

Report on the Responsibility of the Board of Directors for 2013 Financial Report

The Board of Directors of Sahaviriya Steel Industries Public Company Limited is directly responsible for ensuring that the Company's activities comply with policies of good corporate governance and that the financial report of the Company and other financial information shown in the annual report are accurate and complete. The financial statements for the year ended 31 December 2013 of the Company, its subsidiaries and its jointly-controlled entities have been prepared in accordance with generally accepted accounting principles with appropriate and consistent accounting policies and/or accounting practices as well as careful judgment in these evaluations, along with all due consideration as to their suitability. Material information has been sufficiently disclosed and audited by the independent certified public accountant that expresses an unqualified opinion.

The Board of Directors has established and maintained systems of risk management and internal controls that are sufficiently effective in providing reasonable assurance that the Company's assets are well safeguarded and protected from fraud and significant irregularities. The Audit Committee, which consists of independent directors, investigates whether the Company's systems of internal controls and auditing are appropriate and effective in ensuring that the Company's financial report is of the quality affirmed by the Audit Committee in its findings, as disclosed in the annual report.

The Board of Directors considers that the internal control system and the financial statements for the year ended 31 December 2013 of the Company, its subsidiaries and its jointly-controlled entities are accurate, complete and reliable in accordance with generally accepted accounting principles and in compliance with relevant laws and regulations.



(Mr. Wit Viriyaprapaikit)
Chairman of the Board of Directors



(Mr. Win Viriyaprapaikit)
Group CEO and the President

Management Discussion and Analysis: MD&A

Table 1: Summary of Consolidated Financial Results

Unit Million Baht	2013	2012	+/-
	Jan-Dec	Jan-Dec	YoY
Sales and service revenues	65,387	60,604	+8%
Cost of sales and service	(70,250)	(72,672)	-3%
Gross profit (loss)	(4,863)	(12,068)	+60%
SG&A	(1,263)	(1,263)	+0%
Provision for loss under onerous contracts (reversal)	451	(490)	+192%
Gain on sales of investments in jointly-controlled entity	363	-	NA
EBITDA ¹⁾	(2,888)	(10,597)	+73%
Interest expense	(3,565)	(3,876)	-8%
Depreciation and amortisation	(2,506)	(2,015)	+24%
Income tax benefits (Reversal)	1,907	570	+235%
Realised FX gain (loss)	(1,072)	283	NA
Unrealised FX gain (loss)	688	63	NA
Net profit (loss)	(7,053)	(15,918)	+56%
EPS (Baht)	(0.24)	(0.84)	+128%

¹⁾ 2013 Group EBITDA includes gain on sales of investment in TCRSS Baht 363 million occurred in Q1/2013

Table 2: Financial Results by Business

Unit Million Baht	2013	2012	+/-
	Jan-Dec	Jan-Dec	YoY
Sales and Service Revenues ¹⁾			
Consolidated	65,387	60,604	+8%
HRC Business	45,599	48,470	-6%
Upstream Business	19,132	11,688	+64%
Port Business	169	169	+0%
Engineering Business	486	277	+76%
EBITDA ¹⁾			
Consolidated ²⁾	(2,888)	(10,597)	+73%
HRC Business ³⁾	2,967	1,121	+165%
Upstream Business	(6,018)	(11,855)	+49%
Port Business	284	280	+1%
Engineering Business	95	97	-2%
Elimination of Related Parties Transaction	(217)	(240)	
Net Profit (Loss) ¹⁾			
Consolidated ⁴⁾	(7,053)	(15,918)	+56%
HRC Business	210	(1,655)	+113%
Upstream Business	(7,259)	(14,194)	+49%
Port Business	156	122	+28%
Engineering Business	49	47	+6%
Elimination of related parties transaction	(278)	(285)	
Non-controlling interest	69	47	

¹⁾ Revenues of each business unit is shown as net revenues after elimination of related parties transactions while EBITDA and Profit (Loss) are shown as amount before elimination of related parties transactions.

²⁾ 2013 Group EBITDA includes gain on sales of investment in TCRSS Baht 363 million occurred in Q1/2013.

³⁾ 2013 HRC EBITDA includes gain on sales of investment in TCRSS 225 million Baht occurred in Q1/2013.

⁴⁾ TCRSS and Redcar Bulk Terminal Ltd transactions are recorded under equity method.

Table 3: Performance Highlight of HRC Business

Unit: USD/tn	2013	2012	+/-
	Jan-Dec	Jan-Dec	YoY
Average Selling Price	689	716	-4%
Average Cost of Goods Sold	651	712	-9%
HRC Spread ¹⁾	122	93	+31%
HRC Rolling Margin ²⁾	17.6%	13.0%	
HRC EBITDA ³⁾	460	167	+176%
Sales Volume (k tons) ⁴⁾	2,134	2,184	-2%
Production Volume (k tons)	2,131	2,096	+2%

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

²⁾ HRC Rolling Margin = HRC Spread

³⁾ 2013 HRC EBITDA includes gain on sales of investments in TCRSS Baht 225 million or equivalent to USD 3.5/tn

⁴⁾ 2012 HRC Sales volume includes 29k tons of HRC from tolling services

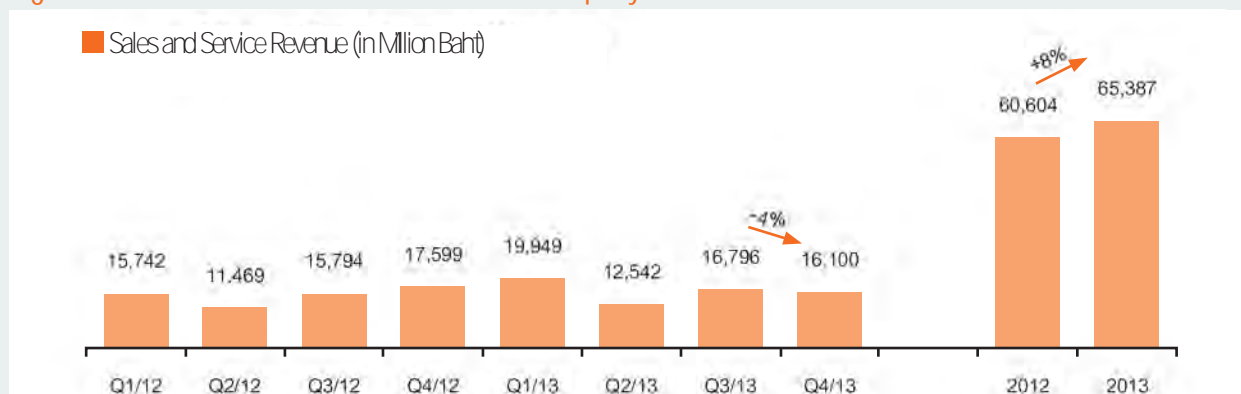
Table 4: Performance Highlight of SSI UK (Upstream Business)

Unit: USD/tn	2013	2012	+/-
	Jan-Dec	Jan-Dec	YoY
Average Selling Price	499	529	-6%
Average Raw Material Cost	335	461	-16%
Slab Spread ¹⁾	114	69	+66%
Slab Margin ²⁾	22.8%	13.0%	
Sales Volume (k tons)	2,807	1,680	+67%
Slab Sales to 3rd Parties	40%	18%	
Production (k tons)	2,770	1,765	+57%

¹⁾ Slab Spread excluded the provision for loss on decline in value of inventories or the reversal thereof.

²⁾ Slab Margin = Slab Spread/Average Selling Price

Figure 1: Sales and Service Revenue of the Company and its subsidiaries



Performance of the Company, its Subsidiaries and Jointly-Controlled Entities

The Company and its subsidiaries recorded sales and service revenues Baht 65,387 million, up 8% YoY due to higher sales volume sold to external parties in Upstream Business. Total cost of sales and service was Baht 70,250 million, down 3% YoY, mainly achieved by better operational performance in the upstream business as a result of 1) lower cost of raw materials, 2) lower conversion cost, and 3) lower average cost from economies of scale.

