SECURITIES				
BALANCE - beginning of year	1,537,471	-	1,537,471	-
INCREASE DURING THE YEAR	51,008,968	1,537,471	51,008,968	1,537,471
BALANCE - end of year	52,546,439	1,537,471	52,546,439	1,537,471
TRANSLATION ADJUSTMENTS				
BALANCE - beginning of year	(33,416,688)	(49,081,008)	(33,416,688)	(49,081,008)
INCREASE DURING THE YEAR	151,622,822	15,664,320	151,622,822	15,664,320
BALANCE - end of year	118,206,134	(33,416,688)	118,206,134	(33,416,688)
MINORITY INTEREST				
BALANCE - beginning of year	228,653,563	257,590,787	-	-
INCREASE DURING THE YEAR	157,012,698	-	-	-
DECREASE DURING THE YEAR	-	(28,937,224)	-	-
BALANCE - end of year	385,666,261	228,653,563	-	-
TOTAL SHAREHOLDERS' EQUITY	13,925,297,225	10,363,703,105	13,539,630,964	10,135,049,542

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

DELTA ELECTRONICS (THAILAND) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED 31 DECEMBER 2000 AND 1999

(Unit : Baht)

	Consolidated		The Company Only	
	2000	1999	2000	1999
Cash flows from (used in) operating activities :-				
Net earnings	4,041,562,132	2,763,221,492	4,041,562,132	2,763,221,492
Adjustments to reconcile net earnings to net cash from (used in)				
operating activities :-				
Depreciation and amortisation	371,304,875	240,225,515	335,599,452	225,699,500
Amortisation in forward contracts	(3,541,953)	-	(3,268,032)	-
Allowance for doubtful accounts	16,773,392	-	16,765,812	-
Provision for obsolete inventories	72,191,303	-	72,191,303	-
Provision for diminution in value of investments in related companies				
	760,000	-	760,000	-
Exchange gain from investments	(92,537,663)	-	-	-
Loss from disposal of investments	146,910	-	-	-

(Gain) loss from disposal of fixed assets	155,471,751	(174,842)	155,308,533	(174,842)
(Gain) loss from disposal of investments in marketable securities	(189,107,658)	-	889,049	-
Share dividend received from other companies	(2,078,536)	-	-	-
Shares of loss of subsidiary and associated companies	49,131,308	134,765,661	19,037,479	126,678,002
Amortisation of goodwill	646,510	609,289	-	-
Unrealised gain on exchange rate(716,833,695)	(753,301,448)	(728,698,972)	(753,301,448)	
Change in minority interest from liquidation in related company	(52,763,945)	-	-	-
Loss in respect of minority interest	127,561,919	(7,306,608)	-	-
Earnings from operating activities before changes in operating assets and liabilities	3,778,686,650	2,378,039,059	3,910,146,756	2,362,122,704
Decrease (increase) in operating assets :-				
Accounts receivable - trade	660,115,725	(2,120,557,563)	(1,018,394,452)	(2,119,821,276)
Amounts due from related companies (19,681,606)		-	(8,641,586)	-
Inventories	(2,430,177,980)	(264,318,275)	(910,797,622)	(264,174,550)
Input tax refundable	(11,323,722)	(2,377,007)	(7,603,405)	26,146,321
Other current assets	(42,196,330)	47,851,147	(40,469,916)	52,522,668
Deposits	283,186	(220,404)	283,186	(220,404)
Increase (decrease) in operating liabilities :-				
Accounts payable - trade	1,158,158,542	2,192,287,650	1,078,738,225	2,258,287,420
Amount due to related companies	208,828,519	1,626,802	233,496,992	20,056,034
Accrued expenses	(170,725,245)	(7,396,273)	(154,788,993)	(29,723,071)
Advance received	(21,153,324)	(54,516,650)	(21,153,324)	(54,516,650)
Other current liabilities	(57,306,826)	7,832,725	(80,373,045)	15,192,669
Net cash flows from operating activities	3,053,507,589	2,178,251,211	2,980,442,816	2,265,871,865

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 2000 AND 1999

	(Unit : Baht)			
	Consolidated	The Company Only	2000	1999
Cash flows from (used in) investing activities :-				
Increase in investments in marketable securities	(7,906,398)	(67,680,084)	-	-

Decrease in investment in bill of exchange	-	197,586,144	-	150,000,000
Increase in investments in subsidiary and associated companies	(308,614,850)	(426,242,549)	(372,203,023)	(472,883,963)
Increase in investments in other companies	(90,048,450)	(2,491,587)	-	-
Increase in unit trusts	-	(120,000,000)	-	(120,000,000)
Acquisition of fixed assets	(1,035,957,810)	(891,908,187)	(910,745,207)	(734,999,969)
Proceeds from sales of fixed assets	47,738,778	38,522,671	47,071,330	38,522,671
Proceeds from disposal of investments in related companies	13,584,018	-	-	-
Proceeds from disposal of investments in marketable securities	452,496,368	-	-	-
Proceeds from liquidation of related company -	-	-	12,389,037	-
Net cash flows used in investing activities	(928,708,344)	(1,272,213,592)	(1,223,487,863)	(1,139,361,261)
Cash flows from (used in) financing activities :-				
Increase (decrease) in loans from financial institutions	104,306,529	122,369,652	58,306,529	122,369,652
Cash received from increased share capital	105,387,500	720,000,000	105,387,500	720,000,000
Advance received for share capital of a subsidiary	67,450,721	-	-	-
Dividend paid	(945,000,000)	(495,000,000)	(945,000,000)	(495,000,000)
Net cash flows from (used in) financing activities	(667,855,250)	347,369,652	(781,305,971)	347,369,652
Increase (decrease) in translation adjustments	3,140,631	(19,501,276)	-	-
Net increase in cash and cash equivalent	1,460,084,626	1,233,905,995	975,648,982	1,473,880,256
Cash and cash equivalent - beginning of year	3,029,262,963	1,601,221,321	2,813,763,762	1,147,409,858
Cash and cash equivalent - end of year (Note 24)	4,489,347,589	2,835,127,316	3,789,412,744	2,621,290,114
Supplemental cash flows information				
Cash paid during the year for :				
Interest	8,922,179	10,758,290	1,349,943	10,720,370
Corporate income tax	909,347	3,040,253	909,347	3,040,253

