

## 1. Highlights

	Unit: million Baht	Q4/2015	2015
<b>GROUP*</b>	Group LTIFR	0.00	1.55
	Group Revenues	4,128	20,173
	Group Sales Volume (k tons)	246	1,126
	Group EBITDA	N.A.	(37,907)
	Group Net Profit (Loss)	(1,456)	(40,840)**
	Net Debt <sup>1)</sup>	56,981	
	Interest-Bearing Debt/Equity Ratio (x)	N.A.	
<b>HRC</b>	HRC Sales (k tons)	246	1,126
	HRC Production Volume (k tons)	262	1,057
	HRC Average Selling Price (USD/ton)	431	491
	HRC Spread (USD/ton)	60	59
	HRC Rolling Margin (%) <sup>2)</sup>	13.9%	12.0%
	HRC EBITDA (USD/ton) <sup>3)</sup>	5.8	(0.1)
<b>Upstream***</b>	Slab Sales Volume (k tons)	-	1,975
	Slab Production Volume (k tons)	-	1,950
	Slab Average Selling Price (USD/ton)	-	340
	Slab Sales Volume to 3 <sup>rd</sup> Parties	-	76%
	Slab Spread (USD/ton)	-	104
	Slab Margin (%) <sup>2)</sup>	-	30.6%

<sup>1)</sup> Net Debt = Interest-Bearing Debt - Cash and Cash Equivalents

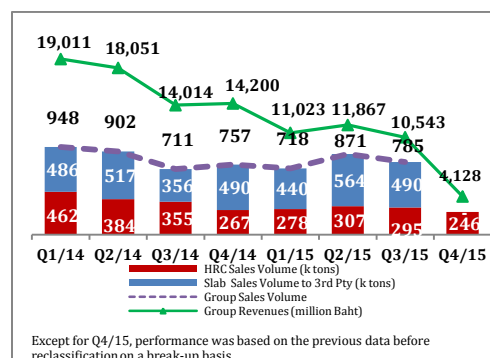
<sup>2)</sup> HRC Rolling Margin = HRC Spread/HRC Average Selling Price;  
 Slab Margin = Slab Spread/Slab Average Selling Price.

<sup>3)</sup> HRC EBITDA includes net stock loss provision and other provisions (reversal) USD 18.6/ton in Q4/2015 and (7.9)/ton in 2015, but excludes the expected loss on liquidation of subsidiary USD 30.5/ton in Q4/2015 and 1,583.6 USD/ton in 2015.

\* Group operating performance excluded the Discontinued Operation.

\*\* Except for 2015 Group Net Loss, which included loss from the Discontinued Operation of Baht 38,037 Million.

\*\*\*2015 Operating performance of Upstream Business was derived from its 9M/2015 performance.



### Highlights in Q4/2015

- Consolidated financial statements for the year 2015 were reclassified to present the operations into 2 parts: 1) the Continuing Operations which excluded the operating results of Upstream Business (SSI UK); and 2) the Discontinued Operations which presented the loss from Discontinued Operation of Upstream Business (SSI UK) for the period from 1 January 2015 to 2 October 2015.
- The Group recorded consolidated loss of 1,456 MB in Q4/2015, mainly resulted from default interest recorded.
- The Group recorded consolidated loss of 40,840 MB in 2015, including loss from Discontinued Operation of 38,037 MB.
- Upstream Business (SSI UK) has been in liquidation proceeding since 2 October 2015; there was no operating performance in Q4/2015.
- The inquiring date for Business Rehabilitation of the Company was scheduled on 17 February 2016.
- No lost time injury (LTIFR = 0).

## 2. Business Outlook on Q1/2016

- HRC Sales Volume expected to decrease 3-5% QoQ; whilst HRC Apparent Steel Supply expected to increase 4% QoQ to approx. 1.49 million tons
- HRC Average Selling Price expected to decrease 5-7% QoQ, and HRC Rolling Margin expected to increase to the range of 20-22%.

## 3. Group CEO's Message

"As communicated earlier, the Company is proceeding with Business Rehabilitation, in order to carry on operations as normal, including to maintain our business value and competitiveness. The Company is now able to carry on operations and generate income with sufficient working capital for production and sale, supported by customers and trading partners who still have confidence in the Company's business."

"The Court scheduled the inquiry date for the petition on 17 February 2016. The Company is confident that after the Court orders the Company for Business Rehabilitation and appoints the Plan Preparer, trading partners and financial institutions will gain more confidence and will be willing to consider additional support to the Company's business which will gradually enhance liquidity, sales volume, operating performance, and financial position of the Company."

## 4. Industry Overview and Outlook

**World Steel Industry:** World crude steel production in Q4/2015 was approx. 386 million tons, down 2.5% QoQ, mainly due to production decrease in China and North America by 2.6% and 10.5% QoQ respectively, while crude steel production in other regions slightly decreased QoQ, as shown in Figure 1.

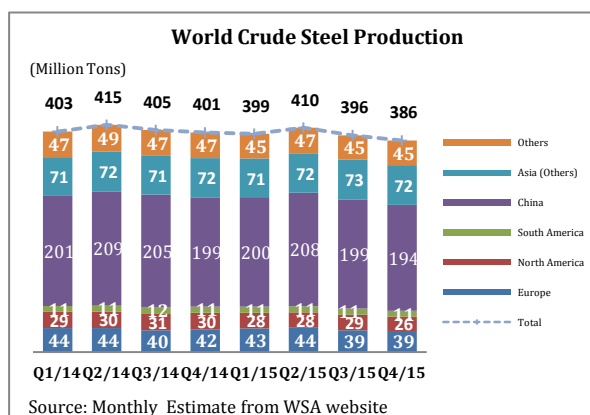


Figure 1: World Crude Steel Production

**Thailand Steel Industry:** In Q4/2015, Thailand's Apparent Steel Supply (ASS) was approx. 3,696k tons, down 21.6% QoQ since the domestic economy has been gradually recovering while private investment remained low. Domestic production volume and import volume decreased by 28.7% and 14.8% QoQ respectively, whereas export volume increased 3.9% QoQ, as shown in Figure 3.

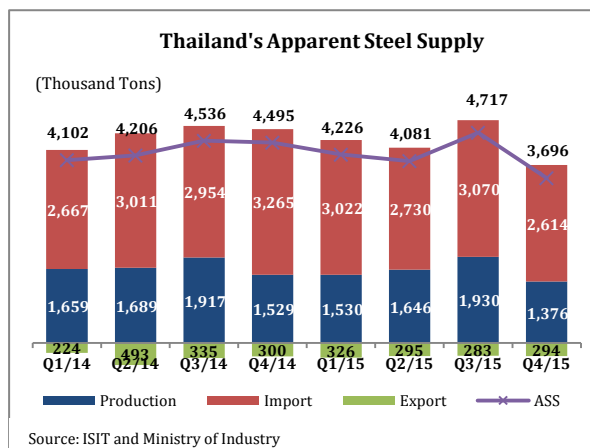


Figure 3: Domestic Apparent Steel Supply

Iron ore, slab, and HRC prices continued to decrease from the previous quarter. The average price of iron ore CFR China was USD 37-56/ton, down QoQ from USD 45-60/ton. The average price of Slab CFR East Asia Import was USD 230-280/ton, down QoQ from USD 270-310/ton. The average price of HRC FOB China was USD 253-280/ton, down QoQ from USD 264-335/ton, as shown in Figure 2 and Table 7.