The Company and its subsidiaries reported gross loss Baht 4,863 million, negative EBITDA Baht 2,888 million (including gain on sales of investments in jointly-controlled entity of Baht 363 million), and net loss Baht 7,053 million (including the reversal of income tax Baht 1,907 million), or negative EPS Baht 0.24 per share, with negative profitability ratios shown in a table below. In comparison to last year, losses were much lower as a result of higher production volume and sales volume in the Upstream Business combining with improvement in both HRC Spread and Slab Spread. Nevertheless, the Company and its subsidiaries still endured consolidated net loss caused by below break-even production level of the Upstream Business.

Profitability Ratio	Jan-Dec 2013	Jan-Dec 2012
NP Margin (%)	(108)	(263)
ROA (%)	(81)	(182)
ROE (%)	(625)	(864)
EPS (Baht)	(0.24)	(0.84)

HRC Business (the Company)

Revenues: HRC Business recorded sales and service revenues Baht 45,599 million, down 6% YoY, with HRC sales volume of 2,134k tons, down 2% YoY, mainly caused by lower domestic steel demand from delayed orders and destocking cycle in Q2/2013 and also uncertain political situation in Q4/2013. HRC Average Selling Price was Baht 21,135/ton (approx USD 689/ton), down 4% YoY. Premium Value Products contributed 34% of total HRC sales volume.

Expenses: HRC Business recorded cost of sales and service Baht 43,035 million, down 10% YoY due to 1) lower slab cost and 2) lower conversion cost per unit resulting from improved production efficiency and reducing the cost of energy, one of the major costs. Cost of sales and service comprises total cost of sales Baht 43,125 million and the reversal of provision for loss on decline in value of inventories Baht 90 million. SG&A was Baht 770 million, down 1% YoY. Interest Expense was Baht 2,023 million, down 3% YoY as portion of long-term loans was repaid.

HRC Spread : HRC Spread was recorded at USD 122/ton or HRC Rolling Margin of 17.6%, up from USD 93/ton last year.

Profits: HRC Business recorded gross profit Baht 2,564 million, or up 306% YoY. HRC EBITDA was Baht 2,967 million, up 165% YoY. On per ton basis, HRC EBITDA was USD 460/ton (including the reversal of provision for loss on decline in value of inventories USD 1.4/ton and gain on sales of investments USD 3.5/ton); up from USD 167/ton in 2012. Net profit was Baht 210 million, up from net loss Baht 1,655 million in 2012 as a result of higher HRC Spread, decreasing conversion cost, lower interest expense, and gain on sales of investments in jointly-controlled entity Baht 225 million.

Figure 2: Revenues and EBITDA/ton of HRC Business

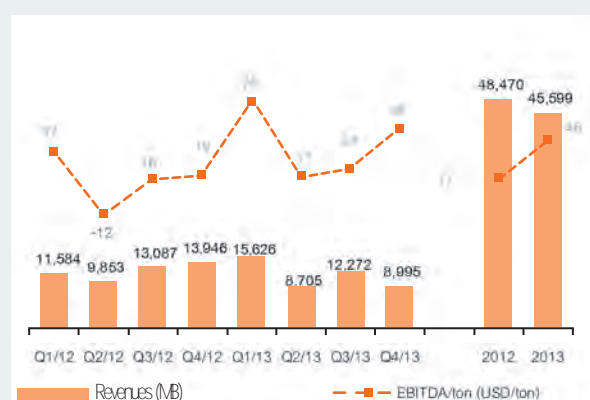
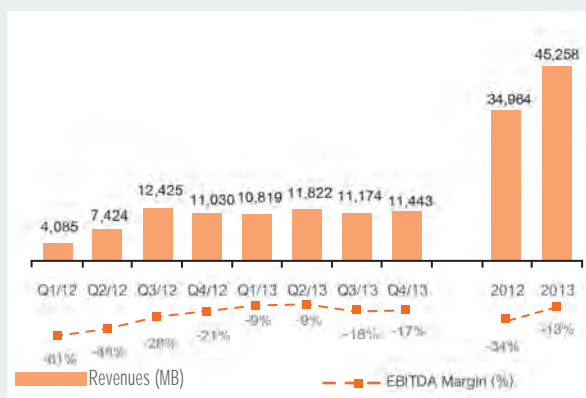


Figure 3: Revenues and EBITDA Margin of Upstream Business



Upstream Business (SSI UK)

Revenues: In 2013, SSI UK recorded total sales and service revenues Baht 45,258 million, up 29% YoY, from Slab sales volume 2,807 k tons, much higher than last year as Slab production and sales only started from April 2012. Slab Average Selling Price was USD 499/ton. Revenues after elimination of related parties transactions were Baht 19,132 million from 1,110 k tons of Slab sold to external parties, or 40% of Slab sales volume.

Expenses: In 2013, SSI UK recorded Cost of sales and service Baht 53,103 million, comprising total cost of sales of Baht 53,168 million and provision for loss on decline in value of inventories Baht 65 million. Comparing to 29% YoY increase in sales volume, total cost of sales and service increased merely 11% YoY due to lower raw material cost and significant drop in conversion cost per unit as a result of higher production efficiency. SG&A was Baht 369 million and the reversal of provision for loss under onerous contracts was Baht 451 million. Interest Expense was Baht 1,522 million, down 14% YoY mainly resulted from improving efficiency in raw material procurement contributing to lower interest expense on raw materials.

Slab Spread In 2013, Slab Spread was recorded at USD 114/ton or Slab Margin of 22.8%, up from USD 69/ton in 2012.

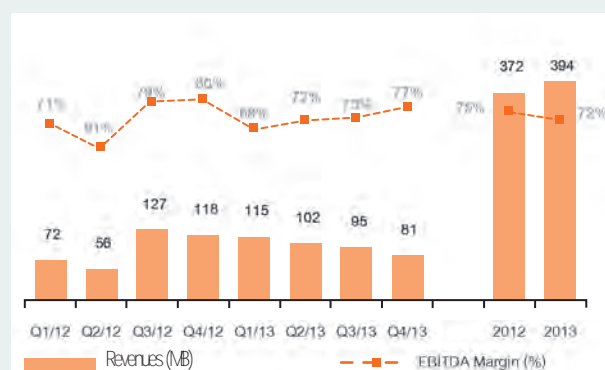
Profits In 2013, SSI UK recorded gross loss Baht 7,845 million, negative EBITDA Baht 6,018 million, and net loss Baht 7,259 million (including the reversal of income tax Baht 1,925 million). Losses were lower YoY, compared to Q4/2012 where gross loss was Baht 12,944 million, EBITDA was negative Baht 11,855 million, and net loss was Baht 14,194 million, as a result of 1) lower cost of raw materials, 2) lower conversion cost, and 3) lower fixed cost from economies of scale.

Port Business (PPC)

Revenues: In 2013, PPC recorded total service revenues Baht 394 million, up 6% YoY as revenue from PPC Shore Crane service was fully realized in 2013, comparing to those in 2012 which only started since Q2/2012.

Profits In 2013, PPC recorded gross profit Baht 235 million, EBITDA Baht 284 million, and net profit Baht 156 million, up 3%, 1% and 28% YoY respectively, driven by higher revenues, lower interest expense due to lower short-term loans and fully repaid long-term loans, and adjustment on deferred tax item in 2012.