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 parent company is Deltron Holding Co., Ltd. a company existing under United Kingdom laws. The Company registered the change of the status of the Company to be a public company under the Public Limited Company Act on 23rd August, 1994. The Company operates in Thailand and its principal activity is manufacturing of electronic components.

2.BASIS OF CONSOLIDATION

2.1 The consolidated financial statements incorporate the financial statements for the years ended 31 December 2000 and 1999 of Delta Electronics (Thailand) Public Company Limited (hereinafter referred to as "the Company") and its subsidiary companies 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	
	2000	1999		2000	1999	2000	1999
Delta Videocom Company Limited (Being under the Company's control)	-	19	Thailand Manufacturing of CD Rom Drive	-	0.38	-	0.01
DET International Holding Limited	100	100	Cayman Island Holding Company	8.07	7.52	1.00	0.05
Newton Power Limited (owned by DET Internatinoal Holding Limited)	58	58	Hong Kong Product and marketing, research and development for electronic components	0.26	0.38	0.34	0.69
Delcom Electronics Company Limited (owned by DET International Holding Limited)	51	51	Thailand Manufacturing of electronic components	1.86	2.45	0.03	0.01
DET Logistic (USA) Corporation Limited (owned by DET International Holding Limited)	100	-	United states of America Sales of electronic components	3.17	-	1.28	-
Delta Electronics Components (Thailand) Company Limited (owned by							

DET International Holding Limited)\*

10	- Thailand	Manufacturing of	13.56	-	21.22	-
		electronic components				

\* Please refer to note 9.2

2.2 The assets and liabilities and results of operations of the subsidiary companies 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 subsidiary companies, significant intercompany transactions, investments in subsidiary companies in the Company's records and share capital of subsidiary companies have been eliminated from the consolidated financial statements.

2.4 The excess of cost of investments over the net assets of the subsidiary companies 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 subsidiary companies 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 adjustment" in the shareholders' equity.

2.6 As at 7 September 1999, the Extraordinary Shareholder meeting of a subsidiary company, Delta Videocom Company Limited, has resolved to deregister itself as from 7 September 1999. The dissolution was registered with the Ministry of Commerce on 9 September 1999 and liquidation has been completed in January 2000.

### 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 and with the Accounting Act B.E. 2543. Such standards are based on and similar to those issued by the International Accounting Standards Committee (IASC).

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) or net realisable value. Cost is determined on the basis of weighted-average for work in process and finished goods. Raw materials or other supplies are determined on the basis of cost (average method).

The cost of finished goods and work in process included direct materials, direct labor and appropriate proportion of manufacturing 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	5 - 20 years
Machinery and equipment	5 - 10 years
Molds and toolings	2 - 5 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 10 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 subsidiary companies (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 subsidiary companies 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 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. For contracts that are designated and effective as hedges against identifiable foreign currency assets and liabilities, discounts or premiums (the difference between the spot exchange rate and the forward exchange rate at

inception of the contracts) are deferred and amortized 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. For contracts which are designated as hedges against foreign currency commitments, discounts/premium and subsequent unrealised gains or losses resulting from the changes in the spot rates are deferred and will form a part of the underlying transactions in the future.

### 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 1999 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.

## 4. INVESTMENTS IN MARKETABLE SECURITIES - AVAILABLE FOR SALE

(Unit : Baht)

	31 December 2000		31 December 1999	
	Cost/ Book value	Fair value	Cost/ Book value	Fair value
Available-for-sale securities				
a) Flextronics	274,498,724	362,246,276	-	-
b) Others	75,930,301	40,729,188	68,023,903	69,561,374
Total	350,429,025	402,975,464	68,023,903	69,561,374
Add : Unrealised gain on securities	52,546,439		1,537,471	
Less : Translation adjustments	28,829,620		(343,819)	
Net marketable securities	431,805,084		69,217,555	

The investment in Flextronics International Limited during the second quarter arose from a subsidiary's swapping of its investments in the shares of 3 related companies, Palo Alto Manufacturing (Thailand) Limited, Palo Alto Plastics (Thailand) Limited and Palo Alto Products International Pte. Ltd. for the shares of Flextronics International Limited, which are listed on a foreign stock market. The subsidiary classified the swapped securities as investments in available-for-sale securities.