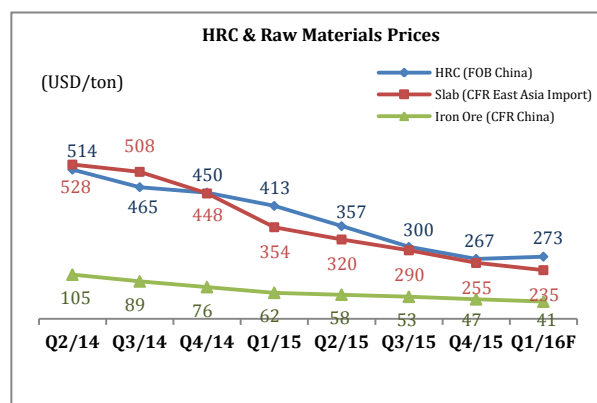


Figure 2: HRC, Slab and Iron Ore Prices

For output in the downstream industry, A/C production volume in Q4/2015 increased by 4.2% QoQ due to the inventory restocking, whereas production volume of auto and fridge decreased 3.1% and 2.4% QoQ respectively following the economic situation, as shown in Figure 4.

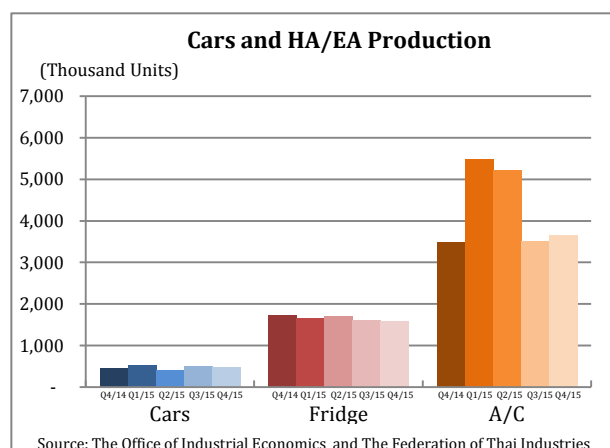


Figure 4: Domestic Production of Car, Fridge, and A/C

**Thailand HRC Industry:** In Q4/2015, domestic HRC Apparent Steel Supply (ASS) was approx. 1,435k tons, down 12.6% QoQ, as shown in Figure 5. Import volume was approx. 869k tons, down 19.9% QoQ as a result of the current prevailing trade remedy measures as well as the impending measures. HRC domestic production was slightly up 2.0% QoQ to 568k tons and export volume was up 51.7% QoQ to 2k tons.

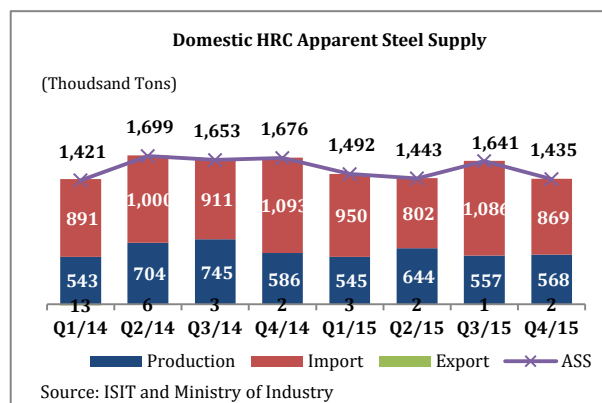


Figure 5: Domestic HRC Apparent Steel Supply

### Outlook on Steel Industry in Q1/2016

**World Steel Industry:** The US economy tends to continue its growing resulted from the expansion of household consumption and the property market recovery. As a result, steel production volume in the U.S. is expected to slightly increase in Q1/2016. Meanwhile, the EU and Japan still continued their monetary policy to further boost their economies. Nevertheless, steel production volume in both regions is expected to remain stable in Q1/2016. In China, the steel demand in Q1/2016 is expected to continue to decrease from ongoing slowdown of Chinese economy causing the steel producers in China to encounter heavy losses and are under pressure to export the over-supply production or reduce output.

As for prices in Q1/2016, steel prices tend to continue to decrease due to continuous production overcapacity issue in China. In addition, the U.S. dollar tends to continue to appreciate as the Federal Reserve System (Fed) has raised interest rates in December 2015 and may raise the interest rates again in 2016. The strengthening U.S. dollar is another factor that could further pressure the commodity prices.

**Thailand Steel Industry:** Domestic HRC Apparent Steel Supply is expected to increase from 1,435k tons in Q4/2015 to 1,493k tons in Q1/2016 as shown in Table 10. HRC Apparent Steel Supply in 2016 is projected to increase 3.6% YoY to approx. 6,226k tons, as shown in figure 6.

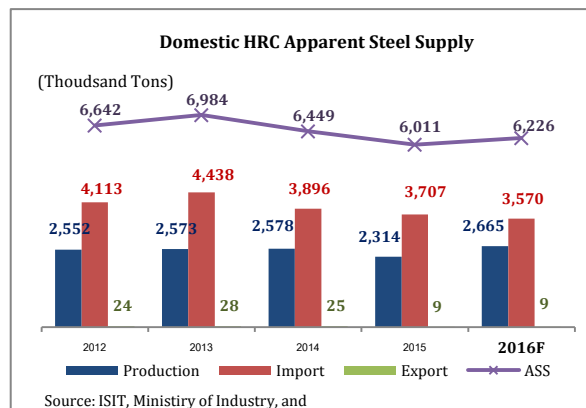


Figure 6: Estimate for Domestic HRC Apparent Steel Supply

## 5. Performance of the Company, its Subsidiaries and its Joint Venture

### Consolidated

Upstream Business (SSI UK) applied to the High Court of Justice Chancery Division Manchester District, and the application was granted on 2 October 2015. Subsequently, Upstream Business (SSI UK) is in the liquidation process. Following the disposal of Upstream Business (SSI UK), consolidated financial statements were reclassified to present the operations into 2 parts 1) the Continuing Operations which excluded the operating results of Upstream Business (SSI UK); and 2) the Discontinued Operations of Upstream Business (SSI UK) which presented the operating results of Upstream Business (SSI UK) for the period from 1 January 2015 to 2 October 2015 (detailed information of total revenue, expenses, and loss from Discontinued Operation of SSI UK stated in Notes to the Financial Statements No.8 Discontinued Operation).

Subsequently to 2 October 2015, SSI UK is in the liquidation process and no longer continues its operation. So, the Company no longer controls the business or operations of SSI UK; therefore, the assets and liabilities of SSI UK have been derecognized in the consolidated financial statements and replaced with the recognition of the investment in SSI UK under "Assets Held for Disposal following liquidation of Subsidiary", written down to its recoverable amount, which is nil.

**Table 1: Financial Highlights in Q4/2015 of the Company, its Subsidiaries and its Joint Venture**

Unit: million Baht	2015 Q4	2015 Q3	+/- QoQ	2014 Q4	+/- YoY	2015	2014 (Restated)	+/- YoY
Group Sales Volume <sup>1)</sup> (k tons)	246	785	-69%	757	-67%	1,126	1,468	-23%
Group Sales Revenues	4,128	10,543	-61%	14,200	-71%	20,173	33,092	-39%
Group Cost of Goods Sold	N.A.	13,681	-	14,272	-	19,392	30,836	-37%
Group Gross Profit (Loss)	N.A.	(3,138)	-	(72)	-	781	2,256	-65%
Group EBITDA <sup>2)</sup>	N.A.	(31,644)	-	(133)	-	(37,907)	(710)	N.A.
Group Net Profit (Loss)	(1,456)	(33,122)	+96%	(1,552)	+6%	(40,840)	(4,903)	-733%

Remark:

- As the consolidated financial statements for the year ended 31 December 2015 were prepared on a break-up basis, different than those for the three-month and nine-month periods ended 30 September 2015, there were no Q4/2015 operating performance available, except Group Sales Volume, Group Sales Revenues and Group Net Loss.
- Q3/2015 and Q4/2014 Operating performance was based on the previous data before reclassification on a break-up basis.
- 2015 and 2014 Group operating performance excluded the Discontinued Operation; except for Group Net Loss, which included loss from the Discontinued Operation of 38,037 MB and 4,396 MB, respectively.

