

(UNAUDITED BUT REVIEWED)

SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS
ENDED 30 SEPTEMBER 2006 AND 2005

1. CORPORATE INFORMATION

Somboon Advance Technology Public Company Limited was incorporated as a public company under Thai laws and its parent company is Somboon Holding Company Limited, a company also registered under Thai laws. The Company operates its business in Thailand and its principal activity is the manufacture of pick-up axles and truck trunnion shafts.

The Company's registered address is 129 Moo 2, Bangna-Trad Road, Tambon Bangchalong, Amphur Bangplee, Samutprakarn.

2. BASIS FOR THE PREPARATION OF INTERIM FINANCIAL STATEMENTS

These interim financial statements are prepared in accordance with Accounting Standard No. 41 "Interim financial statements", with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of earnings, changes in shareholders' equity, and cash flows in the same format as that used for 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.

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

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3. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of Somboon Advance Technology Public Company Limited (hereinafter referred to as "the Company") and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2005.

Subsidiaries	Percentage of shareholding	Principal activities
Somboon Malleable Iron Industrial Company Limited	99.99	Manufacture and sale of autoparts
Bangkok Spring Industrial Company Limited	99.99	Manufacture and sale of autoparts
SAT Axle Technology Company Limited	99.99	Manufacture and sale of autoparts

As at 10 October 2005, the Company received the transfer of the business operations of SAT Axle Technology Company Limited (a subsidiary). The subsidiary registered its dissolution with the Ministry of Commerce on 27 October 2005 and completed its liquidation on 24 March 2006.

The percentage of the assets and revenues of the subsidiaries as included in the consolidated financial statements for the nine-month period ended 30 September 2006 are as follows:

Subsidiaries	Subsidiaries' assets as a percentage of the total assets included in the consolidated balance sheet	Subsidiaries' revenues as a percentage of the total revenues included in the consolidated statements of earnings
Somboon Malleable Iron Industrial Company Limited	27.93	37.28
Bangkok Spring Industrial Company Limited	34.57	26.07
SAT Axle Technology Company Limited	-	-

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4. TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable as at 30 September 2006 and 31 December 2005 are below classified by aging:

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Trade accounts receivable - related parties				
Not yet due	62,114	27,774	3,604	5,889
Overdue less than 3 months	-	9,372	-	-
Total	<u>62,114</u>	<u>37,146</u>	<u>3,604</u>	<u>5,889</u>
Trade accounts receivable - other companies				
Not yet due	744,609	681,931	319,597	307,728
Overdue				
Less than 3 months	14,866	8,733	1,351	-
Over 3 months but not over 12 months	93	26	-	26
Over 12 months	5,356	5,254	43	-
Total	<u>764,924</u>	<u>695,944</u>	<u>320,991</u>	<u>307,754</u>
Less: Allowance for doubtful accounts	<u>(4,724)</u>	<u>(4,781)</u>	<u>-</u>	<u>-</u>
Trade accounts receivable - other companies, net	<u>760,200</u>	<u>691,163</u>	<u>320,991</u>	<u>307,754</u>

5. ALLOWANCE FOR DIMINUTION IN VALUE OF INVENTORY

Movements in the allowance for diminution in value of inventory account during the nine-month period ended 30 September 2006 are summarised below.

(Unit: Thousand Baht)

	CONSOLIDATED	THE COMPANY ONLY
Balance as at 1 January 2006	8,345	-
Add: Allowance made during the period	3,124	1,020
Less: Allowance reversed during the period	(3,763)	-
Balance as at 30 September 2006	<u>7,706</u>	<u>1,020</u>

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6. RELATED PARTY TRANSACTIONS

During the periods, the Company had significant business transactions with its subsidiaries (which have already been eliminated from the consolidated financial statements) and related companies which are related by way of shareholding or common shareholders or common directors. Such transactions are summarised below.