Figure 4: Revenues and EBITDA Margin of Port Business

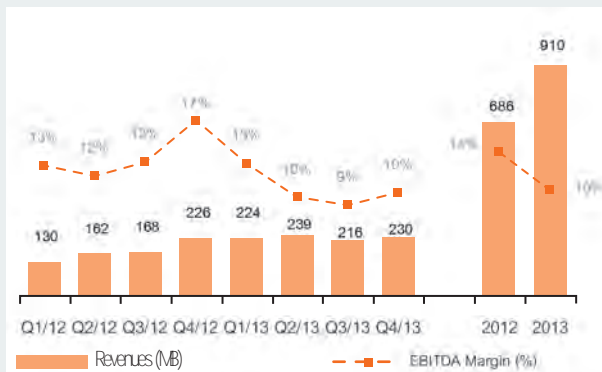


Engineering Business (WCE)

Revenues: In 2013, WCE recorded total sales and service revenues Baht 910 million, up 33% YoY, driven by higher revenues from every segment. External customers apart from the Company and its subsidiaries took a portion 53% of total sale and service revenues, including customers in warehouse, paper, acrylic-resin producers, equipment supplies and electricity power industry, gas cylinder, and transportation.

Profits In 2013, WCE recorded gross profit Baht 156 million, EBITDA Baht 95 million and net profit Baht 49 million, up 26%, down 2% and up 6% YoY respectively, following an increase in revenues from every segment.

Figure 5: Revenues and EBITDA Margin of Engineering Business

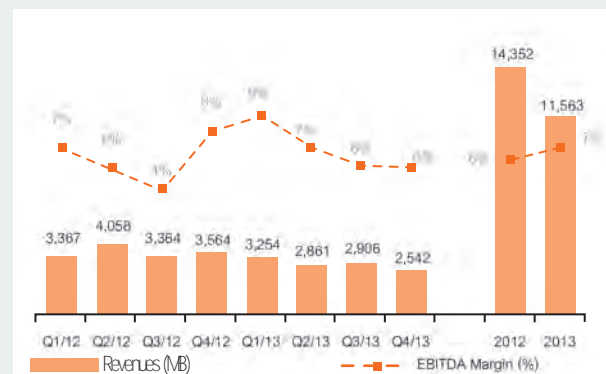


CRC Business (TCRSS)

Revenues: In 2013, TCRSS recorded Total sales Baht 11,563 million, down 19% YoY mainly from lower average selling price following world steel markets down cycle, with 13% YoY decrease in CRC sales volume to 441 k tons due to the dumping of imported CRC from Korea and India. However, TCRSS has notified Ministry of Commerce to inform those countries to keep import volume in line.

Profits In 2013, TCRSS recorded gross profit Baht 659 million, EBITDA Baht 824 million and net profit Baht 193 million, down 8%, down 3% and up 52% YoY respectively. Lower gross profit and EBITDA were caused by lower sales revenues. However, an increase in net profit was driven by an achievement in adding higher spread amongst main customers, where TCRSS was able to retain its market share in high-grade products whose price and margin are higher. In addition, improving cost management, higher FX gain, and lower interest expense after full repayment of long-term loans were factors of elevated profit, despite the higher provision set up for loss on decline in value of inventories.

Figure 6: Revenues and EBITDA Margin of CRC Business



Consolidated Financial Status

Assets

As at 31 December 2013, the Company and its subsidiaries had **total assets** Baht 84,726 million, down 4% or Baht 3,794 million from 31 December 2012 due to a decrease in trade accounts receivable and inventories as a

result of effective collection management and inventory management, including lower cost of key raw materials and raw materials in transit of the Company. The details of total assets as follows:

Assets	31 Dec 2013		31 Dec 2012		31 Dec 2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Cash and cash equivalents	163	-	242	-	169	-
Trade accounts receivable	5,108	6	5,838	7	5,240	6
Inventories	17,388	21	21,615	24	25,178	29
Property, plant and equipment	52,425	62	51,861	59	50,149	58
Investments in jointly-controlled	3,839	5	3,499	4	4,683	6
Other assets	5,804	7	5,465	6	945	1
Total assets	84,726	100	88,520	100	86,364	100

Trade accounts receivable As at 31 December 2013, trade account and notes receivable netted Baht 5,108 million, down 13% from the end of 2012, as a result of effective collection management.

Inventories As at 31 December 2013, inventory netted Baht 17,388 million, down 20% from 31 December 2012, mainly

from effective inventory management and lower unit price of key raw materials and raw materials in transit of the Company.

Property, plant and equipment As at 31 December 2013, Property, plant and equipment netted Baht 52,425 million, up 1% from the end of 2012 driven by additional investment in PCI project of SSI UK.

Liabilities and Sources of Fund

Proportion of liabilities and total equity of the Company and its subsidiaries consist of:

	31 Dec 2013		31 Dec 2012		31 Dec 2011	
	Million Baht	%	Million Baht	%	Million Baht	%
Current portion of interest-bearing debts	23,813	28	29,924	34	25,682	30
Trade accounts payable	12,614	15	11,838	13	10,685	12
Non-current portion of interest-bearing debts	27,885	33	21,957	25	19,641	23
Subordinated convertible debentures	149	-	1,318	1	-	-
Environmental liabilities and others	598	1	498	1	1,526	2
Deferred tax liabilities	1,265	1	3,191	4	2,621	3
Other liabilities	7,792	9	6,185	7	1,261	1
Total equity	10,610	13	13,610	15	24,948	29
Total liabilities and equity	84,726	100	88,520	100	86,364	100

As at 31 December 2013, the Company and its subsidiaries had total liabilities Baht 74,116 million, down 1% from 31 December 2012 due to a decrease in current liabilities and the repayment of a loan from financial institutions during the year. Total Interest-Bearing Debts were Baht 51,916 million whilst Net Debt was Baht 51,753 million.

These debts consist of the current portion of interest-bearing debts Baht 23,813 million, lower than at the end of year 2012 and non-current portion of interest-bearing debts Baht 27,885 million, higher than the end of year 2012. This was due to the reclassification of short-term loans into three-year amortizing long-term loans, despite the buy-back of the Subordinated Convertible Debentures.

Total shareholders' equity decreased 22% to Baht 10,610 million mainly due to SSI UK's net loss during the year, although the Company has issued and offered 5,085.6 million new shares with total proceeds of Baht 3,458 million during the year. As a result, Interest-Bearing Debt to Equity ratio went up to 4.89x from 3.81x as at 31 December 2012.

Liquidity

1. Cash flow

As at 31 December 2013, the Company and its subsidiaries had net cash flow Baht 84 million down from the end of 2012, the details consisted of:

- Net cash received from operating activities of Baht 1,424 million consisted of (1) cash outflows from operation Baht 4,759 million, which included net loss of the Company and its subsidiaries for the period of Baht 6,983 million caused by reasons mentioned earlier; and (2) cash inflows from net change in working capital Baht 3,335 million mainly from substantial reduction in trade and notes receivable and inventories

- Net cash paid for investing activities Baht 169 million was mainly from additional investments in noncurrent assets and the effect from currency translation difference despite the cash inflow from sale of investments in jointly-controlled entity.

- Net cash used in financing activities was Baht 1,339 million, consisting of net proceeds from shares issues, cash paid for finance cost, cash received from short-term loans, cash paid for long-term loans repayment to financial institution, and cash paid for the Subordinated Convertible Debentures buy-back.

2. Current Ratio

As of 31 December 2013, current ratio was 0.64x, slightly decreased from the end of 2012. This was primarily from falling trade and notes receivable and inventory as earlier explained, Average collection period and average days sale also improved as follows:

Liquidity Ratio	2013	2012	2011
Current Ratio	0.64	0.67	0.84
Average Collection Period	32	35	33
Average Days Sale	90	105	130

Stock Price

The stock's lowest trading price of the Company during the year 2013 was Baht 0.30 per share on 27 December 2013, and the highest trading price was Baht 0.72 per share on 4 February 2013. Average daily trading volume was 85.8 million shares, and average daily trading value was

Baht 47 million with average trading price Baht of 0.55 per share. The closing price on the last trading day in 2013 of the Stock Exchange of Thailand on 27 December 2013 was Baht 0.30 per share.