<sup>1)</sup> Group Sales Volume = HRC Sales Volume + Slab Sales Volume Sold to 3<sup>rd</sup> Parties

<sup>2)</sup> EBITDA (Including the stock loss provision and expected loss on liquidation of subsidiary; or the reversal thereof) = Net Profit + Interest + Tax + Depreciation and Amortisation

**Q4/2015**, The Company and its subsidiaries recorded sales and service revenues Baht 4,128 million, down 61% QoQ and 71% QoQ, and the Group Sales Volume was 246k tons due to 1) no revenue related to the Discontinued Operation; 2) a decrease in HRC Sales Volume and HRC Average Selling Price resulted from a continuing drop in world steel prices; as well as 3) customers prolonging orders from concerns about the Company's situation during the beginning period of the Company submitting a petition for Business Rehabilitation. The Company and its subsidiaries reported net loss Baht 1,456 million, improving 96% QoQ and 6% YoY as there was no operating loss from the Discontinued Operation in this period. Negative EPS and negative profitability ratios are as shown in the table below.

	Q4/2015	Q3/2015	Q4/2014
NP Margin (%)	(35.3)	(314.2)	(10.9)
ROA* (%)	(19.0)	(253.8)	(8.0)
ROE* (%)	N.A.	N.A.	(114.1)
EPS (Baht)	(0.045)	(1.030)	(0.048)

Remark

- Annualised figures for comparison purpose
- Q3/2015 and Q4/2014 Operating performance were based on the previous data before reclassification on a break-up basis

**In 2015** The Company and its subsidiaries recorded sales and service revenues Baht 20,173 million, down 39% YoY following 1) exclusion of revenues from the Discontinued Operation and 2) a decrease in HRC Sales Volume and HRC Average Selling Price as the world steel prices had been dropping sharply. Group Sales Volume was 1,126k tons. EBITDA was negative Baht 37,907 million and net loss was Baht 40,840 million, including loss from Discontinued Operation of Baht 38,037 million. Operating performance dropped YoY due to lower HRC Sales Volume and HRC Spread as well as loss from the Discontinued Operation as earlier explained. Negative EPS and negative profitability ratios are as shown in the table below.

	2015	2014
NP Margin (%)	(202.4)	(14.8)
ROA* (%)	(77.1)	(6.1)
ROE* (%)	N.A.	(67.8)
EPS (Baht)	(1.27)	(0.15)

### HRC Business (the Company)

**Table 2: Performance Highlight of HRC Business**

Unit: USD/ton	2015 Q4	2015 Q3	+/- QoQ	2014 Q4	+/- YoY	2015	2014	+/- YoY
Average Selling Price	431	496	-13%	668	-36%	491	679	-28%
Average Cost of Goods Sold	414	467	-11%	615	-33%	484	625	-23%
HRC Spread <sup>1)</sup>	60	89	-32%	123	-51%	59	125	-53%
HRC Rolling Margin <sup>2)</sup>	13.9%	17.9%	-	18.3%	-	12.0%	18.4%	-
HRC EBITDA <sup>3)</sup>	5.8	(3.4)	+268%	(27.1)	+121%	(0.1)	39.7	-100%
Sales Volume (k tons)	246	295	-17%	267	-8%	1,126	1,468	-23%
Production Volume (k tons)	262	254	+3%	257	+2%	1,057	1,424	-26%

<sup>1)</sup> HRC Spread excludes the provision for loss on decline in value of inventories or the reversal thereof.

<sup>2)</sup> HRC Rolling Margin = HRC Spread/Average Selling Price

<sup>3)</sup> HRC EBITDA includes net stock loss provision (reversal) USD (18.6)/ton in Q4/2015, USD 21.5/ton in Q3/2015, USD 64.1/ton in Q4/2014, USD (7.9)/ton in 2015, and USD 11.1/ton in 2014, but excludes loss recognized on the liquidation of subsidiary USD 30.5/ton in Q4/2015, USD 5,951.1/ton in Q3/2015, and USD 1,583.6/ton in 2015.

**Revenues: Q4/2015.** The Company recorded sales and service revenues Baht 4,010 million, down 18% QoQ and 30% YoY. HRC Sales Volume was 246k tons, down 17% QoQ and 8% YoY due to a continuing drop in world steel prices, and the uncertainty about the Company's financial status during the early stage of the Company's applying for Business Rehabilitation, resulted in customers prolonging orders. HRC Average Selling Price in Q4/2015 was Baht 15,440/ton or approx. USD 431/ton, down 13% QoQ and 36% YoY following steel prices in the world market. Premium Value Products (PVPs) contributed to 40% of total HRC Sales Volume.

**Expenses: Q4/2015,** the Company recorded **Cost of sales and services** Baht 3,752 million, comprising total cost of sales and service Baht 3,921 million, and the reversal of provision for loss on decline in value of inventories Baht 169 million. Cost of sales and services decreased 21% QoQ due to a decrease in raw materials cost and HRC Sales Volume. Compared with Q4/2014, cost of sales and service dropped 35% YoY from lower HRC Sales Volume and raw materials cost, as well as lower unit conversion cost supported by cost reduction projects. **SG&A** was Baht 395 million, down 4% QoQ from cost reduction projects, despite the penalty charges on the delay of VAT payment Baht 119 million, but up 60% YoY from the demurrage charges and penalty on delayed VAT payment as earlier explained. **Interest Expense** was Baht 1,100 million; up 173% QoQ and 172% YoY resulted from the accrued default interest rate recorded, while the actual interest rates are under negotiation with the creditor banks, which will be included in the Company's Business Rehabilitation Plan. There was **loss recognised on the liquidation of subsidiary** Baht 267 million from provision made for loss on guarantee from SSI UK increased from interest expenses on the provision.

**In 2015,** The Company recorded sales and service revenues Baht 19,612 million, down 39% YoY, with HRC Sales Volume of 1,126k tons, down 23% YoY. Lower HRC Sales Volume was due to high import volume of downstream steel products such as steel pipes and galvanized steel sheet which affected HRC consumption. In addition, the world steel prices have been dropping sharply and there was uncertainty about the Company's financial status during the early stage of the Company's applying for Business Rehabilitation as earlier explained causing customers to temporarily prolong their orders in a wait-and-see situation. HRC Average Selling Price was Baht 17,705 ton or approx. USD 491/ton, down 28% YoY following steel prices in the world market. Premium Value Products (PVPs) contributed to 36% of total HRC Sales Volume.

**In 2015,** the Company recorded **Cost of sales and service** Baht 19,044 million; comprising total cost of sales Baht 19,283 million and the reversal of provision for loss on decline in value of inventories Baht 239 million. Cost of sales and service decreased 37% YoY following lower HRC Sales Volume and raw materials cost. **SG&A** was Baht 1,452 million; up 56% YoY due to the penalty charges on the delay of VAT payment Baht 191 million, the demurrage charges Baht 190 million, and the reclassification on idle cost which is the fixed cost incurred from below normal production level to be part of SG&A expense in the amount Baht 65 million. There was **the reversal of provision for loss under onerous contracts** Baht 83 million. **Interest Expense** was Baht 2,348 million; up 40% YoY resulted from the accrued default interest rates recorded as earlier explained. There was **loss recognised on the liquidation of subsidiary** Baht 64,329 million, consisting of 1) impairment on investment in subsidiary Baht 27,482 million; 2) allowance for doubtful receivable from SSI UK Baht 5,958 million; 3) provision made for loss on guarantee and others from SSI UK Baht 30,534 million; and 4) provision made for goods-in-transit from SSI UK Baht 355 million.