(Unit: Million Baht)

	CONSOLIDATED				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2006	2005	2006	2005	
	<u>Business transactions with related parties</u>				
Sales of goods and services	46.2	31.4	112.9	134.0	Cost plus margin
Purchases of goods and materials	-	20.5	30.7	51.8	Cost plus margin

(Unit: Million Baht)

	THE COMPANY ONLY				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2006	2005	2006	2005	
	<u>Business transactions with subsidiaries</u>				
(being eliminated from the consolidated financial statements)					
Sales of supplies	1.2	5.2	3.5	13.3	Approximates cost
Sales of material	-	1.5	-	1.5	Approximates cost
Interest income	12.0	22.4	36.2	65.0	4.5%, MOR, MLR-1% and MLR-1.25% per annum
Rental income	-	1.2	-	3.7	Rental fee of Baht 0.4 million per month
Management fee income	24.4	22.9	73.2	68.7	Approximates cost
Other income	4.9	-	11.1	-	Approximates cost
Purchases of goods	1.2	0.6	3.1	21.7	Cost plus margin
Purchases of material	-	-	-	2.9	Approximates cost
Facilities expense	1.0	6.1	2.4	18.0	Approximates cost
<u>Business transactions with related parties</u>					
Sales of goods and services	2.2	-	3.4	-	Cost plus margin

(UNAUDITED BUT REVIEWED)

As at 30 September 2006 and 31 December 2005, the Company and its subsidiaries had the following outstanding balances with their related parties:

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005
<u>Trade accounts receivable - related parties</u>				
Somboon Malleable Iron Industrial Company Limited	-	-	2,082	3,017
Bangkok Spring Industrial Company Limited	-	-	67	501
Yongkee (1995) Company Limited	61,861	35,848	1,455	2,371
Asahi Tech Metals (Thailand) Company Limited	-	180	-	-
Asahi Somboon Shippo Moulds Company Limited	253	198	-	-
Automotive Product Import and Export Center Company Limited	-	920	-	-
Total	<u>62,114</u>	<u>37,146</u>	<u>3,604</u>	<u>5,889</u>
<u>Others receivable - related parties</u>				
Somboon Malleable Iron Industrial Company Limited	-	-	823	40
Bangkok Spring Industrial Company Limited	-	-	6,026	40
Somboon Somic Manufacturing Company Limited	-	73	-	73
Total	<u>-</u>	<u>73</u>	<u>6,849</u>	<u>153</u>
<u>Short-term loans to subsidiary companies</u>				
Somboon Malleable Iron Industrial Company Limited	-	-	-	28,000
Bangkok Spring Industrial Company Limited	-	-	20,000	20,000
Total	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>48,000</u>
<u>Long-term loans to subsidiary companies</u>				
Somboon Malleable Iron Industrial Company Limited	-	-	525,261	557,000
Bangkok Spring Industrial Company Limited	-	-	463,000	503,000
Total	<u>-</u>	<u>-</u>	<u>988,261</u>	<u>1,060,000</u>

(UNAUDITED BUT REVIEWED)

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September	31 December	30 September	31 December
	2006	2005	2006	2005
<u>Trade accounts payable - related parties</u>				
Somboon Malleable Iron Industrial Company Limited	-	-	119	136
Bangkok Spring Industrial Company Limited	-	-	1,824	931
Asahi Tech Metals (Thailand) Company Limited	-	26,312	-	-
Asahi Tech Aluminium (Thailand) Company Limited	-	433	-	-
Tsuchiyoshi Somboon Coated Sand Company Limited	22	28	-	-
Total	22	26,773	1,943	1,067
<u>Short-term loan from subsidiary company</u>				
SAT Axle Technology Company Limited	-	-	-	95,519

During the current period, the balances of loans to subsidiary companies have movements as follows:

(Unit: Thousand Baht)

	THE COMPANY ONLY			
	31 December			30 September
	2005	Increase	Decrease	2006
<u>Short-term loans to subsidiary companies</u>				
Somboon Malleable Iron Industrial Company Limited	28,000	28,000	(56,000)	-
Bangkok Spring Industrial Company Limited	20,000	60,000	(60,000)	20,000
Total	48,000	88,000	(116,000)	20,000
<u>Long-term loans to subsidiary companies</u>				
Somboon Malleable Iron Industrial Company Limited	557,000	60,000	(91,739)	525,261
Bangkok Spring Industrial Company Limited	503,000	-	(40,000)	463,000
Total	1,060,000	60,000	(131,739)	988,261