Independent Auditor's Report

To the Shareholders of Sahaviriya Steel Industries Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Sahaviriya Steel Industries Public Company Limited, its subsidiaries, and its jointly-controlled entities (the "Group"), and of Sahaviriya Steel Industries Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matters and Material Uncertainty Concerning Going Concern Basis of Accounting

Without qualifying my opinion in respect of the above financial statements, I draw attention to the following:

a) As disclosed in Note 5 to the accompanying financial statements, during the year ended 31 December 2013, the Group and the Company sold goods to related companies and jointly-controlled entities in the normal course of business totaling Baht 49,945 million and Baht 35,048 million, respectively, which represented 77 percent and 77 percent of the Group's total sales and the Company's total sales respectively. As at 31 December 2013, the Group's and the Company's outstanding trade accounts receivable from those related parties amounted to Baht 4,174 million and Baht 3,957 million, respectively.

Moreover, the Group and the Company purchased goods from related companies in the normal course of business totaling Baht 31,402 million and Baht 28,042 million, respectively, which represented 44 percent and 65 percent of the Group's total purchases and the Company's total purchases, respectively, at 31 December 2013.

b) As disclosed in Notes 2(e) and 14 to the accompanying financial statements, the Group incurred a net loss during the year ended 31 December 2013 of Baht 7,346 million (excluding gain on sales of investment in jointly-controlled entity of Baht 363 million) and, as of that date, the Group's current liabilities exceeded its current assets by Baht 15,890 million and the Company's current liabilities exceeded its current assets by Baht 3,569 million. These conditions, along with other matters as set forth in Notes 2(e) and 14, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concerns. The Group has implemented policies and procedures in an attempt to manage its liquidity risk and other circumstances including breach (and the lenders' waiver of such breach) of the terms of the loan agreement with financial institutions, rescheduling the repayment of loan principal and addressing the identified funding gap. As at 31 December 2013, the Group had Baht 354 million of undrawn credit facilities.

Group management is satisfied that the Group and the Company will continue to meet their funding needs for the foreseeable future. The consolidated and separate financial statements have been prepared by Group management on the going concern basis on the assumption that such further capital and facilities are secured to the extent that the Group's and the Company's operations require. The validity of this assumption is, however, dependent on the success of the measures taken to improve profitability and cash flows, the on-going support from the lenders, creditors and the new strategic business partner, and the availability of financing from other resources to meet funding requirements which are highly dependent on global commodity price movements.

No adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company not be able to continue as going concerns.

c) As disclosed in Note 3 to the accompanying financial statements, the Group and the Company, adopted certain new accounting policies from 1 January 2013. The corresponding figures presented are based on the audited consolidated and separate financial statements of the Group and the Company as at and for the year ended 31 December 2012 after making the adjustments described in Note 3.



(Sureerat Thongarunsang)

Certified Public Accountant

Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
28 February 2014

Statement of financial position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of financial position

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December	31 December	1 January	31 December	31 December	1 January
		2013	2012 (Restated)	2012 (Restated)	2013	2012 (Restated)	2012 (Restated)
(in Baht)							
Current assets							
Cash and cash equivalents	6	163,098,186	242,137,778	168,972,867	104,973,281	61,448,751	27,365,829
Trade accounts receivable	5, 7	5,108,189,827	5,837,967,720	5,239,820,058	3,970,782,374	3,851,839,645	2,910,740,874
Other accounts receivable from related parties	5	2,265,496,613	2,407,838,016	657,303	3,169,171,068	158,199,721	801,943,433
Inventories	8	17,387,555,837	21,614,642,763	25,177,544,379	13,100,034,025	16,300,907,669	19,514,776,539
Assets classified as held for sale	10	-	1,183,130,464	-	-	1,343,128,679	-
Other current assets	5	3,230,008,421	1,742,921,276	855,790,879	295,144,373	573,786,307	333,214,798
Total current assets		28,154,348,884	33,028,638,017	31,442,785,486	20,640,105,121	22,289,310,772	23,588,041,473
Non-current assets							
Long-term receivable from a related party	5	-	-	-	572,895,770	520,105,735	-
Investments in subsidiaries	9	-	-	-	27,760,791,887	24,080,276,336	12,534,552,269
Investments in jointly-controlled entities	10	3,839,291,317	3,499,195,864	4,683,313,931	3,159,668,346	3,159,668,346	4,502,797,025
Other long-term investment	11	-	-	-	-	-	-
Deposits for purchases of assets		-	-	20,248,305	-	-	-
Property, plant and equipment	12	52,424,543,309	51,861,354,984	50,148,668,232	16,211,977,856	16,749,475,544	17,513,577,566
Intangible assets		249,476,666	72,104,862	40,221,191	175,347,582	37,036,928	39,896,584
Deferred tax assets	13	3,268,823	123,001	-	-	-	-
Other non-current assets		55,256,538	58,636,322	28,419,083	7,626,043	7,240,116	6,780,012
Total non-current assets		56,571,836,653	55,491,415,033	54,920,870,742	47,888,307,484	44,553,803,005	34,597,603,456
Total assets		84,726,185,537	88,520,053,050	86,363,656,228	68,528,412,605	66,843,113,777	58,185,644,929

Statement of financial position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
(in Baht)							
Current liabilities							
Bank overdrafts and short-term loans from							
financial institutions	14	21,888,601,462	25,308,702,846	22,838,581,474	11,693,813,956	16,122,282,982	16,683,917,377
Trade accounts payable	5, 15	12,614,249,781	11,837,700,764	10,684,521,525	8,842,631,570	9,488,739,930	6,363,294,173
Other accounts payable and short-term loans							
from related parties	5	1,568,448,371	386,873,467	1,458,949,484	72,345,470	167,735,869	35,499,101
Current portion of long-term loans from							
financial institutions	14	1,924,003,791	4,563,773,409	1,422,914,092	1,811,782,920	2,207,073,087	1,282,304,137
Current portion of finance lease liabilities	14	49,845,471	46,848,337	4,647,669	-	-	-
Current portion of hire purchase liabilities	14	6,896,383	4,966,327	5,589,442	5,212,228	3,962,784	4,737,588
Provision for onerous contracts	31	337,508,589	788,290,541	315,843,658	-	-	-
Current portion of environmental liabilities		-	98,021,120	-	-	-	-
Short-term provisions	32	7,790,000	11,835,195	11,835,195	7,790,000	11,835,195	11,835,195
Income tax payable		3,676,521	3,499,595	-	-	-	-
Other current liabilities	16	5,642,869,004	6,062,691,628	751,375,558	1,775,552,134	1,008,556,448	238,369,964
Total current liabilities		44,043,889,373	49,113,203,229	37,494,258,097	24,209,128,278	29,010,186,295	24,619,957,535
Non-current liabilities							
Long-term loans from financial institutions	14	27,879,310,667	20,424,803,737	19,625,144,398	12,057,875,635	8,065,068,169	9,497,288,403
Subordinated convertible debentures	14, 18	149,008	1,317,709,181	-	149,008	1,317,709,181	-
Finance lease liabilities	14	161,062,683	210,908,153	9,498,879	-	-	-
Hire purchase liabilities	14	6,241,605	3,407,299	6,011,096	4,313,692	2,655,024	5,143,605
Employee benefit obligations	17	161,647,754	149,105,649	133,328,397	115,725,327	107,632,964	95,470,245
Environmental liabilities and others	33	597,841,684	498,068,487	1,526,241,220	-	-	-
Deferred tax liabilities	13	1,264,733,220	3,191,153,817	3,936,747,311	1,185,702,812	1,177,847,363	1,245,084,413
Other non-current liabilities		1,517,745	1,843,458	-	823,875	823,875	-
Total non-current liabilities		30,072,504,366	25,796,999,781	25,236,971,301	13,364,590,349	10,671,736,576	10,842,986,666
Total liabilities		74,116,393,739	74,910,203,010	62,731,229,398	37,573,718,627	39,681,922,871	35,462,944,201