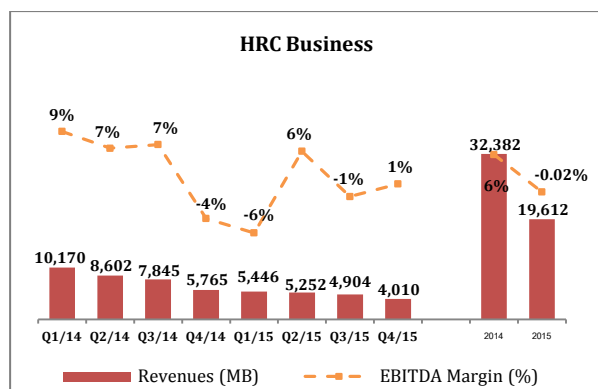


**HRC Spread:** Q4/2015, the Company recorded HRC Spread of USD 60/ton or HRC Rolling Margin of 13.9%, down from USD 89/ton in Q3/2015, and down from USD 123/ton in Q4/2014.

**Profits:** Q4/2015, the Company recorded gross profit Baht 258 million, negative HRC EBITDA Baht 217 million (excluding the reversal of provision for loss on decline in value of inventories Baht 169 million and loss recognised on the liquidation of subsidiary Baht 267 million, negative Core EBITDA was Baht 119 million), and net loss Baht 1,427 million. Operating performance improved QoQ (where gross loss was Baht 164 million, EBITDA was negative Baht 64,099 million, and net loss was Baht 64,609 million in Q3/2015) since loss recognised on the liquidation of subsidiary reduced from Baht 64,062 million in Q3/2015 to Baht 267 million in Q4/2015. Compared with Q4/2014, gross profit and EBITDA improved, but net loss worsened YoY (where gross profit was Baht 45 million, EBITDA was negative Baht 241 million, and net loss was Baht 757 million) due to loss recognised on the liquidation of subsidiary and the accrued default interest rates recorded. HRC EBITDA/ton in Q4/2015 was positive USD 5.8/ton (including the reversal of provision for loss on decline in value of inventories USD 18.6/ton, but excluding loss recognised on the liquidation of subsidiary USD 30.5/ton); up from negative EBITDA USD 3.4/ton in Q3/2015 and negative EBITDA USD 27.1/ton in Q4/2014.

In 2015, the Company recorded HRC Spread of 59/ton or HRC Rolling Margin of 12.0%, down from USD 125/ton in the same period of 2014.

In 2015, the Company recorded gross profit Baht 568 million, negative HRC EBITDA Baht 64,333 million (excluding the reversal of provision for loss on decline in value of inventories Baht 239 million, the reversal of provision for loss under onerous contracts Baht 83 million, and loss recognised on the liquidation of subsidiary Baht 64,329 million, Core EBITDA was negative Baht 326 million), and net loss Baht 67,124 million. Operating performance dropped YoY (where gross profit was Baht 2,089 million, EBITDA was positive Baht 1,887 million, and net loss was Baht 346 million) due to loss recognised on the liquidation of subsidiary, a decrease in HRC Sales Volume and HRC Spread, the penalty charges on the delay of VAT payment, the demurrage charges, the reclassification on idle cost which is the fixed cost incurred from below normal production level to be part of SG&A expense, and the default interest rates as earlier explained. HRC EBITDA/ton was negative USD 0.1/ton (including the reversal of provision for loss on decline in value of inventories USD 5.9/ton, and the reversal of provision of loss under onerous contracts USD 2.0/ton, but excluding the recognised loss on the liquidation of subsidiary USD 1,583.6/ton); down from positive EBITDA USD 39.7/ton in the same period of 2014.



**Figure 7:** Revenues and EBITDA Margin of HRC Business  
(Including loss recognized on the liquidation of subsidiary, EBITDA Margin in Q3/2015, Q4/2015 and 2015 would be -1307%, -5% and -328% respectively).

### Upstream Business (SSI UK)

SSI UK had neither revenues nor operating costs in Q4/2015 since it has been in liquidation proceeding since 2 October 2015. According to IAS 10 : Events After the Reporting Period, the Group's financial statements have been prepared on a break-up basis and SSI UK's operating results for the period from 1 January 2015 to 2 October 2015 were reclassified and presented as Discontinued Operations, apart from the Continuing Operations. Detailed information of total revenue, expenses, and loss of SSI UK was stated in Notes to the Financial Statements No.8: Discontinued Operation.

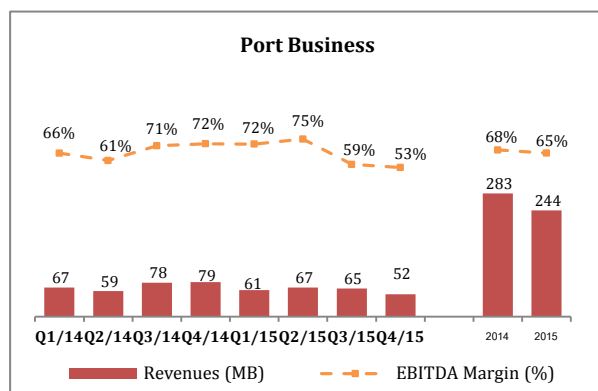
### Port Business (PPC)

**Revenues:** Q4/2015, PPC recorded total service revenues Baht 52 million, down 20% QoQ and 35% YoY following lower revenues from PPC Shore Crane and lower throughput volume resulted from a decrease in throughput volume of the Company and its subsidiaries.

**Profits:** Q4/2015, PPC recorded gross profit Baht 19 million, positive EBITDA Baht 28 million, and net loss Baht 1 million. Compared with Q3/2015, gross profit improved by 31% following lower revenues while EBITDA increased by 122% and net loss improved by 99% QoQ due to no provision for loan granted to SSI UK, and no reversal of accrued interest receivable on loan granted to SSI UK as occurred in Q3/2015. Compared with Q4/2014, gross profit, EBITDA and net loss worsened by 53%, 51%, and 104% YoY respectively. Operating performance dropped YoY due to lower revenues, including an increase in interest expenses from higher amount of short term loan.

In 2015, PPC recorded total service revenues Baht 244 million, down 14% YoY following lower revenues from PPC Shore Crane and lower throughput volume resulted from a decrease in throughput volume of the Company and its subsidiaries as earlier explained.

In 2015, PPC recorded gross profit Baht 105 million, negative EBITDA Baht 5 million, and net loss Baht 127 million, or down 19%, 102%, and 284% YoY respectively as a result of lower revenues, provision for loan granted to SSI UK, and the reversal of accrued interest receivable on loan granted to SSI UK, as well as an increase in interest expenses as earlier explained.



**Figure 9:** Revenues and EBITDA Margin of Port Business  
(Including losses from provision for loan granted to SSI UK, EBITDA Margin in Q3/2015 and 2015 would be -194% and -2% respectively).

### Engineering Business (WCE)

**Revenues:** Q4/2015, WCE recorded total sales and service revenues Baht 108 million, decreased by 35% QoQ due to economic slowdown affecting investments of the industrial sector which still had sufficient production capacity, with following details:

- 1) Maintenance Management Business Baht 64 million, down 21% QoQ due to a decrease in revenues from revamping & overhaul segment and a decrease in maintenance service contracts of the Company and its subsidiaries.
- 2) Machinery Engineering Business Baht 14 million, down 17% QoQ due to no new projects.
- 3) Steel Structure and Fabrication Business Baht 12 million, down 68% QoQ due to no new projects in Q4/2015 since most projects are in the process of price bidding and contract signing.
- 4) Engineering Procurement and Construction Business Baht 19 million, down 42% QoQ due to no new projects.