## 5. ACCOUNTS RECEIVABLE - TRADE

The aging of outstanding balances as at 31 December 2000 and 1999 are as follows :-

(Unit : Baht)

Consolidated	The Company Only
--------------	------------------

	2000	1999	2000	1999
Accounts receivable - Related companies				
Current	725,828,403	337,818,828	3,560,466,148	337,818,828
Past due 1 - 3 months	26,579,226	124,253,939	27,752,160	124,253,939
Past due 3 - 6 months	1,621,024	936,013	1,846,560	936,013
Past due 6 - 12 months	-	407,841	-	407,841
Total	754,028,653	463,416,621	3,590,064,868	463,416,621
Accounts receivable - Others				
Current	5,360,300,126	4,921,352,331	4,196,918,454	4,920,632,663
Past due 1 - 3 months	1,048,831,524	1,739,512,038	891,391,871	1,739,495,419
Past due 3 - 6 months	75,699,704	146,634,278	74,475,188	146,586,282
Past due 6 - 12 months	-	39,701,838	-	39,701,838
Past due over 12 months	18,557,337	2,276,819	18,557,337	2,276,819
Total Accounts receivable - Others	6,503,388,691	6,849,477,304	5,181,342,850	6,848,693,021
Total Accounts receivable - Trade	7,257,417,344	7,312,893,925	8,771,407,718	7,312,109,642
Less : Allowance for doubtful accounts	(76,821,388)	(60,047,996)	(76,765,812)	(60,000,000)
Accounts receivable - net	7,180,595,956	7,252,845,929	8,694,641,906	7,252,109,642

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

## 6. INVENTORIES

(Unit : Baht)

	Consolidated		The Company Only	
	2000	1999	2000	1999
Finished goods	2,209,495,834	104,430,650	691,162,146	104,286,925
Work in process	213,134,179	172,831,340	206,022,033	172,831,340
Raw materials	1,719,272,684	1,478,379,524	1,658,876,564	1,478,379,524
Goods in transit	266,866,809	156,632,141	266,866,809	156,632,141
Total	4,408,769,506	1,912,273,655	2,822,927,552	1,912,129,930
Less : Allowance for obsolete inventories	(97,385,592)	(25,194,289)	(97,385,592)	(25,194,289)
Inventories - net	4,311,383,914	1,887,079,366	2,725,541,960	1,886,935,641

## 7. RECEIVABLES - FORWARD CONTRACTS

The Company and its subsidiary have entered into forward exchange contracts to purchase USD 8 million and have entered into forward exchange contracts to sell USD 8 million (1999 : forward exchange contracts to purchase USD 50 million and forward exchange contracts to sell approximately USD 85.5 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".

## 8. INVESTMENTS IN UNIT TRUSTS



31 December)		(9,766,264)	(4,414,609)			
		9,070,136	14,421,791			
Palo Alto Manufacturing (Thailand) Limited*						
- Cost Baht	- 320,000,000	- 20	- 63,679,223	-	-	-
- Share of loss (accumulated to 31 December)			- (7,566,191)			
			- 56,113,032			
Palo Alto Plastics (Thailand) Limited*						
- Cost Baht	- 450,000,000	- 27	- 122,785,545	-	-	-
- Share of loss (accumulated to 31 December)			- (6,124,405)			
			- 116,661,140			
Ezonics Corporation Company Limited						
- Cost USD	6,970,400	- 25	- 125,169,000	-	-	-
- Share of loss (accumulated to 31 December)			(3,745,697)	-		
			121,423,303	-		
Share of unrealised gain on investments in marketable securities of a subsidiary companies						
			-	-	52,546,439	1,537,471
Translation adjustment		69,371,169	4,543,239	118,206,134	(33,416,688)	
Total investments in associated companies		707,971,957	543,439,654			
Total investments in related companies		707,971,957	543,439,654	1,761,605,717	1,219,086,469	

\*The Company swapped the shares for the shares of Flextronics International Limited  
- see in note 4 to the financial statements.

9.1 An extraordinary general meeting of the shareholders of a subsidiary, Delta Videocom Company Limited, passed a resolution to dissolve that company on 7 September 1999. The Company's investment funds were returned in January 2000.

9.2 On 19 October 1999, the Company's board of directors passed a resolution approving the establishment of DET Logistic (USA) Corporation Limited. The company was established in January 2000 with registered capital of USD 1 million, and 100% of its shares held by DET International Holding Limited, a wholly-owned subsidiary of the Company. Delta Electronics Components (Thailand) Company Limited has been under the Company's control since 1 October 2000. The Company has already included the assets and liabilities and results of operations of this company in the consolidated financial statements for the year ended 31 December 2000.

Therefore the subsidiaries held through DET International Holding Limited are Newton Power Limited, Delcom Electronics Company Limited and DET Logistic (USA) Corporation Limited. All associated companies are also held through DET International Holding Limited.

9.3 During the second quarter, a subsidiary, DET International Holding Limited sold part of its investment in an associated company, Huada Holding Company Limited, resulting in its percentage holding changing from 49% to 45%.

9.4 During the current period, a meeting of the Board of Directors approved the investment of USD 3 million by a subsidiary, DET International Holding Limited, in the preference shares of Ezonics Corporation Company Limited, giving it a 25 percent holding. The preference shares carry voting rights and entitle the holders to a non-cumulative preference dividend whenever the dividends are declared by the investee company.