Statement of financial position

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
(in Baht)							
Equity							
Share capital	19						
Authorised share capital		39,867,778,559	39,867,778,559	20,434,108,235	39,867,778,559	39,867,778,559	20,434,108,235
Issued and paid-up share capital		32,166,258,124	27,080,630,230	18,184,108,235	32,166,258,124	27,080,630,230	18,184,108,235
Discount on ordinary shares issuance	19	(5,678,076,131)	(4,050,175,205)	(1,238,241,813)	(5,678,076,131)	(4,050,175,205)	(1,238,241,813)
Equity distribution from shareholders from							
repurchase of subordinated convertible debentures	18	366,219,977	98,073,878	-	366,219,977	98,073,878	-
Convertible rights	18	24,779	179,317,781	-	24,779	179,317,781	-
Revaluation surplus							
- The Group		4,500,473,668	4,502,659,350	4,789,274,397	4,389,275,236	4,357,853,424	4,626,801,625
- Jointly-controlled entity		104,851,834	-	-	-	-	-
Currency translation differences	20	593,137,611	222,600,945	432,569,792	-	-	-
Retained earnings (deficit)							
Appropriated							
Legal reserve	20	530,226,819	530,226,819	530,226,819	530,226,819	530,226,819	530,226,819
Unappropriated (deficit)		(22,789,391,004)	(15,797,759,712)	115,513,089	(819,234,826)	(1,034,736,021)	619,805,862
Equity attributable to owners of the Company		9,793,725,677	12,765,574,086	22,813,450,519	30,954,693,978	27,161,190,906	22,722,700,728
Non-controlling interests		816,066,121	844,275,954	818,976,311	-	-	-
Total equity		10,609,791,798	13,609,850,040	23,632,426,830	30,954,693,978	27,161,190,906	22,722,700,728
Total liabilities and equity		84,726,185,537	88,520,053,050	86,363,656,228	68,528,412,605	66,843,113,777	58,185,644,929

Statement of income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
			(Restated)		(Restated)
(in Baht)					
Income					
Revenue from sale of goods	5, 28	64,735,191,615	60,091,875,621	45,598,513,188	48,399,115,142
Revenue from rendering of services	5, 28	651,738,474	512,001,675	-	70,690,383
Gain on sales of investment in jointly-controlled entity	10	362,779,468	-	225,118,774	-
Net foreign exchange gain		-	345,846,077	-	427,065,295
Reversal of environmental liabilities		-	807,540,275	-	-
Dividend income	5, 9	-	-	128,849,984	92,699,975
Other income	5	142,576,089	154,004,390	109,765,889	80,014,027
Total income		65,892,285,646	61,911,268,038	46,062,247,835	49,069,584,822
Expenses					
Cost of sale of goods	5, 8	69,764,980,902	72,264,724,418	43,034,683,249	47,773,254,068
Cost of rendering of services	5	485,040,455	407,200,104	-	64,506,600
Selling expenses	5, 22	331,739,832	336,622,346	323,760,988	321,833,783
Administrative expenses	5, 23	798,301,839	789,214,954	389,395,530	408,844,021
Management benefit expenses	5, 24	133,151,158	136,962,352	56,710,433	46,142,795
Net foreign exchange loss		383,945,425	-	13,978,060	-
Provision for loss under onerous contracts					
(reversal)	31	(450,781,952)	490,126,469	-	-
Finance costs	5, 26	3,586,832,743	3,926,243,685	2,034,264,431	2,109,545,438
Total expenses		75,033,210,402	78,351,094,328	45,852,792,691	50,724,126,705
Share of profit (loss) of equity-accounted investees					
Jointly-controlled entities	10	250,729,794	(987,604)	-	-
Profit (loss) before income tax expense		(8,890,194,962)	(16,440,813,894)	209,455,144	(1,654,541,883)
Income tax benefits	27	1,907,137,410	569,691,763	547,786	-
Profit (loss) for the year		(6,983,057,552)	(15,871,122,131)	210,002,930	(1,654,541,883)

Statement of income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of income

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Profit (loss) attributable to					
Owners of the Company		(7,052,530,181)	(15,917,987,022)	210,002,930	(1,654,541,883)
Non-controlling interests		69,472,629	46,864,891	-	-
Profit (loss) for the year		(6,983,057,552)	(15,871,122,131)	210,002,930	(1,654,541,883)
Earnings (loss) per share					
Basic earnings (loss) per share	29	(0.24)	(0.84)	0.01	(0.09)
Diluted earnings (loss) per share		(0.24)	(0.84)	0.01	(0.09)

Statement of income

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
Profit (loss) for the year	(6,983,057,552)	(15,871,122,131)	210,002,930	(1,654,541,883)
Other comprehensive income (loss)				
Foreign currency translation differences for foreign operations	370,536,666	(209,968,847)	-	-
Revaluation of property, plant and equipment	12			
- The Group	324,593,031	-	379,255,083	-
- Jointly-controlled entity	159,662,460	-	-	-
Depreciation on revaluation surplus	(360,964,762)	(368,261,116)	(333,931,771)	(336,185,251)
Income tax on other comprehensive income	27	8,741,850	74,595,067	(8,403,235)
Other comprehensive income (loss) for the year	502,569,245	(503,634,896)	36,920,077	(268,948,201)
Total comprehensive income (loss) for the year	(6,480,488,307)	(16,374,757,027)	246,923,007	(1,923,490,084)
Total comprehensive income attributable to				
Owners of the Company	(6,517,927,337)	(15,871,122,131)	246,923,007	(1,923,490,084)
Non-controlling interests	37,439,030	(503,634,896)	-	-
Total comprehensive income (loss) for the year	(6,480,488,307)	(16,374,757,027)	246,923,007	(1,923,490,084)

Statement of changes in equity

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of changes in equity

Consolidated financial statements

Note	Other components of equity										Total equity			
	Retained earnings (deficit)					Other components of equity								
	Issued and paid-up share capital	Discount on ordinary shares issuance	Equity distribution from shareholders from repurchase of subordinated convertible debentures	Convertible rights	Legal reserve	Unappropriated (deficit)	Currency translation differences	Revaluation surplus The Group	Jointly-controlled entity	Total other components of equity		Equity attributable to owners of the Company	Non-controlling interests	
Year ended 31 December 2013														
Balance at 1 January 2013 - as reported														
	27,080,630,230	(4,050,175,205)	98,073,878	179,317,781	530,226,819	(15,697,628,825)	222,600,945	5,628,324,188	-	-	5,850,925,133	13,991,369,811	890,462,165	14,881,831,976
Impact of changes in accounting policies	3	-	-	-	-	(100,130,887)	-	(1,125,664,838)	-	-	(1,125,664,838)	(1,225,795,725)	(46,186,211)	(1,271,981,936)
Balance at 1 January 2013 - restated														
	27,080,630,230	(4,050,175,205)	98,073,878	179,317,781	530,226,819	(15,797,759,712)	222,600,945	4,502,659,350	-	-	4,725,260,295	12,765,574,086	844,275,954	13,609,850,040
Transactions with owners recorded directly in equity														
Issue of ordinary shares	18, 19	5,085,627,894	(1,627,900,926)	-	-	-	-	-	-	-	-	3,457,726,968	-	3,457,726,968
Repurchase and cancellation of subordinated convertible debentures	18	-	-	268,146,099	(179,293,002)	-	-	-	-	-	-	88,853,097	-	88,853,097
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(66,150,000)	(66,150,000)
Total transactions with owners recorded directly in equity														
	5,085,627,894	(1,627,900,926)	268,146,099	(179,293,002)	-	-	-	-	-	-	-	3,546,580,065	(66,150,000)	3,480,430,065
Comprehensive income for the year														
Profit (loss)		-	-	-	-	(7,052,530,181)	-	-	-	-	-	(7,052,530,181)	69,472,629	(6,983,057,552)
Other comprehensive income (loss)		-	-	-	-	-	370,536,666	4,403,718	159,662,460	534,602,844	534,602,844	(32,033,599)	502,569,245	
Total comprehensive income for the year														
	-	-	-	-	(7,052,530,181)	-	370,536,666	4,403,718	159,662,460	534,602,844	(32,033,599)	37,439,030	(6,480,488,307)	
Transfer to retained earnings (deficit)														
Write off revalued property, plant and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
	32,166,258,124	(5,678,076,131)	366,219,977	24,779	530,226,819	(22,789,391,004)	593,137,611	4,500,473,668	104,851,834	5,198,463,113	9,793,725,677	816,066,121	10,609,791,798	
Balance at 31 December 2013														