Revenues from external customers apart from the Company and its subsidiaries accounted for 47% of total sales and service revenues.

In 2015, WCE recorded total sales and service revenues Baht 601 million, down 25% YoY due to the economy slowdown resulted in the delay of private investment as earlier explained. Revenues from external customers apart from the Company and its subsidiaries accounted for 61% of total sales and service revenues.

**Profits:** Q4/2015, WCE recorded gross profit Baht 2 million; negative EBITDA Baht 9 million; and net loss Baht 15 million. Compared with Q3/2015, operating performance decreased by 92%, 177% and 1151% QoQ respectively. Compared with Q4/2014, gross profit decreased by 69%, negative EBITDA improved by 43%, and net loss worsened by 5% YoY respectively as a result of a sharp drop in revenues.

In 2015, WCE recorded gross profit Baht 50 million; positive EBITDA Baht 7 million; and net loss Baht 18 million; improved 213%, 106% and 85% YoY respectively as there was no loss-making project as occurred last year, despite a sharp drop in revenues.

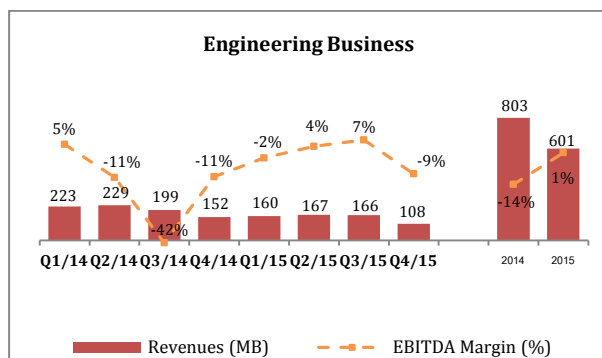


Figure 10: Revenues and EBITDA Margin of Engineering Business

### CRC Business (TCRSS)

**Revenues:** Q4/2015, TCRSS recorded total sales Baht 2,235 million, down 14% QoQ and 32% YoY, following a decrease in CRC Sales Volume by 9% QoQ and 16% YoY to 111k tons. CRC Average Selling Price decreased by 5% QoQ and 19% YoY due to a competitive price and market condition, especially CRC imports from South Korea and India.

In 2015, TCRSS recorded total sales Baht 10,672 million, down 13% YoY due to a decrease in CRC Sales Volume by 2% YoY to 478k tons. CRC Average Selling Price dropped by 11% YoY to stay competitive against CRC imports as earlier explained.

**Profits:** Q4/2015, TCRSS recorded gross profit Baht 107 million, EBITDA Baht 144 million and net profit Baht 7 million. Compared with Q3/2015, gross profit, EBITDA and net profit decreased by 6%, 41% and 92% respectively resulted from a decrease in revenues following lower CRC Sales Volume and Average Selling Price, the provision for loss under onerous contracts totaling Baht 15 million; whilst there was the reversal for loss under onerous contracts in Q3/2015, including an increase in interest expenses from higher amount of short term loan and a reduction in net foreign exchange gain. Compared with Q4/2014, gross profit, EBITDA and net profit decreased 43%, 43% and 90% respectively due to a decrease in revenues following lower CRC Sales Volume and Average Selling Price.

In 2015, TCRSS recorded gross profit Baht 441 million, EBITDA Baht 720 million and net profit Baht 124 million; up by 14%, 18%, and 5671% YoY respectively due to a decrease in interest expenses from lower amount of short term loan and reduced average interest rate, as well as a rise in net foreign exchange gain.

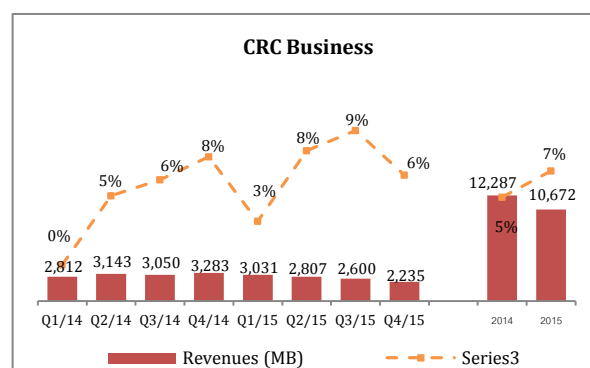


Figure 11: Revenues and EBITDA Margin of CRC Business



## 6. Consolidated Financial Status

### Consolidated Financial Position as at the End of Q4/2015

#### Trade and Notes Receivable- Net

As at 31 December 2015, trade and notes receivable netted Baht 4,591 million, down 14% from the end of 2014; mainly as a result of the liquidation of Upstream Business in the United Kingdom.

#### Inventory

As at 31 December 2015, inventory netted Baht 3,483 million, down 74% from to the end of 2014, as a result of the liquidation of Upstream Business and a decrease in cost and purchase volume of raw materials of HRC Business.

#### Current Ratio

As at 31 December 2015, current ratio was 0.14x; decreased from 0.33x as at the end of 2014, mainly from lower value of inventories and trade accounts receivable from the liquidation of Upstream Business as well as a decrease in cost and purchase volume of raw materials of HRC Business as earlier explained.

#### Liabilities and Liquidity Management

As at 31 December 2015, the Company and its subsidiaries had total liabilities Baht 64,904 million, down 10% from 31 December 2014, mainly as a result of the liquidation of Upstream Business and lower trade accounts payable from a decrease in purchase volume of raw materials of HRC Business.

The Company and its subsidiaries had total interest-bearing debts Baht 57,138 million, whilst net debt was Baht 56,981 million. These debts consisted of short-term borrowings and current portion of long-term interest-bearing debts Baht 57,065 million and long-term interest-bearing debts Baht 73 million.

#### Cash Flow

As at 31 December 2015, the Company and its subsidiaries' ending cash was Baht 157 million; a decrease from net cash and cash equivalents of Baht 351 million at the end of 2014, as detailed in Table 14, consisting of:

- Net cash received from operating activities of Baht 139 million consisting of (1) cash outflows from operation Baht 226 million, and (2) cash inflows from net change in working capital of Baht 365 million mainly resulted from a reduction in inventories.
- Net cash used from investing activities of Baht 225 million was mainly from (1) cash outflows from purchase of property, plant and equipment of Baht 44 million (2) cash outflows on liquidation of subsidiary Baht 165 million, and (3) cash outflows from other activities of Baht 15 million.
- Net cash used in financing activities was Baht 110 million; mainly consisting of (1) cash paid for finance costs Baht 557 million (2) net repayment on short-term and long-term loans Baht 15 million (3) net cash received from short-term loans from related parties Baht 551 million, and (4) cash paid for other financing activities Baht 89 million.

**Table 4: Inventories Classification as at the End of Quarter**

Unit: million Baht	31 Dec 2015	31 Dec 2014	% Chg.
Raw Materials (Slab, iron ore, coking coal, & coke)	188	4,330	-96%
Raw Materials in Transit (Slab)	1,372	4,628	-70%
Finished Goods and Work-in-process (HRC & HRC-P/O)	1,433	3,161	-55%
Tools and Spare Parts	1,315	2,446	-46%
Less: Provision for loss on decline in value of inventories	(825)	(937)	-12%
<b>Net Inventories</b>	<b>3,483</b>	<b>13,629</b>	<b>-74%</b>

**Table 5: Financial Ratios**

Financial Ratios	31 Dec 2015	31 Dec 2014
Current Ratio (x)	0.14	0.33
Interest-Bearing Debt to Equity Ratio (x)	N.A.	9.61

As at 31 December 2015, equity attributable to owners of the Company decreased to negative Baht 36,946 million as a result of loss from the Discontinued Operation of SSI UK Baht 38,037 million and the operating loss of the Group.