(UNAUDITED BUT REVIEWED)

During the nine-month period ended 30 September 2006, the Company granted new loans to subsidiaries. Details of the new loans are as follows: -

- a) A short-term loan of Baht 28 million to Somboon Malleable Iron Industrial Company Limited maturing on 10 April 2006 and carrying interest at MLR-1% per annum. The Company received repayment in April 2006.
- b) A short-term loan to Bangkok Spring Industrial Company Limited, with a balance of Baht 20 million as at 30 September 2006, maturing on 25 December 2006 and carrying interest at MOR per annum.
- c) During the current period, the Company granted a long-term loan of Baht 174 million to Somboon Malleable Iron Industrial Company Limited, and the subsidiary has drawn down Baht 60 million. This credit line is to be repaid in monthly installments of stipulated amounts within 5 years, and carries interest at a rate of MLR-1.25% per annum.

7. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

As at 30 September 2006 and 31 December 2005, investments accounted for under the equity method are as follows:

Investments in subsidiary companies

(Unit: Thousand Baht)

Company's name	Paid-up		THE COMPANY ONLY			
	share capital		Cost method		Equity method	
	30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005
Somboon Malleable Iron						
Industrial Company Limited	160,000	640,000	535,995	535,995	492,403	405,532
Bangkok Spring Industrial						
Company Limited	130,000	520,000	519,989	519,989	762,703	721,687
SAT Axle Technology						
Company Limited	-	40,000	-	43,000	-	95,519
Total investments in subsidiaries			<u>1,055,984</u>	<u>1,098,984</u>	<u>1,255,106</u>	<u>1,222,738</u>

(UNAUDITED BUT REVIEWED)

On 17 October 2005, an extraordinary meeting of the shareholders of Somboon Malleable Iron Industrial Company Limited passed a special resolution to reduce registered share capital from Baht 640 million to Baht 160 million by changing the par value of its ordinary shares from Baht 1,000 per share to Baht 250 per share. The Baht 480 million reduction in share capital is to be offset against the subsidiary's deficit. The subsidiary registered the reduction in its share capital with the Ministry of Commerce on 2 March 2006.

On 17 October 2005, an extraordinary meeting of the shareholders of Bangkok Spring Industrial Company Limited passed a special resolution to reduce registered share capital from Baht 520 million to Baht 130 million by changing the par value of its ordinary shares from Baht 1,000 per share to Baht 250 per share. The Baht 390 million reduction in share capital is to be offset against the subsidiary's deficit. The subsidiary registered the reduction in its share capital with the Ministry of Commerce on 2 March 2006.

On 26 October 2005, an extraordinary meeting of the shareholders of SAT Axle Technology Company Limited passed a special resolution to dissolve the company. The subsidiary registered its dissolution with the Ministry of Commerce on 27 October 2005 and completed its liquidation on 24 March 2006.

Investment in associated companies

(Unit: Thousand Baht)

Company's name	Principal activity	Paid-up share capital	Shareholding		CONSOLIDATED				Dividend received for the nine-month period ended 30 September 2006
			percentage		Cost method		Equity method		
			30 September 2006	31 December 2005	30 September 2006	31 December 2005	30 September 2006	31 December 2005	
			Percent	Percent					
<u>Associated company held through Somboon</u>									
<u>Malleable Iron Industrial Company Limited</u>									
Tsuchiyoshi Somboon Coated Sand Company Limited	Manufacture and sale of coated sand	72,000	21.25	21.25	15,300	15,300	27,365	21,812	1,530
<u>Associated company held through</u>									
<u>Bangkok Spring Industrial Company Limited</u>									
Yamada Somboon Company Limited	Manufacture and sale of autparts	150,000	20.00	19.20	30,807	28,799	46,571	48,174	2,200
Total investment in associated companies					46,107	44,099	73,936	69,986	