Statement of changes in equity

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of changes in equity

Separate financial statements

	Note	Retained earnings (deficit)						Other components of equity			Total equity
		Issued and paid-up share capital	Discount on ordinary shares issuance	Equity distribution from shareholders of subordinated	Convertible rights	Legal reserve	Unappropriated (deficit)	Revaluation surplus	Total other components of equity		
(in Baht)											
Year ended 31 December 2012											
Balance at 1 January 2012 - as reported											
Impact of changes in accounting policies	3	-	(1,238,241,813)	-	-	530,226,819	708,189,869	5,783,502,031	5,783,502,031	23,967,785,141	
Balance at 1 January 2012 - restated											
Transactions with owners, recorded directly in equity											
Issuance of subordinated convertible debentures	18	-	-	-	311,090,565	-	-	-	-	311,090,565	
Issue of ordinary share	18, 19	8,896,521,995	(2,811,933,392)	-	(18,283,119)	-	-	-	-	6,066,305,484	
Repurchase and cancellation of subordinated convertible debentures	18	-	-	98,073,878	(113,489,665)	-	-	-	-	(15,415,787)	
Total transactions with owners, recorded directly in equity		8,896,521,995	(2,811,933,392)	98,073,878	179,317,781	-	-	-	-	6,361,980,262	
Comprehensive income for the year											
Loss		-	-	-	-	-	(1,654,541,883)	-	-	(1,654,541,883)	
Other comprehensive income (loss)		-	-	-	-	-	-	(268,948,201)	(268,948,201)	(268,948,201)	
Total comprehensive income for the year		-	-	-	-	-	(1,654,541,883)	(268,948,201)	(268,948,201)	(1,923,490,084)	
Balance at 31 December 2012		27,080,630,230	(4,050,175,205)	98,073,878	179,317,781	530,226,819	(1,034,736,021)	4,357,853,424	4,357,853,424	27,161,190,906	

Statement of changes in equity

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of changes in equity

		Separate financial statements								
		Retained earnings (deficit)			Other components of equity					
Note		Issued and paid-up share capital	Discount on ordinary shares issuance	Equity distribution from shareholders from repurchase of subordinated	Convertible rights	Legal reserve	Unappropriated (deficit)	Revaluation surplus	Total other components of equity	Total equity
(in Baht)										
Year ended 31 December 2013										
		27,080,630,230	(4,050,175,205)	98,073,878	179,317,781	530,226,819	(946,352,014)	5,447,316,780	5,447,316,780	28,339,038,269
	Balance at 1 January 2013 - as reported	-	-	-	-	-	(88,384,007)	(1,089,463,356)	(1,089,463,356)	(1,177,847,363)
	Impact of changes in accounting policies	27,080,630,230	(4,050,175,205)	98,073,878	179,317,781	530,226,819	(1,034,736,021)	4,357,853,424	4,357,853,424	27,161,190,906
	Balance at 1 January 2013 - restated									
	Transactions with owners, recorded directly in equity									
	Issuance of subordinated convertible debentures	-	-	-	-	-	-	-	-	-
	Issue of ordinary share	5,085,627,894	(1,627,900,926)	-	-	-	-	-	-	3,457,726,968
	Repurchase and cancellation of subordinated convertible debentures	-	-	268,146,099	(179,293,002)	-	-	-	-	88,853,097
	Total transactions with owners, recorded directly in equity	5,085,627,894	(1,627,900,926)	268,146,099	(179,293,002)	-	-	-	-	3,546,580,065
	Comprehensive income for the year									
	Loss	-	-	-	-	-	210,002,930	-	-	210,002,930
	Other comprehensive income	-	-	-	-	-	-	36,920,077	36,920,077	36,920,077
	Total comprehensive income for the year	-	-	-	-	-	210,002,930	36,920,077	36,920,077	246,923,007
	Transfer to retained earnings (deficit)									
	Write off revalued property, plant and equipment	-	-	-	-	-	5,498,265	(5,498,265)	(5,498,265)	-
	Balance at 31 December 2013	32,166,258,124	(5,678,076,131)	366,219,977	24,779	530,226,819	(819,234,826)	4,389,275,236	4,389,275,236	30,954,693,978

Statement of cash flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)				
Cash flows from operating activities				
Profit (loss) for the year	(6,983,057,552)	(15,871,122,131)	210,002,930	(1,654,541,883)
Adjustments for				
Depreciation and amortisation	2,506,053,831	2,015,125,393	735,416,348	687,541,812
Withholding tax written-off	-	973,309	-	973,309
Finance costs	3,586,832,743	3,926,243,685	2,034,264,431	2,109,545,438
Unrealised loss (gain) on exchange rate	(687,904,094)	(62,997,996)	180,943,829	(68,070,896)
Bad debts and doubtful debts expenses (reversal)	(146,309,486)	146,309,486	-	-
Reversal loss on decline in value of inventories	(140,649,895)	(692,941,144)	(90,168,329)	(296,919,072)
Employee benefit obligations	18,324,640	18,145,810	5,782,535	12,897,603
Provision for loss under onerous contracts (reversal)	(450,781,952)	490,126,469	-	-
Reversal of environmental liabilities	-	(807,540,275)	-	-
Loss (gain) on disposal of property, plant and equipment	(286,103)	7,750,765	10,726	10,639,187
Loss on revaluation of property, plant and equipment	12,744,833	-	-	-
Reversal of loss on impairment of property, plant and equipment	(1,700,000)	(2,049,326)	-	-
Share of loss (profit) of jointly-controlled entities (net of income tax)	(250,729,795)	987,604	-	-
Dividend income	-	-	(128,849,984)	(92,699,975)
Gain on sales of investment in jointly-controlled entity	10 (362,779,468)	-	(225,118,774)	-
Others	10 47,959,281	-	-	-
Income tax benefits	(1,907,137,413)	(569,691,763)	(547,786)	-
	(4,759,420,430)	(11,400,680,114)	2,721,735,926	709,365,523

Statement of cash flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of cash flows

