

The related statements of earnings, changes in shareholders' equity and cash flows of Advanced Information Technology Public Company Limited for the three-month period ended 31 March 2005, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 6 May 2005, that nothing had come to his attention to cause him to believe that the aforementioned financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Thipawan Nananuwat

Certified Public Accountant (Thailand) No. 3459

Ernst & Young Office Limited

Bangkok: 11 May 2006

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

BALANCE SHEETS

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2006</u>	<u>31 December 2005</u>
		(Unaudited but reviewed)	(Audited)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		46,095	67,978
Trade accounts receivable - net	2, 8.2	551,301	555,317
Unbilled receivable		-	34,300
Work in progress		363,158	232,535
Inventories - net	3	60,467	50,422
Other current assets			
Input tax refundable		6,902	1,617
Advance payment for purchase of goods		9,821	73
Others		6,747	6,101
		<u>23,470</u>	<u>7,791</u>
TOTAL CURRENT ASSETS		<u>1,044,491</u>	<u>948,343</u>
NON-CURRENT ASSETS			
Restricted bank deposits	8.2	92,566	92,487
Building improvement and equipment - net		21,051	23,852
Equipment held for lease - net		359,299	367,910
Other non-current assets		4,182	4,720
TOTAL NON-CURRENT ASSETS		<u>477,098</u>	<u>488,969</u>
TOTAL ASSETS		<u><u>1,521,589</u></u>	<u><u>1,437,312</u></u>

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

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2006</u>	<u>31 December 2005</u>
		(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank overdrafts and short-term loans from financial institutions		160,000	130,157
Trust receipts		20,221	41,663
Trade accounts payable	4	293,257	241,001
Unbilled payable		98,118	94,718
Current portion of long-term loans	5	196,880	203,317
Current portion of hire purchase payable		1,136	1,118
Other current liabilities			
Corporate income tax payable		14,960	6,645
Undue output tax		10,593	7,396
Accrued expenses		13,715	2,480
Others		13,779	17,638
		<u>53,047</u>	<u>34,159</u>
TOTAL CURRENT LIABILITIES		<u>822,659</u>	<u>746,133</u>
NON-CURRENT LIABILITIES			
Long-term loans, net of current portion	5	29,218	51,718
Hire purchase payable, net of current portion		1,503	1,794
TOTAL NON-CURRENT LIABILITIES		<u>30,721</u>	<u>53,512</u>
TOTAL LIABILITIES		<u>853,380</u>	<u>799,645</u>

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

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

BALANCE SHEETS (Continued)

(Unit: Thousand Baht)

	<u>31 March 2006</u>	<u>31 December 2005</u>
	(Unaudited but reviewed)	(Audited)
SHAREHOLDERS' EQUITY		
Share capital		
Registered		
40,000,000 ordinary shares of Baht 5 each	200,000	200,000
Issued and fully paid		
40,000,000 ordinary shares of Baht 5 each	200,000	200,000
Premium on ordinary shares	220,716	220,716
Retained earnings		
Appropriated - statutory reserve	20,000	20,000
Unappropriated	227,493	196,951
TOTAL SHAREHOLDERS' EQUITY	<u>668,209</u>	<u>637,667</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>1,521,589</u>	<u>1,437,312</u>
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The accompanying notes are an integral part of the financial statements.

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DIRECTORS

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(UNAUDITED BUT REVIEWED)

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

EARNINGS STATEMENTS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2006 AND 2005

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<u>Note</u>	<u>2006</u>	<u>2005</u>
REVENUES			
Sales and service income		302,458	155,917
Rental and service income for equipment held for lease		55,457	30,487
Other income		608	1,406
TOTAL REVENUES		<u>358,523</u>	<u>187,810</u>
EXPENSES			
Cost of sales and service		238,227	127,896
Cost of equipment held for lease		19,403	10,935
Selling, servicing and administrative expenses		52,486	33,804
Director's remuneration		160	250
Foreign exchange loss		1,273	26
TOTAL EXPENSES		<u>311,549</u>	<u>172,911</u>
EARNINGS BEFORE INTEREST EXPENSES AND INCOME TAX			
		46,974	14,899
INTEREST EXPENSES			
		(3,919)	(2,965)
CORPORATE INCOME TAX			
	6	(12,513)	(3,536)
NET EARNINGS FOR THE PERIOD		<u>30,542</u>	<u>8,398</u>
BASIC EARNINGS PER SHARE			
Net earnings		<u>0.76</u>	<u>0.21</u>

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

(UNAUDITED BUT REVIEWED)

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2006 AND 2005

(Unit: Thousand Baht)