#### 10. INVESTMENTS IN OTHER COMPANIES

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

	The Company's interest		Balance as at 31 December			
	in equity capital		Consolidated		The Company Only	
	2000	1999	2000	1999	2000	1999
	%	%				
Dafa Components Company Limited	19	19	760,000	760,000	760,000	760,000
Less : Provision for diminution of investment			(760,000)	- (760,000)	-	-
Net investment			-	760,000	-	760,000
Cyntec Company Limited (owned by DET International Holding Limited)	0.83	0.83	30,192,681	28,114,145	-	-
Palo Alto Products International Pte. Ltd. (owned by DET International Holding Limited)	-	5	-	234,026,455	-	-
Delta Electronics Components (Thailand) Company Limited (owned by DET International Holding Limited)	-	10	-	2,491,387	-	-
IP Fund One, L.P.(owned by DET International Holding Limited)	3.8	-	90,048,450	-	-	-
Translation adjustment			12,580,485	5,532,163	-	-
Total investments in other companies			132,821,616	270,924,150	-	760,000

\*The Company swapped the shares for the shares of Flextronics International Limited - see in note 4 to the financial statements.

On 9 May 2000, a meeting of the Board of Directors approved a subsidiary's investment in IP Fund One, L.P. IP Fund One, L.P. invests in internet technology and service companies owning significant intellectual property (IP) which are located in the North American or the Asia Pacific regions. As at 30 September 2000, the subsidiary's investment in that company was USD 2.25



million, giving it a 3.8 percent holding.

#### 11.PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

CONSOLIDATED

As at 31 December 2000

	Construction								
	Land	Building	Machinery	Mold	Equipment	Installation in progress	Others	Total	
Cost:									
1 January 2000	316,940,417	670,674,365	901,730,430	258,688,913	438,532,178	474,822,097	286,624,678	186,447,203	3,534,460,281
Purchase/transfer in	2,006,401	152,245,860	451,920,147	154,147,268	207,994,403	266,730,209	32,128,614	213,482,784	1,480,655,686
Disposal/write-off/transfer out	(6,300,000)	(17,307,246)	(58,302,950)	(31,470,505)	(16,005,503)	(7,437,694)	(305,695,748)	(136,475,286)	(578,994,932)
31 December 2000	312,646,818	805,612,979	1,295,347,627	381,365,676	630,521,078	734,114,612	13,057,544	263,454,701	4,436,121,035
Accumulated depreciation:									
1 January 2000	-	71,069,593	355,012,688	91,251,883	167,494,460	86,030,615	-	100,786,230	871,645,469
Depreciation for the year	-	20,948,725	98,717,387	76,672,089	99,665,970	44,167,273	-	31,113,431	371,304,875
Depreciation - disposal/transfer	-	(1,240,086)	(36,726,505)	(9,708,997)	(5,568,051)	3,472,108	-	(25,973,845)	(75,745,376)
31 December 2000	-	90,778,232	417,003,570	158,214,975	261,592,379	133,669,996	-	105,945,816	1,167,204,968
Translation adjustment	-	-	-	764,883	-	-	839,150	1,604,033	
Net book value:									
As 31 December 2000	312,646,818	714,834,747	878,344,057	223,150,701	369,693,582	600,444,616	13,057,544	158,348,035	3,270,520,100
As 31 December 1999	316,940,417	599,604,772	546,717,742	167,437,030	271,037,718	388,791,482	286,624,678	85,660,973	2,662,814,812
Depreciation charge (included in earnings statement):									
Year 2000	-	20,948,725	98,717,387	76,672,089	99,665,970	44,167,273	-	31,133,431	371,304,875
Year 1999	-	14,973,655	70,422,811	41,085,108	67,543,793	22,770,551	-	23,429,597	240,225,515

Depreciation for the year amounting to Baht 314,534,605 (1999 : Baht 210,118,763) has been

charged to cost of production and the remaining part of Baht 56,770,270 (1999 : Baht 30,106,752) has been charged to selling and administrative expenses.

(Unit : Baht)

THE COMPANY ONLY

As at 31 December 2000

	Construction							Total	
	Land	Building	Machinery	Mold	Equipment	Installation in progress	Others		
Cost :									
1 January 2000	316,940,417	670,674,365	901,730,430	258,688,913	412,683,009	474,775,638	4,828,839	154,701,787	3,195,023,398
Purchase/transfer in	2,006,401	12,418,184	339,528,687	154,147,268	196,101,992	417,834	14,366,532	191,758,309	910,745,208
Disposal/write-off/transfer out	(6,300,000)	(17,307,246)	(58,302,950)	(31,470,505)	(15,903,691)	(7,437,694)	(19,195,371)	(117,248,151)	(273,165,608)
31 December 2000	312,646,818	665,785,303	1,182,956,167	381,365,676	592,881,310	467,755,778	-	229,211,945	3,832,602,997
Accumulated depreciation :									
1 January 2000	-	71,069,593	355,012,688	91,251,883	146,723,444	86,030,615	-	75,291,553	825,379,776
Depreciation for the year	-	16,537,690	96,198,224	76,672,089	91,805,556	31,961,540	-	22,424,353	335,599,452
Depreciation - disposal	-	(1,240,086)	(43,793,912)	(9,708,997)	(5,483,209)	(2,162,674)	-	(8,396,867)	(70,785,745)
31 December 2000	-	86,367,197	407,417,000	158,214,975	233,045,791	115,829,481	-	89,319,039	1,090,193,484
Net book value :									
As at 31 December 2000	312,646,818	579,418,106	775,539,167	223,150,701	359,835,519	351,926,297	-	139,892,906	2,742,409,514
As at 31 December 1999	316,940,417	599,604,772	546,717,742	167,437,030	265,959,565	388,745,023	4,828,839	79,410,234	2,369,643,622
Depreciation charge (included in earnings statement) :									
Year 2000	-	16,537,690	96,198,224	76,672,089	91,805,556	31,961,540	-	22,424,353	335,599,452
Year 1999	-	14,973,655	70,422,811	41,085,108	61,693,787	22,770,551	-	14,753,588	225,699,500