## 7. Ongoing Projects

-There is no ongoing project -

## 8. Recent Development

### Key Development in Manufacturing in Q4/2015

#### Precise Reheating Slab Temperature Control

In the production process for different thickness or different quality grades of in the same production program, temperatures of discharged slabs from the reheating furnace are higher than temperatures required for the rolling process, resulting in a waste of energy. To solve this problem, there was a solution to reduce the target temperature of slabs in the reheating furnace to decrease the energy consumption. After the solution was implemented in December 2015, the average slab temperature discharged from the reheating process decreased by 14.1 °C which could save approx. Baht 7.42 per ton production.

#### Reduction of Heat Loss Reduction in Reheating Furnace by Coolant Water Flow Reduction Project

In reheating furnace process, some of heat energy will be lost by the cooling system to help maintain strength of the furnace structure and bear weight of slabs in the furnace. The Heat Loss Reduction program at the cooling system has been achieved by increasing the difference of the coolant water temperature between input and output, which could save approx. 1.01 Baht/ton resulted from reduced fuel consumption of 0.70 Baht/ton and reduced electric power consumption of water treatment process of 0.31 Baht/ton.

#### Recent Development of WCE

At the end of Q4/2015, WCE had a backlog order for all businesses of Baht 205 million mostly to be delivered within the Q1/2016 including 1) Maintenance Management Business Baht 183 million; 2) Machinery Engineering Business Baht 7 million; 3) Steel Structure and Fabrication Business Baht 6 million, and 4) Engineering Procurement and Construction Business Baht 9 million.

During Q4/2015, WCE received new orders amounting to Baht 178 million, including 1) Maintenance Management Business Baht 147 million; 2) Machinery Engineering Business Baht 15 million; 3) Steel Structure and Fabrication Business Baht 6 million; and 4) Engineering Procurement and Construction Business Baht 10 million.

### **Good Corporate Governance and Corporate Social Responsibility**

- 1) On 7 November 2015, the steel companies consisting of Sahaviriya Steel Industries PLC, Thai Cold Rolled Steel Sheet PLC, NS Blue Scope (Thailand) Limited, Siam United Steel (1995) Co., Ltd., Nippon Steel & Sumikin Galvanizing (Thailand) Co., Ltd and JFE Steel Galvanizing (Thailand) Co., Ltd co-arranged the event "The 8<sup>th</sup> Thailand Iron Man Mini Marathon 2015" at Lumpini Park and donated over Baht 2 million raised from the event with no expense deduction to the foundations which support nationwide underprivileged.
- 2) On 18 November 2015, the Company handed over the fund from "The 8<sup>th</sup> Thailand Iron Man Mini Marathon 2015" to the Saengthian Buddhist Foundation, Bang Sai Kai Temple to support youths under the supervision of the foundation.
- 3) On 21 November 2015, SSI's executives and staff together donated blood to the Thai Red Cross Society to help patients who are in shortage of blood in hospitals and to reserve the blood for shortage crisis.
- 4) On 6 December 2015, SSI collaborating with Sahaviriya Group arranged the "Ride for Smile No.3/2015" under the "Two Wheels Preserve Bangsaphan Project" together with "Bike for Dad Project", which was organized by Bangsaphan Police Station and Subdistrict and Village Headman Club. The project aims to honor the 88th birthday anniversary of His Majesty the King, on 5 December 2015, inviting local residents to join a 24 kilometers of bicycle ride from Bangsaphan District Office through hospital intersection, Donsamran junction and Somboon beach intersection to Mae Ramphueng Subdistrict Administrative Organization Office and clean the Mae Ramphueng Beach. There were 322 participants joining the event, helping to reduce carbon dioxide emission of approximately 3,426.08 Kilograms of carbon dioxide equivalent.
- 5) On 24 December 2015, SSI staff joined "Glorification of the Royal Institution 2015 Project", arranged by Mae Ramphueng Subdistrict Administration on the occasion of honoring the 88<sup>th</sup> birthday anniversary of His Majesty the King, on 5 December 2015. The activities included releasing 9,999,999 million marine animals and cleaning the beach. The event was held to contribute fertility to the shore resources, at Mae Ramphueng Subdistrict Administration Meeting Hall, Bangsaphan District, Prachuap Khiri Khan, as well as sources of food and income to the fishermen.
- 6) On 28 December 2015, the Company, as a representative of co-hosts, handed over the fund from "The 8<sup>th</sup> Thailand Iron Man Mini Marathon 2015" to the Phayathai Babies' Foster Home to support youths under its supervision.
- 7) SSI staff arranged SSI Volunteering Project under "25th Anniversary of SSI, 250 Goodness and Thousand Hearts of SSI Arsa". In Q4/2015, total of 2 activities were arranged with the participation of 78 SSI staff members, 35 residents, in the total of 113 people with 904 volunteering service hours in the following areas:
  - On 19 October – 24 October 2015, renovating dining hall for Na Pak Khuang Temple
  - On 1 December – 8 December 2015, setting up hydroponic vegetable house for Thong Chai Community.

### **Awards**

- 1) On 20 October 2015, the Company received level 3 of Established level for Anti-Corruption Progress Indicator of Thai Listed Company 2015 from Thai Pat Institute which was supported by the Securities and Exchange Commission (SEC). The indicator aims to encourage listed companies to enhance the disclosure level of the anti-corruption policy, and continuously improve their level.
- 2) On 28 October 2015, the Company received 88% score of Corporate Governance Report of Thai Listed Companies (CGR) 2015 from the Securities and Exchange Commission (SEC). The score was higher than average scores at 75% of overall listed companies, 87% of SET50 Index, and 84% of SET100 Index. The assessment aimed to encourage Thai listed companies to continue their good corporate governance and concern about rights and interests of all stakeholders.
- 3) On 16 December 2015, the Company received Sustainability Report Award 2015, The award ceremony was held by CSR Club, Thai Listed Companies Association, the Securities and Exchange Commission and Thai Pat Institute. The award was launched to support information revealing and encourage companies to establish their sustainability report.

## **Current Status of Trade Remedy Measures against Imported Hot-rolled Flat Steel and Cold-rolled Flat Steel**

### *Safeguard Measure*

- For the case of *Safeguard Measure on hot-rolled flat steel with other elements added in coils and not in coils*, Department of Foreign Trade (DFT) announced the Notification of initiation on a review regarding the extension of a safeguard measure, effective date on 18 July 2015 (existing measure is effective until 26 February 2016). Later, DFT opened a hearing meeting for the draft of definitive result on 13 January 2016. The draft of definitive result is proposed to extend the measure for 3 years from 27 February 2016 to 26 February 2019.

### *Anti – dumping Measure*

- For the case of *Anti-dumping Measure on hot-rolled flat steel in coils and not in coils whose origins are from Brazil, Iran, and Turkey*, the Company filed a petition for Anti-Dumping Measure to Department of Foreign Trade on 22 May 2015. There was the investigation announcement in the Royal Gazette dated 18 January 2016.
- For the case of *Anti-Dumping Measure on hot-rolled flat steel pickled and oiled in coils and not in coils whose origins are from Republic of Korea*, the Company filed a petition for Anti-Dumping Measure to Department of Foreign Trade on 3 August 2015. There was the investigation announcement in the Royal Gazette dated 4 February 2016.