	<u>2006</u>	<u>2005</u>
Cash flows from (used in) operating activities:		
Net earnings	30,542	8,398
Adjustments to reconcile net earnings to net cash provided by (paid from) operating activities:		
Depreciation	22,441	13,701
Unrealised loss on exchange	2,015	656
	<hr/> 54,998	<hr/> 22,755
Decrease (increase) in operating assets		
Trade accounts receivable	4,016	71,364
Unbilled receivable	34,300	-
Work in progress	(130,623)	(65,714)
Inventories	-	57
Other current assets	(15,679)	(12,530)
Other non-current assets	538	61
Increase (decrease) in operating liabilities		
Trade accounts payable	52,785	(16,195)
Unbilled payable	3,400	(43,508)
Other current liabilities	16,344	(8,259)
Net cash from (used in) operating activities	<hr/> 20,079	<hr/> (51,969)

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

(UNAUDITED BUT REVIEWED)

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (Continued)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2006 AND 2005

(Unit: Thousand Baht)

	<u>2006</u>	<u>2005</u>
Cash flows from (used in) investing activities:		
Increase in restricted bank deposits	(79)	(8,434)
Purchase of building improvement and equipment	(436)	(262)
Purchase of equipment held for lease	(20,638)	(21,327)
Net cash used in investing activities	<u>(21,153)</u>	<u>(30,023)</u>
Cash flows from (used in) financing activities:		
Increase in bank overdrafts and short-term loans from financial institutions	29,843	64,352
Increase (decrease) in trust receipts	(21,442)	16,768
Drawn down of long-term loan	20,000	-
Repayment of long-term loans	(48,937)	(12,273)
Repayment of hire purchase payable	(273)	(224)
Net cash from (used in) financing activities	<u>(20,809)</u>	<u>68,623</u>
Net decrease in cash and cash equivalents	(21,883)	(13,369)
Cash and cash equivalents at beginning of period	67,978	60,238
Cash and cash equivalents at end of period	<u><u>46,095</u></u>	<u><u>46,869</u></u>
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Supplemental cash flows information		
Cash paid during the periods for:		
Interest expenses	4,829	2,874
Corporate income tax	4,198	5,204
Non-cash item:		
Transfer of equipment held for lease under installation to be inventory	10,045	-

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

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2006 AND 2005

(Unit: Thousand Baht)

	Issued and paid up share capital	Premium on ordinary shares	Retained earnings		Total
			Appropriated - statutory reserve	Unappropriated	
Balance as of 31 December 2004	200,000	220,716	16,170	172,315	609,201
Net earnings for the period	-	-	-	8,398	8,398
Balance as of 31 March 2005	200,000	220,716	16,170	180,713	617,599
Balance as of 31 December 2005	200,000	220,716	20,000	196,951	637,667
Net earnings for the period	-	-	-	30,542	30,542
Balance as of 31 March 2006	200,000	220,716	20,000	227,493	668,209
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The accompanying notes are an integral part of the financial statements.

ADVANCED INFORMATION TECHNOLOGY PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH 2006

1. GENERAL INFORMATION

1.1 Basis for the preparation of interim financial statements

These interim financial statements have been prepared in accordance with the Accounting Standard No. 41 “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However, additional line items are presented in the balance sheets, the statements of earnings, changes in shareholders’ equity, and cash flows as in the annual financial statements.

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

1.2 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2005.

2. TRADE ACCOUNTS RECEIVABLE

Details of the outstanding balances of trade accounts receivable of the Company, classified by age, are as follows:

	(Unit: Thousand Baht)	
	31 March	31 December
	2006	2005
	<u> </u>	<u> </u>
		(Audited)
Not yet due	180,929	185,134
Less than 3 months overdue	155,558	219,179
3-6 months overdue	128,751	46,864
More than 6-12 months overdue	44,516	31,167
More than 12 months overdue	424	8,423
Back to Back basis	41,623	65,050
	<u> </u>	<u> </u>
Total	551,801	555,817
Less: Allowance for doubtful accounts	(500)	(500)
	<u> </u>	<u> </u>
Trade accounts receivable - net	<u>551,301</u>	<u>555,317</u>

Most of the overdue trade accounts receivable balances are those of receivable from government agencies. The Company's management believes that the payment of these balances will be received in full and that the above allowance for doubtful accounts is adequate in the current circumstance.

The Company has transferred the right of the claim of receipts of accounts receivable balance as of 31 March 2006 of Baht 120.9 million (31 December 2005: Baht 98.5 million) to secure long term loans

3. INVENTORIES

Parts of Baht 49.9 million out off the inventory balance as of 31 March 2006 and 31 December 2005 consist of:

3.1 Costs of a project developing electronic database of Baht 46.5 million. This project has been outstanding for more than one year and been under negotiation with one buyer. The Company's management have considered the appropriateness of the provision for loss of Baht 27 million already setaside in the accounts and believe that the net realisable value of the project is not less than its net book value.

3.2 Development costs and computer equipment of projects of Baht 30.4 million. The Company is seeking and has been in negotiation with potential parties to be joint ventures but the project has been outstanding for more than one year. However, the Company's management believes that the net realisable value of the project is not less than its net book value.