Depreciation for the year amounting to Baht 306,854,037 (1999 : Baht 210,118,763) has been charged to cost of production and the remaining part of Baht 28,745,415 (1999 : Baht 15,580,737) has been charged to selling and administrative expenses.

## 12.LOANS FROM FINANCIAL INSTITUTIONS

The balance as at 31 December 1999 represents Japanese Yen loan bearing interest rates ranging from 0.83 percent to 1.5 percent per annum.

## 13.SHARE CAPITAL

On 5 April 2000, the Annual General Meeting of shareholders resolved to :-

1.Increase the Company's issued share capital to Baht 1,039,500,000 (103,950,000 ordinary shares of Baht 10 each). The 9,450,000 newly-issued shares were allocated to current shareholders in a ratio of 10 old shares for 1 new share at the price of Baht 10 per share. The shares have already been paid up, with the 73,946 shares originally unsubscribed allocated to Deltron Holding Co., Ltd. The share capital increase was registered with the Ministry of Commerce on 15 June 2000.

The increase in issued and paid-up share capital was resulted of the exercise to purchase shares in an amount of Baht 10,887,500 of warrants as at 31 December 2000, increasing issued and paid-up share capital to Baht 1,050,387,500. The Company registered this capital increase with the Ministry of Commerce on 13 October 2000.

2.Issue 4,032,000 warrants, for offer to the directors who are the employees of the Company and/or its other employees, and allocate 4,032,000 new shares to support the exercise of the warrants. The warrant holders have the right to purchase ordinary shares at a ratio of one warrant per one ordinary share, at an exercise price of Baht 10 each. The warrants are a one time 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.

During the year, 1,088,750 warrants have been exercised to purchase 1,088,750 new ordinary shares, leaving 2,943,250 warrants unexercised as at 31 December 2000.

## 14.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.

## 15.EMPLOYEES AND RELATED COSTS

Consolidated    The Company Only

2000   1999    2000   1999

Number of employees at the end of year (persons) 8,623 8,979    7,811 8,917

Employee costs (Million Baht)                    1,341 1,116    1,208 1,035

## 16.GAIN ON EXCHANGE RATE

(Unit : Baht)

For the year ended 31 December

Consolidated

The Company Only

2000            1999            2000            1999

Realised gain (loss) on exchange rate    286,449,664    (426,689,127)    290,381,980    (428,396,008)

Unrealised gain on exchange rate	716,833,695	753,301,448	728,698,972	753,301,448
Gain on exchange rate	1,003,283,359	326,612,321	1,019,080,952	324,905,440

#### 17.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.

#### 18.CORPORATE INCOME TAX

Corporate income tax for the year was calculated at the rate of 30 percent on the earnings before tax of the non-tax-exempted activities after adding back expenses which are disallowable for tax computation purpose.

#### 19.RECONCILIATION OF DILUTED EARNINGS PER SHARE

For the year ended 31 December

	Net earnings		Weighted average number of ordinary shares		Earnings per share	
	2000	1999	2000	1999	2000	1999
	Baht	Baht	Shares	Shares	Baht	Baht
Basic earnings per share						
Net earnings	4,041,562,132	2,763,221,492	104,443,077	93,402,863	38.70	29.58
Effect of dilutive potential						
Ordinary shares						
Warrants 2,943,250 units	-	-	2,836,995	-	-	-
Diluted earnings per share						
Net earnings of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,041,562,132	2,763,221,492	107,280,072	93,402,863	37.67	29.58

#### 20.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 :-

20.1 Exemption of corporate income tax on profit for the periods of 3 to 8 years commencing as from the date of earning operating income.

20.2 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.

20.3 Exemption of import duties on the raw and essential materials imported during the promotional period for use specifically in producing for export.

20.4 Exemption of import duties on items which the promoted person imports for re-export during the promotional period.

20.5 Exemption of import duties on machinery and equipment as approved by the Board.

20.6 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 Board of Investment has approved 3 years extension of the privileges of the Company that were expired.