## **9. Business Restructuring**

### **Key Events in Q4/2015**

- On 1 October 2015, additionally to SSI UK's case, the Major Creditors demanded the Company to pay its obligation under the loan conditions with credit facility of Baht 23.9 billion, as the Company had liabilities exceeding its total assets. As the Company discussed with the Major Creditors to obtain the solution for the Continuing Operations of the Company to be able to carry on operations as normal, including to maintain the Company's business value, the Board of Directors deemed that the Company should enter into Business Rehabilitation for its debt restructuring. As a result, the Board of Directors approved the Company to submit a petition for Business Rehabilitation to the Central Bankruptcy Court on 1 October 2015 and submit a petition to approve the Company to act as the Plan Preparer of the Business Rehabilitation.
- On 1 October 2015, the Central Bankruptcy Court accepted a petition for Business Rehabilitation of the Company, and the preliminary hearing was scheduled on 21 December 2015.
- On 2 October 2015, the court accepted an application for SSI UK's liquidation. As a result, SSI UK has been in liquidation ever since, and the Board of Directors of SSI UK ceased to have any control of SSI UK's affairs accordingly.
- On 21 December 2015, the preliminary hearing for Business Rehabilitation of the Company was scheduled. It was appeared on such inquiring date that the litigants would prefer to prepare and bring the witnesses to testify on the Court proceedings. The Court, then, scheduled the next inquiring on 17 February 2016.

### Appendix

**Table 6: World Crude Steel Production**

Unit: million tons	2015	2015	+/-	2014	+/-	2015	2014	+/-
Region	Q4	Q3	QoQ	Q4	YoY			YoY
EU	38.57	39.35	-2%	41.61	-7%	165.46	168.76	-2%
North America	25.94	28.98	-10%	30.15	-14%	111.18	120.44	-8%
South America	10.68	11.06	-3%	11.34	-6%	44.03	45.17	-3%
China	193.82	198.90	-3%	198.91	-3%	800.53	813.88	-2%
Asia (ex. China)	72.50	72.84	-0.5%	72.46	+0%	288.04	286.59	+1%
Others	44.77	44.88	-0.2%	46.51	-4%	181.70	189.58	-4%
<b>Total</b>	<b>386.28</b>	<b>396.01</b>	<b>-2%</b>	<b>400.98</b>	<b>-4%</b>	<b>1,590.95</b>	<b>1,624.41</b>	<b>-2%</b>

Source: World Steel Association

**Table 7: Average Prices of Slab, HRC, and Other Raw Materials**

Unit: USD/ton	Q4/2014 Actual	Q1/2015 Actual	Q2/2015 Actual	Q3/2015 Actual	Q4/2015 Actual	Q1/2016 Estimate
Coking Coal (FOB Australia)	107-112	95-110	81-93	79-88	N.A.	N.A.
Iron Ore (CFR China)	67-84	52-72	48-67	45-60	37-56	39-43
Slab (CFR East Asia import)	405-490	323-385	310-330	270-310	230-280	230-240
HRC (FOB China)	412-488	368-458	339-375	264-335	253-280	270-275
Scrap (FOB Netherland)	273-322	213-307	225-253	163-222	149-178	163-170

**Table 8: Car and Home Appliance Production in Thailand**

Unit: million units	2015 Q4	2015 Q3	% QoQ	2014 Q4	% YoY	2015	2014	% YoY
Car Production <sup>1)</sup>	0.48	0.50	-3%	0.47	+2%	1.91	1.88	+2%
Refrigerator Production <sup>1)</sup>	1.59	1.62	-2%	1.74	-9%	6.58	6.49	+1%
Air Conditioner Production <sup>2)</sup>	3.66	3.51	+4%	3.49	+5%	17.87	18.24	-2%

Sources: <sup>1)</sup> Car Production information published by the Federal of Thai Industries<sup>2)</sup> Refrigerators and Air Conditioners Production revised from additional plants collected data, published by the Office of Industrial Economics
**Table 9: HRC Apparent Steel Supply in Thailand**

Unit: tons	2015 Q4	2015 Q3	% QoQ	2014 Q4	% YoY	2015	2014	% YoY
Domestic Production	568,011	556,795	+2%	585,711	-3%	2,313,529	2,578,170	-10%
Import	869,072	1,085,649	-20%	1,093,043	-20%	3,706,869	3,895,809	-5%
Export	2,136	1,408	+52%	2,469	-13%	9,122	24,591	-63%
<b>Total</b>	<b>1,434,947</b>	<b>1,641,036</b>	<b>-13%</b>	<b>1,676,285</b>	<b>-14%</b>	<b>6,011,276</b>	<b>6,449,388</b>	<b>-7%</b>

Source: Iron and Steel Institution of Thailand for actual data and the Company for estimation

**Table 10: Estimation of HRC Apparent Steel Supply**

Unit: tons	2014 Actual	Q1/2015 estimate	Q2/2015 estimate	Q3/2015 estimate	Q4/2015 estimate	2015 estimate	% YoY
Domestic Production	2,313,529	595,000	690,000	690,000	690,000	2,665,000	+15%
Import	3,706,869	900,000	890,000	890,000	890,000	3,570,000	-4%
Export	9,122	2,200	2,200	2,200	2,200	8,800	-4%
<b>Total</b>	<b>6,011,276</b>	<b>1,492,800</b>	<b>1,577,800</b>	<b>1,577,800</b>	<b>1,577,800</b>	<b>6,226,000</b>	<b>+4%</b>

Source: Iron and Steel Institution of Thailand for actual data and the Company for estimation

Table 11: Summary of Consolidated Financial Results

<b>Consolidated</b>								
Unit: million Baht	2015 Q4	2015 Q3	+/- QoQ	2014 Q4	+/- YoY	2015	2014 (Restated)	+/- YoY
Sales and service revenues	4,128	10,543	-61%	14,200	-71%	20,173	33,092	-39%
Cost of sales and service	N.A.	13,681	-	14,272	-	19,392	30,836	-37%
Gross profit (loss)	N.A.	(3,138)	-	(72)	-	781	2,256	-65%
SG&A	N.A.	546	-	416	-	1,589	1,112	+43%
Provision for loss under onerous contracts (reversal)	N.A.	(13)	-	457	-	(83)	83	-200%
Expected loss on liquidation of subsidiary	-	28,877	-	-	-	0	-	-
Gain on sales of investments in Joint Venture	-	-	-	-	-	-	-	-
EBITDA <sup>1)</sup>	N.A.	(31,644)	-	(133)	-	(37,907)	(710)	N.A.
Interest expense	N.A.	829	-	815	-	2,379	1,704	+40%
Depreciation and amortisation	N.A.	649	-	611	-	562	2,514	-78%
Income tax (reversal)	N.A.	(0.2)	-	(7)	-	(8)	(25)	+69%
Realised FX gain (loss)	N.A.	741	-	5	-	118	(182)	+165%
Unrealised FX gain (loss)	N.A.	(622)	-	(21)	-	142	359	-61%
Profit (Loss) from Discontinued Operation	-	-	-	-	-	(38,037)	(4,396)	-765%
Net profit (loss)	(1,456)	(33,122)	+96%	(1,522)	+6%	(40,840)	(4,903)	-733%
EPS (Baht)	(0.045)	(1.030)	+96%	(0.048)	+6%	(1.270)	(0.152)	-733%

Remark:

- As the consolidated financial statements for the year ended 31 December 2015 were prepared on a break-up basis, different than those for the three-month and nine-month periods ended 30 September 2015, there were no Q4/2015 operating performance available, except Sales and Service Revenues and Net Loss.
- Q3/2015 and Q4/2014 Operating performance were based on the previous data before reclassification on a break-up basis.
- 2015 and 2014 operating performance excluded the Discontinued Operation, except for Net Loss.