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In April 2006, Bangkok Spring Industrial Company Limited (a subsidiary) acquired an additional 12,000 shares in Yamada Somboon Company Limited, valued at Baht 2 million. Following this acquisition the subsidiary's holding in this company has increased to 20 percent, making it an associated company. The subsidiary retroactively adjusted the carrying value of its investment in that company after it met the criteria for application of the equity method of accounting. The effect of this adjustment was to decrease net earnings for the nine-month periods ended 30 September 2006 and 2005 by amounts of Baht 3.6 million and Baht 0.6 million, respectively in both the consolidated and Company's separate statements of earnings. The cumulative effects of the accounting change up to the beginnings of the years 2006 and 2005 are presented under the heading of "Adjustment for change in policy on accounting for investment from cost method to equity method due to change of status to associated company" in the statements of changes in shareholders' equity.

The Baht 27.4 million value of investment in Tsuchiyoshi Somboon Coated Sand Company Limited and the Baht 7.1 million value of share of profit of that company for the nine-month period ended 30 September 2006, accounted for under the equity method were calculated based on audited financial statements of that company for the year ended 31 March 2006 and unaudited financial statements of that company for the six-month period ended 30 September 2006, prepared by its management.

The Baht 46.6 million value of investment in Yamada Somboon Company Limited and the Baht 1.4 million value of share of loss of that company for the nine-month period ended 30 September 2006, accounted for under the equity method were calculated based on audited financial statements of that company for the six-month period ended 30 June 2006.

(UNAUDITED BUT REVIEWED)

8. OTHER LONG-TERM INVESTMENTS**CONSOLIDATED**

		(Unit: Thousand Baht)				
Company's name	Principal activity	Paid-up share capital	Shareholding		Investments	
			30 September 2006	31 December 2005	30 September 2006	31 December 2005
			Percent	Percent		
Asahi Tech Metals (Thailand) Company Limited	Manufacture and sale of cast iron parts	331,250	-	0.66	-	8,750
Asahi Tech Aluminium (Thailand) Company Limited	Manufacture and sale of autoparts	1,480,000	-	0.98	-	14,500
Nisshinbo Somboon Automotive Company Limited	Manufacture and sale of autoparts and brake systems	732,600	2.90	2.90	21,250	21,250
Somboon Somic Manufacturing Company Limited	Manufacture and sale of autoparts	300,000	1.80	1.80	5,400	5,400
Total					26,650	49,900
Less: Allowance for impairment					-	(15,340)
Long-term investments - net					26,650	34,560

In June 2006, two subsidiaries sold all of their investments in Asahi Tech Aluminium (Thailand) Company Limited at a price of Baht 88.41 per share, or a total of Baht 12.8 million, and in Asahi Tech Metals (Thailand) Company Limited at a price of Baht 20.71 per share, or for a total of Baht 1.8 million. Gains from disposal of these investments are included in determining earnings for the period.

9. PROPERTY, PLANT AND EQUIPMENT

	(Unit: Thousand Baht)	
	<u>CONSOLIDATED</u>	<u>THE COMPANY ONLY</u>
At cost/at revaluation		
31 December 2005	3,654,008	1,259,881
Acquisitions	292,835	173,409
Disposal/written-off	(30,220)	(2,329)
30 September 2006	<u>3,916,623</u>	<u>1,430,961</u>

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	(Unit: Thousand Baht)	
	CONSOLIDATED	THE COMPANY ONLY
Accumulated depreciation		
31 December 2005	916,927	216,666
Depreciation for the period	168,662	86,151
Depreciation of revaluation surplus	31,357	7,756
Depreciation of disposals/written-off	(20,038)	(2,164)
30 September 2006	<u>1,096,908</u>	<u>308,409</u>
Net book value		
31 December 2005	<u>2,737,081</u>	<u>1,043,215</u>
30 September 2006	<u>2,819,715</u>	<u>1,122,552</u>

The Company and its subsidiaries have mortgaged a majority of their land with structures thereon and machinery as collateral for credit facilities granted by a commercial bank.