Note	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
Changes in operating assets and liabilities				
Trade accounts receivable	1,299,668,179	(849,485,239)	(118,942,729)	(941,098,771)
Other accounts receivable from related parties	34,130,690	(2,298,970,000)	(2,959,500,314)	334,043,712
Inventories	4,367,736,821	4,255,842,760	3,291,041,973	3,510,787,942
Other current assets	(1,817,785,234)	(948,296,134)	197,587,359	(301,737,245)
Long-term receivable from related party	-	-	4,438,725	(511,861,524)
Other non-current assets	3,379,784	(30,217,239)	(385,927)	(460,104)
Trade accounts payable	761,339,650	1,213,005,924	(870,405,234)	3,185,272,442
Other accounts payable to related parties	1,748,044,240	338,182,383	(95,390,399)	130,904,484
Provision from onerous contracts	(4,045,195)	-	(4,045,195)	-
Other current liabilities	(177,144,849)	5,182,162,701	798,334,256	671,827,231
Environment liabilities and others	-	(122,611,338)	-	-
Other non-current liabilities	(325,713)	523,662	2,309,829	823,875
Cost of rendering of services	(5,782,535)	(2,368,558)	-	(734,884)
Income tax paid	(26,148,462)	(22,891,004)	(4,793,249)	(3,547,150)
Net cash provided by (used in) operating activities	1,423,646,946	(465,802,196)	2,961,985,021	6,783,585,531
Cash flows from investing activities				
Invest in subsidiary	-	-	(3,680,515,551)	(11,236,024,067)
Proceeds from sale investment in jointly-controlled entity	1,568,247,452	-	1,568,247,452	-
Purchases of property, plant and equipment	(750,627,394)	(5,053,539,083)	(108,138,259)	(191,297,266)
Purchases of intangible assets	(144,619,447)	(48,427,926)	(102,902,704)	(6,927,976)
Sales of property, plant and equipment	541,633	15,144,321	462,194	1,171,963
Dividend income	-	-	128,849,984	92,699,975
Currency translation differences	(842,054,654)	378,493,300	-	-
Net cash used in investing activities	(168,512,410)	(4,708,329,389)	(2,193,966,884)	(11,340,377,371)

Statement of cash flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of cash flows

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012 (Restated)	2013	2012 (Restated)
(in Baht)					
Cash flows from financing activities					
Proceeds from issuance of ordinary shares		3,458,226,968	5,945,870,357	3,458,226,968	5,945,870,357
Transaction costs from issuance of ordinary shares		(500,000)	(13,876,754)	(500,000)	(13,876,754)
Finance cost paid		(3,705,550,841)	(3,790,684,020)	(2,099,912,978)	(1,973,957,801)
Increase (decrease) in short-term loans from financial institutions		1,066,268,051	2,470,121,372	57,900,409	(561,634,395)
Proceeds from short-term loans from related parties	5	-	1,961,332,906	-	-
Repayment of short-term loans from related parties	5	-	(3,371,591,306)	-	-
Proceeds from long-term loans	14	156,805,770	4,980,386,709	-	-
Repayment of long-term loans	14	(964,169,723)	(688,300,711)	(905,733,600)	(546,972,500)
Proceeds from sale and leaseback of assets		-	275,999,857	-	-
Hire purchase and finance lease payments		(55,404,350)	(39,537,818)	(5,878,406)	(5,941,385)
Proceeds from issuance of subordinated convertible debentures		-	2,250,000,000	-	2,250,000,000
Repurchase of subordinated convertible debenture		(1,228,566,000)	(501,567,123)	(1,228,566,000)	(501,567,123)
Expenses relating to subordinated convertible debenture		-	(1,045,637)	-	(1,045,637)
Dividends paid		(66,150,000)	(9,800,025)	-	-
Net cash provided by (used in) financing activities		(1,339,040,125)	9,467,307,807	(724,463,607)	4,590,874,762
Net increase (decrease) in cash and cash equivalents		(83,905,589)	73,176,223	43,524,530	34,082,922
Effect of exchange rate changes on balance held in foreign currency		4,865,997	(11,312)	-	-
Cash and cash equivalents at 1 January		242,137,778	168,972,867	61,448,751	27,365,829
Cash and cash equivalents at 31 December	6	163,098,186	242,137,778	104,973,281	61,448,751

Statement of cash flows

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities and its Jointly-controlled entities
Statement of cash flows

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
Note	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
Significant non-cash transactions				
Assets acquired under hire purchase and finance lease agreements	13,320,376	279,920,848	8,786,520	2,678,000
Other payable for purchases of property, plant and equipment	13,186,150	50,766,051	11,267,774	2,548,516
Rescheduling of repayments from short-term loans from financial institutions to long-term loans from financial institutions	4,486,369,435	-	4,486,369,435	-
Conversion of advance payment for purchase of goods to be investment in subsidiaries	-	-	-	309,700,000
Exercise of conversion right to convert subordinated convertible debentures to be ordinary shares	268,147,498	152,595,000	268,147,498	152,595,000
Rescheduling of repayments from current portion of long-term loans from financial institutions to long-term loans from financial institutions	2,167,096,999	-	-	-

Notes to the financial statements

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities

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Notes to the financial statements

Sahaviriya Steel Industries Public Company Limited, its Subsidiaries and its Jointly-controlled entities

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 28 February 2014.

1 General information

Sahaviriya Steel Industries Public Company Limited (the "Company"), is incorporated in Thailand and has its registered office at 28/1 Prapawit Building, 2nd-3rd Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok, Thailand and its plant located at 9, Moo 7, Tambon Mae Rumphueng, Amphur Bang Saphan, Prachuabkirikhan, Thailand. The Company, its subsidiaries and its jointly-controlled entities are hereinafter collectively referred to as "the Group".

The Company was listed on the Stock Exchange of Thailand in September 1994.

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group's accounting policies. The effects of these changes are disclosed in Note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in Note 34.

The Company's major shareholders during the financial year were Sahaviriya Group Corporation Limited (25.77% shareholding, incorporated in Thailand), Vanoment Holding AG (18.72% shareholding, incorporated in Switzerland) and Sahaviriya Inter Steel Holdings Co., Ltd. (8.7% shareholding, incorporated in Thailand).

The principal businesses of the Company are manufacturing and distributing of hot rolled coils. Details of the Company's subsidiaries and jointly-controlled entities as at 31 December 2013 and 2012 are given in Notes 9 and 10.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"), and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's operations and effective for accounting periods beginning on or after 1 January 2013:

(b) Basic of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Assets classified as held for sale are measured at the lower amount by compare between carrying value and fair value less cost to sell
- Land, building and machinery are stated at fair value.

(c) Presentation currency

The financial statements are prepared and presented in Thai Baht which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4 (t) and 13	Current and deferred taxation
Notes 9, 10 and 12	Calculation of recoverable amount and significant assumption
Note 10	Measurement of assets classified as held for sale
Note 17	Measurement of defined benefit obligations
Note 30	Valuation of financial instruments
Note 32	Contingent liabilities

(e) Current operations

On 24 March 2011, Sahaviriya Steel Industries UK Limited ("SSI UK"), which is a subsidiary of the Company, completed the acquisition of the SSI Teesside (formerly known as Teesside Cast Products) business, comprising of tangible assets, from Tata Steel UK Limited for USD 684 million (Baht 20,487 million). The Company and SSI UK entered into various loan agreements to fund the acquisition and to support the revised restarted plan. At the acquisition date, the Teesside plant had been mothballed since 2010. On 18 April 2012, SSI Teesside successfully restarted the steel production although behind the original target restart date. Global commodity prices in general declined significantly during 2012. This has significantly affected the operations of the Company and Group. The completion of the acquisition, the delays of the restart date and the price movements significantly impacted and continue to impact the Group's liquidity and financial performance.

During the year ended 31 December 2013, the Group incurred a net loss of Baht 7,346 million (excluding gain on sales of investment in jointly-controlled entity of Baht 363 million) (2012: Baht 15,871 million) and, as of that date, the Group's current liabilities exceeded its current assets by Baht 15,890 million (2012: Baht 16,085 million) and the Company's current liabilities exceeded its current assets by Baht 3,569 million (2012: Baht 6,721 million).

Such circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company ability to continue as going concerns. The Group has implemented policies and procedures in an attempt to manage its liquidity risk and other circumstances including breach (and the lenders' waiver of such breach) of the terms of the loan agreement with financial institutions, rescheduling the repayment of loan principal and addressing the identified funding gap. As at 31 December 2013, the Group had Baht 354 million of undrawn credit facilities.