Table 12: Financial Results by Business

Unit: million Baht	2015 Q4	2015 Q3	+/- QoQ	2014 Q4	+/- YoY	2015	2014 (Restated)	+/- YoY
<b><u>Sales and Service Revenues</u></b>								
<b>Consolidated <sup>1)</sup></b>	<b>4,128</b>	<b>10,543</b>	<b>-61%</b>	<b>14,200</b>	<b>-71%</b>	<b>20,173</b>	<b>33,092</b>	<b>-39%</b>
HRC Business	4,010	4,904	-18%	5,765	-30%	19,612	32,382	-39%
Upstream Business	-	5,501	-	8,293	-	17,387	32,200	-
Port Business	39	38	+3%	36	+7%	145	139	+4%
Engineering Business	51	93	-45%	104	-51%	367	551	-33%
<b><u>EBITDA</u></b>								
<b>Consolidated</b>	<b>N.A.</b>	<b>(31,644)</b>	<b>-</b>	<b>(133)</b>	<b>-</b>	<b>(37,907)</b>	<b>(710)</b>	<b>N.A.</b>
HRC Business	(217)	(64,099)	+100%	(241)	+10%	(64,333)	1,887	N.A.
Upstream Business	-	(32,363)	-	29	-	(35,793)	(1,046)	-
Port Business	28	(126)	+122%	57	-51%	(5)	192	-102%
Engineering Business	(9)	12	-177%	(16)	+43%	7	(114)	+106%
Elimination of Related Parties Transaction	(2,635)	64,932		38		62,216	(1,630)	



Unit: million Baht	2015 Q4	2015 Q3	+/- QoQ	2014 Q4	+/- QoQ	2015	2014 (Restated)	+/- YoY
<b><u>Net Profit (Loss)</u></b>								
<b>Consolidated <sup>2)</sup></b>	<b>(1,456)</b>	<b>(33,122)</b>	<b>+96%</b>	<b>(1,552)</b>	<b>+6%</b>	<b>(40,840)</b>	<b>(4,903)</b>	<b>-733%</b>
HRC Business	(1,427)	(64,609)	+98%	(757)	-89%	(67,124)	(346)	N.A.
Upstream Business	-	(33,286)	-	(843)	-	(38,404)	(4,396)	-
Port Business	(1)	(156)	+99%	25	-104%	(127)	69	-284%
Engineering Business	(15)	1	N.A.	(14)	-3%	(18)	(120)	+85%
Elimination of Related Parties Transaction	(13)	65,003		18		(64,888)	(146)	
Non-controlling Interest	(1)	(75)		18		(57)	36	

Remark: Q3/2015 and Q4/2014 Operating performance were based on the previous data before reclassification on a break-up basis.

<sup>1)</sup> Revenues of each business unit are shown as net revenues after elimination of related parties transactions

<sup>2)</sup> TCRSS and Redcar Bulk Terminal Ltd transactions are recorded under equity method.

**Table 13: Condensed Consolidated Statements of Financial Position**

Unit: million Baht	As of 31 Dec 15	As of 31 Dec 14	+/-
<b><u>Assets</u></b>			
Accounts Receivable	4,591	5,312	-14%
Inventories	3,483	13,629	-74%
Other Current Assets	887	4,068	-78%
<b>Total Current Assets</b>	<b>8,961</b>	<b>23,009</b>	<b>-61%</b>
Property, Plant and Equipment	16,853	50,513	-67%
Investments in its Joint Venture	2,622	3,419	-23%
Other Non-Current Assets	229	311	-26%
<b>Total Assets</b>	<b>28,665</b>	<b>77,252</b>	<b>-63%</b>
S/T Debt and Current Portion of L/T Interest-Bearing Debts	57,065	52,373	+9%
Accounts Payable	2,804	10,803	-74%
Other Current Liabilities	34,122	6,501	+425%
<b>Total Current Liabilities</b>	<b>63,457</b>	<b>69,677</b>	<b>-9%</b>
L/T Interest-Bearing Debts	73	102	-28%
Other Non Current Liabilities	1,374	2,013	-32%
<b>Total Liabilities</b>	<b>64,904</b>	<b>71,792</b>	<b>-10%</b>
Equity Attributable to Owners of the Company	(36,946)	4,660	-893%
Non-controlling Interests	707	800	-12%
<b>Total Equity</b>	<b>(36,239)</b>	<b>5,460</b>	<b>-764%</b>
<b>Total Liabilities and Equity</b>	<b>28,665</b>	<b>77,252</b>	<b>-63%</b>

**Table 14: Condensed Statement of Cash Flow**

<b>Unit: million Baht</b>	<b>Jan-Dec 2015</b>
<b>Net cash from in operating activities</b>	<b>139</b>
Dividends received from joint venture	-
Purchases of property, plant and equipment	(44)
Currency translation differences	-
Net cash outflow on liquidation of subsidiary	(165)
Other investments	(15)
<b>Net cash from investing activities</b>	<b>(225)</b>
Net Proceeds from issuance of ordinary shares	-
Finance costs paid	(557)
Proceeds from bank overdrafts and short-term loans from financial institutions	(7)
Proceeds from short-term loan from related parties	551
Repayment on long-term loans	(9)
Cash from other financing activities	(89)
<b>Net cash from financing activities</b>	<b>(110)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(195)</b>
Cash and cash equivalents at 1 January 2015	351
Effect of exchange rate changes on balance held in foreign currency	-
<b>Cash and cash equivalents at 31 December 2015</b>	<b>157</b>

**About SSI**

**Sahaviriya Steel Industries PLC.** or SSI is ASEAN's largest fully-integrated flat steel producer with 4 million tons annual capacity of hot rolled steel sheet in coils (HRC). SSI endeavors to supply premium-grade steel sheets to cater to the region's growing demand in various sectors such as automobile, energy, transportation and construction sectors. In the upstream business, SSI owns SSI Teesside, a 3.6 million tons per annum fully-integrated iron-steel making plant located in Redcar in the northeast of UK, through a wholly-owned subsidiary **Sahaviriya Steel Industries UK Limited** ("SSI UK"). SSI Teesside supplies premium-grade steel slabs to SSI to feed its growing demand, as well as to other rolling mills around the world. In the downstream business, SSI has investments in joint-venture downstream plants: namely **Thai Cold Rolled Steel Sheet PLC.** ("TCRSS") - Thailand's first and largest cold roll mill, and **Thai Coated Steel Sheet Co., Ltd.** ("TCS") - Southeast Asia's first and largest electro-galvanizing line. All SSI's plants in Thailand are located on a world-class coastal industrial site in Bang Saphan, Prachuap Khirikhan Province, 400km south of Bangkok on the western peninsula of Thailand, where they are efficiently integrated with its privately-owned deep-sea port (**Prachuap Port Co., Ltd.** or PPC), which allows import of raw materials and export of finished products in large economy of scale. SSI extends its engineering capabilities into its wholly-owned subsidiary, **West Coast Engineering Co., Ltd.** or WCE, which specialises in engineering, maintenance, spare parts production, fabrication, erection and commissioning service. Our people's passion and energy is captured in the Company's vision statement - "innovate premium value steel products and services for customers; generate consistent profit and sustainable value for stakeholders."

For more information, please visit <http://www.ssi-steel.com>

**Disclaimer**

This management's discussion and analysis ("MD&A") has been prepared to provide preliminary information for general investors and shareholders of the Company. This MD&A comprises several parts which contain the current information of the Company, its Subsidiaries and its Joint Venture. However, the businesses and operations of the Company are subject to change, or an event may occur after the date of this MD&A which will affect the information contained therein. General investors and shareholders should consider other information together with the information contained herein.

Some information contained in this MD&A is based on forecasts, estimations or future expectations. Any information not based on events that have already occurred, or information based on beliefs and forecasts of the Company, can be identified with wordings "believe", "expect", "hope", "plan", "intend", "estimate", "assess" and other words of similar nature. Readers are requested to be particularly cautious when relying on information, which is based on future forecast, as such information is inherently subject to risks and uncertainties.