## 21. RESULTS OF OPERATIONS FROM BOI

(Unit : Baht)

### CONSOLIDATED

For the year ended 31st December

	BOI		NON-BOI		Total	
	2000	1999	2000	1999	2000	1999
<b>REVENUES</b>						
Domestic sales	939,865,369	496,075,944	-	-	939,865,369	496,075,944
Export sales	19,979,787,750	22,777,882,230	6,116,916,866	78,869	26,096,704,616	22,777,961,099
Other income						
Interest income	242,977,359	102,693,415	5,074,110	15,225,870	248,051,469	117,919,285
Gain on exchange rate						
	1,026,193,195	324,905,440	-	1,706,881	1,026,193,195	326,612,321
Gain on sales in marketable securities						
	-	-	189,142,300	-	189,142,300	-
Gain on exchange from investments in marketable securities						
	-	-	92,537,662	-	92,537,662	-
Others	163,286,639	165,919,647	112,282,897	3,050,279	275,569,536	168,969,926
<b>TOTAL REVENUES</b>	<b>22,352,110,312</b>	<b>23,867,476,676</b>	<b>6,515,953,835</b>	<b>20,061,899</b>	<b>28,868,064,147</b>	<b>23,887,538,575</b>
<b>EXPENSES</b>						
Cost of sales	16,650,163,426	19,499,159,340	6,083,138,448	1,600,631	22,733,301,874	19,500,759,971
Selling and administrative expenses						
	1,675,850,170	1,466,397,457	217,490,754	11,562,149	1,893,340,924	1,477,959,606
Directors' remuneration						
	176,000	1,504,000	-	-	176,000	1,504,000
Loss on exchange rate	-	-	22,909,836	-	22,909,836	-
Interest expenses	2,865,542	13,538,139	2,454,978	37,920	5,320,520	13,576,059
Share of loss for investments in subsidiary and associated companies						
	19,037,479	-	30,093,829	134,765,661	49,131,308	134,765,661
Amortisation of goodwill	-	-	646,510	609,289	646,510	609,289
<b>TOTAL EXPENSES</b>	<b>18,348,092,617</b>	<b>20,980,598,936</b>	<b>6,536,734,355</b>	<b>148,575,650</b>	<b>24,704,826,972</b>	<b>21,129,174,586</b>
<b>EARNINGS BEFORE MINORITY</b>						
<b>INTEREST AND INCOME TAX</b>						

	4,004,017,695	2,886,877,740	159,219,480	(128,513,751)	4,163,237,175	2,758,363,989
INCOME TAX	-	-	(3,519,662)	(2,449,105)	(3,519,662)	(2,449,105)
EARNINGS BEFORE MINORITY INTEREST						
INTEREST	4,004,017,695	2,886,877,740	155,699,818	(130,962,856)	4,159,717,513	2,755,914,884
MINORITY INTEREST	(119,836,168)	-	1,680,787	7,306,608	(118,155,381)	7,306,608
NET EARNINGS FOR THE YEAR	3,884,181,527	2,886,877,740	157,380,605	(123,656,248)	4,041,562,132	2,763,221,492

(Unit : Baht)

THE COMPANY ONLY

For the year ended 31st December

	BOI		NON-BOI		Total	
	2000	1999	2000	1999	2000	1999
REVENUES						
Domestic sales	864,854,029	496,075,944	-	-	864,854,029	496,075,944
Export sales	27,468,050,108	22,777,882,230	-	-	27,468,050,108	22,777,882,230
Other income						
Interest income	242,822,097	102,693,415	610,923	4,711,414	243,433,020	107,404,829
Gain on exchange rate	1,019,080,952	324,905,440	-	-	1,019,080,952	324,905,440
Others	162,900,672	165,919,647	1,874,966	1,950,751	164,775,638	167,870,398
TOTAL REVENUES	29,757,707,858	23,867,476,676	2,485,889	6,662,165	29,760,193,747	23,874,138,841
EXPENSES						
Cost of sales	23,947,773,130	19,499,159,340	58,844	1,191,306	23,947,831,974	19,500,350,646
Selling and administrative expenses	1,749,899,059	1,466,397,457	-	-	1,749,899,059	1,466,397,457
Directors' remuneration	176,000	1,504,000	-	-	176,000	1,504,000
Interest expenses	958,990	13,538,139	-	-	958,990	13,538,139
Share of loss for investments in subsidiary and associated companies	19,037,479	126,678,002	-	-	19,037,479	126,678,002
TOTAL EXPENSES	25,717,844,658	21,107,276,938	58,844	1,191,306	25,717,903,502	21,108,468,244
EARNINGS BEFORE INCOME TAX	4,039,863,200	2,760,199,738	2,427,045	5,470,859	4,042,290,245	2,765,670,597
CORPORATE INCOME TAX	-	-	(728,113)	(2,449,105)	(728,113)	(2,449,105)
NET EARNINGS FOR THE YEAR	4,039,863,200	2,760,199,738	1,698,932	3,021,754	4,041,562,132	2,763,221,492

## 22.RELATED PARTY TRANSACTIONS

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

(Unit : Baht)

Pricing policies	Consolidated		The Company Only	
	2000	1999	2000	1999
Transactions with subsidiary companies (eliminated from the consolidated financial statements)				
Sales of goods				
With reference to market prices	-	-	7,774,340,735	-
Purchase of raw material				
Invoices	-	-	68,113,178	-
Commission				
Contract price	-	-	77,398,091	168,078,672
Transactions with related companies				
Sales of goods				
With reference to market prices	1,664,641,488	2,087,673,456	1,664,641,488	2,087,673,456
Purchase of raw material				
Invoices	446,747,407	401,377,861	446,747,407	401,377,861
Purchase of fixed assets				
Invoices	57,096,594	13,985,180	57,096,594	13,985,180
Commission				
Contract prices	309,688,295	79,755,474	406,944,750	79,755,474
Technical fee				
Contract prices	153,381,842	59,822,720	153,381,842	59,822,720