At present, the Company and its subsidiaries revalue their property, plant and equipment, whereby depreciation charged to the statements of earnings is calculated based on the historical cost and depreciation of the revalued portion is charged to revaluation surplus on assets.

10. NON-OPERATING ASSETS

Land title deeds and documents of ownership of condominium units of its subsidiaries have been placed as collateral for credit facilities of the Company.

11. BANK OVERDRAFTS

The bank overdrafts are secured by the mortgage of a majority of the land with structures thereon and machinery of the Company and its subsidiary and guaranteed by certain directors of the Company and its subsidiaries.

12. TRUST RECEIPT

Trust receipt is secured by the mortgage of the majority of the land with structures thereon and machinery of the Company and its subsidiary and guaranteed by certain directors of the Company and its subsidiaries.

(UNAUDITED BUT REVIEWED)

13. LONG-TERM LOANS

(Unit: Thousand Baht)

	CONSOLIDATED / THE COMPANY ONLY	
	30 September 2006	31 December 2005
Long-term loans are repayable as follows:		
Within one year or less	276,704	123,990
Between two and five years	1,203,120	1,098,106
More than five years	420,181	660,508
Total	1,623,301	1,758,614
Total long-term loans	1,900,005	1,882,604

During the nine-month period ended 30 September 2006, the Company entered into an agreement with a commercial bank granting a new loan amounting to Baht 100 million, on which interest is charged at a rate of MLR-1.25% per annum for a period of 2 years and then at the MLR-1.00%. The loan is repayable in 48 monthly installments, with the first of these due in May 2006. The loan is secured by the mortgage of a certain machinery of the Company.

In addition, the Company entered into a new loan agreement with that commercial bank providing a credit line of Baht 174 million. During the period the Company drew down Baht 1 million. The loan carries interest at a rate of MLR-1.25% per annum and is to be repaid in 60 monthly installments, maturing in 2011. This loan is secured by the mortgage of a certain land with structures thereon and the machinery of a subsidiary.

14. DIVIDEND PAID

On 24 April 2006, the Annual General Meeting of shareholders passed a resolution to pay a dividend of Baht 0.45 per share from the 2005 earnings, to the holders of the 300 million shares. The Company has already paid an interim dividend to the shareholders and so a dividend of Baht 0.25 per share, or a total of Baht 75 million, remains to be paid. The Company paid this dividend on 19 May 2006.

On 15 August 2006, a meeting of the Board of Directors passed a resolution to pay an interim dividend of Baht 0.20 per share, or a total of Baht 60 million. The Company paid this dividend on 13 September 2006.

(UNAUDITED BUT REVIEWED)

15. PROMOTIONAL PRIVILEGES

Revenues from sales of the promoted operation for the nine-month period ended 30 September 2006 totaled Baht 565 million.

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

(Unit: Thousand Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	30 September 2006	30 September 2005	30 September 2006	30 September 2005
Cash and deposits with financial institutions	240,862	185,077	144,261	158,833
Current investments - bills of exchange	-	50,000	-	50,000
Cash and cash equivalents	<u>240,862</u>	<u>235,077</u>	<u>144,261</u>	<u>208,833</u>

17. COMMITMENTS

As at 30 September 2006 and 31 December 2005, the Company and its subsidiaries have the following commitments:

17.1 Capital commitments of Baht 126.1 million (31 December 2005: Baht 114.1 million, JPY 87.2 million and USD 0.4 million) in respect of land acquisition, construction of plant and purchase of machinery.

17.2 Commitments totaling Baht 114.5 million (31 December 2005: Baht 116.8 million) in respect of lease and service agreements.

17.3 The Company has entered into a technical assistance agreement with a foreign company covering the machining process, whereby the Company is to pay fees at a rate of 1.5 percent of the cost of the machining process charge for each unit of the products manufactured and sold by the Company. The agreement is for 5 years, expiring in 2010, and can be extended for a further 5 years.