4. ACCOUNTS PAYABLE

As at 31 March 2006, the Company had outstanding balances of accounts payable denominated in foreign currency totaling of USD 2.1 million and Euro 5,809 and had certain forward exchange contracts which had been made to hedge the future payments of trade accounts payable totaling USD 3.26 million, at exchange rates ranging between Baht 38.62 to 40.95 per USD 1.

5. LONG-TERM LOANS

These represent loans from local banks detailed as follows:

Facility (Million Baht)	Interest	Repayment of principle	Secured by	(Unit: Million Baht)	
				Loan balances	
				31 March 2006	31 December 2005 (Audited)
180	3.75% per annum until 30 September 2005 and then MLR-1.75% until the loan is fully paid	Before 30 September 2005, equal to amount received from customer for the lease of equipment. Since 30 September 2005, not less than Baht 7.5 million per month.	Transferring the right of the claim for receipts from trade accounts receivable of a contract to lease equipments. The cash receiving value of such contract for approximately 3 years is totaling Baht 425.9 million	119.2	144.7
210	MLR-1.25% per annum	Baht 10,500,000 per month starting from December 2005 or when receive from customer for a contract to sale computer system and equipments whenever reaches first, and all principle and interest have to be repaid within July 2007.	Transferring the right of the claim for receipts from trade accounts receivable of a contract to sale computer system and equipments. The cash receiving value of such contract totaling Baht 301.3 million	106.9	110.3
				226.1	255.0
		Less: Current portion of long-term loans		(196.9)	(203.3)
		Long-term loans - net of current portion		29.2	51.7

The Company has capitalised interest costs of the Baht 180 million and Baht 210 million credit facilities as parts of the cost of equipment held for lease and work in progress that are under installation. The capitalised interest costs, for the three months period ended 31 March 2006, totaling amounted to Baht 1.6 million.

6. CORPORATE INCOME TAX

Corporate income tax is calculated on net earnings for the period after adding back certain non-deductible expenses.

7. FINANCIAL INFORMATION BY SEGMENT

The operations of the Company involve a single industry segment of sales, installation and renting of computers and electronic equipments and are carried on in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements are pertaining to this business segment and geographic area.

8. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2006, the Company had the following commitments and contingent liabilities:

- 8.1 The Company had outstanding bank guarantees of approximately Baht 319.4 million (31 December 2005: Baht 301.8 million) which have been issued by banks on behalf of the Company in respect of certain performance bonds as required in the ordinary course of its businesses.
- 8.2 The Company has been granted credit facilities (the facilities of short-term and long-term loans, overdrafts, trust receipts, and letters of guarantees) from various financial institutions and has collaterals as following:
- Credit facilities of Baht 1,529 million of which Baht 897 million has been utilised.
 - Forward contracts facilities of USD 4.7 million of which USD 3.26 million has been utilised.
 - Pledged by bank deposits of Baht 92.6 million.
 - Credit facilities of Baht 130 million for short-term loans from two local banks, with no balance outstanding as of 31 March 2006, secured by transferring the rights of the claim of receipts from trade accounts receivable from two projects. Total value of these project are Baht 230 million, and there were outstanding accounts receivable of these projects of Baht 81 million.
 - Contract financing facilities, of which the utilised facilities are long-term loans as mentioned in Note 5 to the interim financial statements, secured by transferring the rights of the claim of receipts from trade accounts receivable for the whole periods of the contracts.
- 8.3 The Company had commitments in respect of lease of buildings and vehicles, which are payable as follows:

	(Unit: Million Baht)	
<u>Payable</u>	<u>Lease of buildings</u>	<u>Lease of vehicles</u>
Within one year	6.2	3.70
In 2 to 3 years	11.4	4.40

8.4 The Company has undelivered and unrendered contracts of selling goods and rendering services to its customers of approximately Baht 757 million (31 December 2005: Baht 666 million).

8.5 The Company has engaged in various contracts with total contract values of Baht 594.9 million, obliged to carry the services in the future, to lease the electronic equipment to government agencies and various schools. The company has obliged to complete the equipment installation and render maintenance services of these equipment in accordance with conditions stipulated in the contracts.

9. SUBSEQUENT EVENTS

At the Annual General Meeting of the Company's Shareholders held on 20 April 2006, its was resolved the additional payment of director remuneration for the year 2005 of Baht 2.73 million and resolved that a dividend of Baht 1 per share, totaling Baht 40 million, being paid to the shareholders in respect of the year 2005 earnings. Such dividend and director remuneration will be recorded in the second quarter of the year 2006.

10. RECLASSIFICATION

Certain amounts in the financial statements for the three-month period ended 31 March 2005 have been reclassified to conform to the current period's classifications, with no effect on previously reported net earnings or shareholders' equity.

11. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issued by the Board of Directors on 11 May 2006.