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

(Unit : Baht)

	Consolidated		The Company Only	
	2000	1999	2000	1999
Accounts receivable - related companies				
Subsidiary companies				
Det Logistics (USA) Corporation	-	-	3,110,827,567	-
Delcom Electronics Ltd.	-	-	4,252,711	-
	-	-	3,115,080,278	-
Associated companies				
Delta Electronics Inc.	161,444,401	260,068,095	157,984,199	260,068,095

Delta Electronics (Japan)	112,461,102	42,353,402	112,461,102	42,353,402
Delta Products Corporation	349,880,211	112,524,558	78,266,288	112,524,558
Delta Electronics International	38,922,055	22,172,455	38,922,055	22,172,455
Delta Electronics GMBH	14,727,866	633,424	14,727,866	633,424
Delta Video Technology Ltd.	16,426,143	-	16,426,143	-
Delta Electronics Scotland	46,032,167	-	46,032,167	-
Delta Electronics Europe Ltd.	3,969,940	25,447,737	-	25,447,737
Others	10,164,768	216,950	10,164,770	216,950
	754,028,653	463,416,621	474,984,590	463,416,621
Total Accounts receivable - related companies	754,028,653	463,416,621	3,590,064,868	463,416,621

(Unit : Baht)

Consolidated The Company Only

	2000	1999	2000	1999
Amounts due from related companies				
Delta Electronics (Singapore) Pte. Ltd.	6,734,930	-	6,734,930	-
Delta Electronics Cambodia	1,906,656	-	1,906,656	-
Others	11,040,020	-	-	-
Total Amounts due from related companies	19,681,606	-	8,641,586	-
Accounts payable - related companies				
Subsidiary companies				
Delta Electronics Components (Thailand) Ltd.	-	-	69,663,360	-
	-	69,663,360	-	-
Associated companies				
Delta Electronics Inc.	48,755,003	54,244,306	42,655,519	54,244,306
Delta Electronics (Japan)	57,249,658	15,517,700	3,678,002	15,517,700
Delta Products Corporation	11,882,599	21,866,402	10,603,972	21,866,402
Delta Electronics International	19,748,361	2,145,570	19,588,317	2,145,570
Delta Electronics (Dongguan) Ltd.	4,931,939	14,825,557	4,931,939	14,825,557
Delta Electronics (Singapore) Pte., Ltd.	3,690,947	(4,439,889)	3,690,947	(4,439,889)
Greatmark Limited	4,751,277	-	4,751,277	-
Delta Electronics (Scott)	-	526,393	-	526,393
Delta electronics (Europe)	-	1,903,144	-	1,903,144
Delta Electronics (German)	-	1,455,673	-	1,455,673
Delta Electronics Components (Thailand) Ltd.	-	98,663,211	-	98,663,211
Others	2,426,838	644,694	2,529,450	644,694
	153,436,622	207,352,761	92,429,423	207,352,761
	153,436,622	207,352,761	162,092,783	207,352,761
Amounts due to related companies				
Subsidiary companies				
Newton Power Limited	-	-	13,729,346	18,429,232
	-	13,729,346	18,429,232	



(Unit : Baht)

Consolidated The Company Only

	2000	1999	2000	1999
Associated companies				
Delta Electronics Inc.	354,883,029	224,420,342	354,883,029	224,420,342
Delta Products Corporation	162,421,584	38,422,176	162,421,584	38,422,176
Delta Electronics GMBH	2,172,023	859,783	2,172,023	859,783
Delta Electronics International	9,990,356	-	9,990,356	-
Flextronics International	4,526,524	23,548,831	4,526,524	23,548,831
Delta Electronics Europe Ltd.	4,687,856	15,150,478	4,687,856	15,150,478
Delta Electronics Japan	-	5,335,824	-	5,335,824
Palo Alto Manufacturing Group Inc.	-	6,629,579	-	6,629,579
Others	20,970,376	409,700	15,168,326	409,700
	559,651,748	314,776,713	553,849,698	314,776,713
Total Amounts due to related companies	559,651,748	314,776,713	567,579,044	333,205,945

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

## 23.COMMITMENT AND CONTINGENT LIABILITIES

### 23.1 Financial derivatives

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

	Amount		Contractual exchange rate	
	(Million USD)	(per 1 USD)	2000	1999
Sell "call option" agreements	50	21	Baht 42.45 - 43.85	Baht 39.06 - 40.07
Sell "put option" agreements	2	-	Baht 43.00	-

In addition, the Company has entered into various buy "put option" agreements. As at 31 December 2000, the Company had outstanding agreements to sell USD 14 million at Baht 42.45 to Baht 43.77 per 1 USD (1999 : nil).

A subsidiary of the Company has entered into various sell "call / put option" agreements with overseas banks. The outstanding balances under the agreements as at 31 December are

as follows :-

Amount (Million USD)	Contractual exchange rate (per 1 USD)			
	2000	1999	2000	1999
Sell "call option" agreements	78	-	Baht 42.00 - 47.00	-
	6	-	Yen 108.80 - 109.50	-
Sell "put option" agreements	6	-	Yen 103.00 - 103.40	-

In addition, the subsidiary has entered into various buy "put option" agreements. As at 31 December 2000, the subsidiary had outstanding agreements to sell USD 36 million at Baht 42.00 to Baht 44.39 per 1 USD (1999 : nil).