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17.4 The Company has entered into a technical assistance agreement with another foreign company covering the forging process whereby the Company is to pay fees at a rate of 3 percent of the conversion cost of the forging process for each unit manufactured, for domestic sales and export sales, respectively. The agreement is for 5 years, expiring in 2009 and is renewable for a further 5 years.

17.5 Bangkok Spring Industrial Company Limited has entered into a technical assistance agreement with a foreign company regarding the manufacture of a product. The agreement is for 6 years, expiring in the year 2008, and the subsidiary's outstanding commitments under such agreement total USD 300,000 (31 December 2005: USD 390,000).

17.6 Somboon Malleable Iron Industrial Company Limited has entered into a technical assistance agreement with a foreign company regarding the process of machining, whereby that company is to pay a fee at 1.5 percent of the process charge for each unit of the products manufactured and sold by the company. The agreement is for 5 years, expiring in the year 2009, and is renewable for a further 5 years.

18. GUARANTEES

As at 30 September 2006, there were outstanding bank guarantees of Baht 2.4 million and Baht 12.4 million (31 December 2005: Baht 2.4 million and Baht 14.8 million, respectively) issued by a bank on behalf of the Company and its subsidiaries, respectively, in respect of certain performance bonds required in the normal course of the Company's and its subsidiaries' businesses.

19. FINANCIAL INFORMATION BY SEGMENT

The Company and its subsidiaries operate in the single industry segment of the manufacture and sale of auto parts in the single geographic area of Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

20. FOREIGN CURRENCY RISK

The exposure of the Company and its subsidiaries to foreign currency risk relates primarily to their receivables and payables which are denominated in foreign currencies.

(UNAUDITED BUT REVIEWED)

As at 30 September 2006, significant outstanding forward exchange contracts of the Company and its subsidiaries maturing during the months of October 2006 and December 2006, are as follows:

(Unit: Thousand)

Foreign currency	CONSOLIDATED		THE COMPANY ONLY	
	Amount bought	Applicable forward purchase rate (Baht per unit of foreign currency)	Amount bought	Applicable forward purchase rate (Baht per unit of foreign currency)
USD	783	37.4300 - 37.8725	68	37.4300

Below is a summary of material foreign currency-denominated assets/liabilities of the Company and its subsidiaries which were unhedged as at 30 September 2006. (The majority of the liabilities are due within one year).

(Unit: Thousand)

Foreign currency	CONSOLIDATED		THE COMPANY ONLY	
	Assets	Liabilities	Assets	Liabilities
USD	120	6,663	54	23
JPY	9,959	92,263	-	8,815

21. SUBSEQUENT EVENT

21.1 On 11 October 2006, the Federation of Accounting Professions (“FAP”) issued Notification No. 25/2006 regarding accounting for revaluations, under which entities adopted revaluation policy are given the option, whereby depreciation charged to the earnings statements could be calculated based on the historical cost and depreciation of the revalued portion is charged to revaluation surplus. Entities are to disclose in the notes to financial statements the adoption of the accounting method and information regarding the effect to the earnings statement, and earnings per share from that determined using the method under accounting standard No.32.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

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21.2 On 11 October 2006, the FAP issued the Notification No. 26/2006 regarding Accounting Standard No. 44 “Consolidated Financial Statements and Accounting for Investments in Subsidiaries” (Amendment No. 1), under which investments in subsidiaries, jointly controlled entities and associates are to be presented in separate financial statements under the cost method rather than the equity method. Entities that are not ready to adopt the cost method in 2006, can continue to use the equity method through to the end of 2006 and adopt the cost method as from 1 January 2007.

This Notification of the FAP was announced in the Royal Gazette and is effective from 30 October 2006.

22. RECLASSIFICATION OF ACCOUNTS

Certain amounts in the 2005 financial statements have been reclassified to conform to the current period classifications, with no effect on net earnings or shareholders’ equity previously reported.

23. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorized for issue by the Board of Directors on 10 November 2006.