#### 23.2 Capital commitments

As at 31 December 2000, the Company and its subsidiaries had capital commitments for purchases of fixed assets and land, and construction of plant amounting to Baht 364.3 million (1999 : Baht 50 million).

#### 23.3 Investment commitments

As at 31 December 2000, a subsidiary of the Company is committed to invest an amount of USD 400,000 in another subsidiary (1999 : USD 600,000) by 31 October 2001.

#### 23.4 Bank guarantees

As at 31 December 2000, there were outstanding bank guarantees of approximately Baht 26.5 million and USD 20.5 million (1999 : Baht 16 million and USD 0.5 million) issued by the banks on behalf of the Company as required in the ordinary course of business of the Company.

### 24. 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			
	2000	1999	2000	1999
Cash in hand and at banks	5,007,433,235	3,027,600,964	4,307,498,390	2,813,763,762
Unrealised gain on exchange rate	(518,085,646)	(192,473,648)	(518,085,646)	(192,473,648)
Cash and cash equivalents	4,489,347,589	2,835,127,316	3,789,412,744	2,621,290,114

### 25. DIVIDENDS

At the Annual General Meeting of shareholders held on 5 April 2000, it was resolved that the Company pay a dividend of Baht 10 per share, a total of Baht 945 million. The dividends were recorded in the second quarter.

### 26. FINANCIAL INFORMATION BY SEGMENT

The businesses of the Company and its subsidiaries mainly involve the single industry segment of

the manufacture and distribution of electronic components and are mainly carried on in Thailand or the USA. Financial information of the Company and its subsidiaries by geographical segment, as of 31 December 2000 and 1999 and for the years then ended, is as follows :-

(Unit : Million Baht)

Consolidated for the year ended 31 December

	Domestic	Foreign	Eliminated	Total		
				2000	1999	
Sales - external		19,255	6,117	-	25,372	21,186
Sales - related parties		9,508	-	(7,843)	1,665	2,088
		28,763	6,117	(7,843)	27,037	23,274
Gross profit		4,516	131	-	4,303	3,773
Gain on exchange rate					1,003	327
Other income					805	287
Share of losses of subsidiary and associated companies					(49)	(135)
Selling and administrative expenses					(1,894)	(1,480)
Interest expense					(5)	(14)
Minority interest					(118)	7
Corporate income tax					(3)	(2)
Net profit					4,042	2,763

(Unit : Million Baht)

Consolidated

	Domestic	Foreign	Eliminate	Total		
				31 December 2000	31 December 1999	
Property, plant and equipment - net		3,247	24	-	3,271	2,663
Other assets		18,238	4,930	(5,041)	18,127	13,454
Total assets		21,485	4,954	(5,041)	21,398	16,117

## 27. FINANCIAL INSTRUMENTS

### 27.1 Financial risk management and policies

The Company is exposed to market risk, including those arising from changes in interest rates and currency exchange rates. The Company uses derivative instruments in considers appropriate to manage such risk. It however does not hold or issue derivative financial instrument for speculative or trading purposes.

### 27.2 Interest rate risk

The interest rate risk is the risk whereby future movement in market interest rates will have an effect to the Company's result of operations and cash flows. However, the Company does not use derivative financial instruments against this risk.

### 27.3 Foreign currency risk

The Company and its subsidiaries' exposure to the foreign currency risk relates primarily to its receivable, payable, that are denominated in foreign currency. The Company and the subsidiary primarily utilise forward exchange contracts and currency options with maturities of less than twelve months to hedge those financial assets, liabilities and firm commitments. In addition to those transactional exposures, the Company and the subsidiary are also exposed to foreign exchange movements on their investments in foreign subsidiary and associated companies, which currently are not hedged by any derivative financial instrument. Forward exchange contracts which remained outstanding on 31 December 2000 are summarised below :-

Contract to buy foreign currencies :

Foreign currency	Amount	Exchange rates	
		(Baht/USD)	Maturity
USD	8,000,000	42.21 - 43.31	2.2.01 - 19.4.01

Contract to sell foreign currencies :

Foreign currency	Amount	Exchange rates	
		(Baht/USD)	Maturity
USD	8,000,000	42.30 - 43.63	2.2.01 - 19.4.01

In addition, the Company and its subsidiary have entered into various sell/buy put or call option agreements as presented in note 23.1 to the financial statements.

As at 31 December 2000, the Company's net foreign currency liabilities of approximately Japanese Yen 139 million that were not hedged by derivative financial instruments.

### 27.4 Credit risk

It is the Company's policy to enter into financial instruments with creditworthy counterparties. Therefore the Company does not expect any material losses which may arise from the counterparties' failure to perform their obligations under the financial instruments. The Company's financial assets have no a significant concentration of credit risk, but all of the Company's 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.

### 27.5 Fair value

The fair value of the financial assets has not been estimated since they mature in the short term. Except for marketable securities which are valued at fair values.

## 28. PRESENTATION

The presentation of the financial statements has been made in compliance with the Ministerial Regulation No. 7 dated 25 October 1996 as empowered under the Public Company Act B.E. 2535. Certain amounts in the financial statements for the year ended 31 December 1999 have been reclassified to conform to the current year classifications, with no effect on previously report net earnings or shareholders' equity.

29.FINANCIAL STATEMENTS APPROVAL

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