Nevertheless, the Group and the Company have adopted the going concern basis in the preparation of these consolidated and separate financial statements based on the following:

During the years 2012 and 2013, (1) SSI UK obtained USD 75 million (Baht 2,312 million) of additional funding from Sahaviriya Inter Steel Holdings Limited ("SISH") (a related party) and USD 190 million (Baht 5,857 million) of additional funding from the Group's bankers (USD 90 million capital expenditure loan for Blast Furnace and USD 100 million short-term loan), detailed in Note 14 and (2) the Company successfully offered and issued subordinated convertible debentures of Baht 2,250 million. In this regard, the Group's management announced the plan to increase the Company's capital and implement the Comprehensive

Financial Plan to strengthen the Group's long-term financial sustainability. The plan consists of additional fund raising from its shareholders and other investors and amendment of the existing loan conditions to be consistent with the economic situation, industry and long-term business operations of the Group.

During 2012 and 2013, the Group has taken various actions to implement the above plan where by:

Year 2012

(1) the Company and SSI UK signed a Memorandum of Understanding with Vanomet, wherein Vanomet agreed to invest in the Company and/or SSI UK with the total sum of up to USD 170 million in the form of investment in share capital of the Company and providing trade facilities to SSI UK.

(2) the Company signed a Memorandum of Understanding with long-term lenders and working capital lenders to agree on the repayment plan on the loans from the working capital lenders as detailed in Note 14;

(3) the Company signed a partnership agreement with JFE Steel Corporation ("JFE") and Marubeni-Itochu Steel Inc. ("MISI") whereby JFE and MISI agreed to invest USD 25 million each in the newly-issued ordinary shares of the Company. Such investment had been made into the Company's share capital during of 2012 as more detailed in Note 10;

(4) the Company converted its advance payment for purchase of goods, paid to SSI UK, of USD 125 million into newly-issued ordinary shares in SSI UK;

(5) the Company repurchased and cancelled the subordinated convertible debentures of the Company from Vanomet AG of 600,000 units using the proceeds from capital injection from SISH as detailed in Note 18; and

(6) the Company injected as equity into SSI UK for the repayment of the subordinated loans lent by SISH to SSI UK including its accrued interest of USD 32.6 million.

Year 2013

(7) the Company has reached the conclusion on loan rescheduling with all working capital and long-term lenders as described in Note 14;

(8) the Company allocated its share capital to Vanomet, the existing shareholders and private placement totaling Baht 7,973 million;

(9) the loan repayment rescheduling of SSI UK has been completed for extending repayment for another 1-3 years and no loan repayment until December 2014;

(10) Exploring more overseas markets, while local market demand is considered limited; and

(11) Obtained more secured credit facilities from trade creditors.

Group management is satisfied that the Group and the Company will continue to meet their funding needs for the foreseeable future. The consolidated and separate financial statements have been prepared by Group management on the going concern basis on the assumption that such further capital and facilities are secured to the extent that the Group's operations and the Company's operations require. The validity of this assumption is, however, dependent on the success of the measures taken to improve profitability and cash flows, the on-going support from the lenders, creditors and the new strategic business partner and the availability of financing from other resources to meet funding requirements, which are highly dependent on global commodity price movements.

The Group intends to maintain its strong business relationship with its bankers, business partners and trade creditors to maintain their continuing support including engaging in active discussions to keep them apprised of the Group's performance, financial position and outlook.

The outcome of the uncertainty described above may affect the ultimate recovery of the carrying value of the investment in SSI UK (Baht 27,482 million) and possible loss to be incurred from any cross guarantees given by SSI TH and SSI UK in the separate financial statements, the carrying amounts of the SSI Teesside operating assets (Baht 44,068 million) included in the consolidated financial statements of the Group at 31 December 2013 and the liquidity and cash

flows of the Group for all financial commitments. No adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company not be able to continue as going concerns.

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in Note 2, the Group has changed its accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in Notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax assets and liabilities in the financial statements. Deferred tax assets and liabilities are the amounts of income taxes recoverable and payable, respectively, in future periods in respect of temporary differences between the carrying amount of the assets and liabilities in the statement of financial position and the amount attributed to that asset or liability for tax purposes; and the carryforward of unused tax losses. The accounting policy for deferred tax is described in note 4(t).

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Statement of financial position as at (in million Baht)						
Increase in deferred tax assets	3	-	-	-	-	-
Increase in deferred tax liabilities	1,265	1,272	1,315	1,186	1,178	1,245
Decrease in revaluation surplus	(1,125)	(1,126)	(1,197)	(1,097)	(1,089)	(1,157)
Increase in deficit	(98)	(100)	(85)	(88)	(88)	(88)
Decrease in shareholders' equity	(1,223)	(1,226)	(1,282)	(1,186)	(1,178)	(1,245)
Decrease in non-controlling interests	(39)	(46)	(33)	-	-	-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Statement of income for the year ended 31 December (in million Baht)				
Decrease in income tax expense	(3)	(1)	(1)	-
Increase in profit for the year	3	1	1	-
Increase in earnings (loss) per share				
- Basic earnings (loss) per share (in Baht)	0.00011	0.00007	0.00002	-
- Diluted earnings (loss) per share (in Baht)	0.00011	0.00007	0.00002	-

(c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in Note 3, which address changes in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company, its subsidiaries and jointly-controlled entities (together referred to as the "Group") and the Group's interests in jointly-controlled entities.

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Jointly-controlled entities

Jointly-controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly-controlled entities are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly-controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency using the foreign exchange rates ruling at that dates of the transactions. Foreign exchange differences arising on retranslation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at foreign exchange rates ruling at the dates of the transactions.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on transaction dates.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(c) Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange, interest rate and commodity price risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Hedge of future foreign currency transactions

Gains and losses from forward exchange contracts and currency swaps used to hedge anticipated future currency transactions are deferred until the forecasted transaction occurs. Where the hedged item is a recognised asset or liability, it is translated at the contracted forward rates.

Foreign currency assets and liabilities hedged by forward exchange contracts are translated to Thai Baht at the contracted forward exchange rates.

Hedge of interest rates

Interest differentials under swap arrangements are accrued and recorded as adjustments to the interest expense relating to the hedged loans. For interest rate forward contracts, the amounts received or paid on cash settlements, representing the gain or loss, are deferred and recognised over the life of the underlying monetary asset or liability as an adjustment to interest income or expense. For purchased interest rate options, the premiums paid are included in the

statement of financial position under other assets or other liabilities. The premiums are amortised to interest income or expense over the life of the agreements.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of ore materials are calculated using the first-in, first-out principles. Cost of slab raw materials are calculated using the weighted average cost principle. Finished goods and rolls that are part of consumable goods are calculated using the specific method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(g) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) those are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal

group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories and financial assets. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(h) Investments

Investments in subsidiaries and jointly-controlled entities

Investments in subsidiaries and jointly-controlled entities in the separate financial statements of the Company are accounted for using the cost method. Investments in jointly-controlled entities in the consolidated financial statements are accounted for using the equity method.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

(i) Finance lease

The Group entered into sale and lease back agreements for certain machinery and equipment, resulting in a finance lease. Excess of sales proceeds over the carrying amount is not immediately recognised as income. Instead it is deferred and amortised over the lease term.

The Group recognised finance leases as assets and liabilities in the statement of financial position at amounts equal at the inception of the lease to the fair value of the leased property. Lease payments are apportioned between the finance charge and the reduction of the outstanding liabilities. The finance charged is allocated to the periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(j) Property, plant and equipment Recognition and measurement Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land, building and machinery which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation

and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognized in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognized in profit or loss in respect of the same asset. A decrease in value is recognized in profit or loss to the extent it exceeds an increase previously recognized in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to equity for revalued assets acquired before the FAP's announcement of 1 January 2011.

For revalued assets acquired since 1 January 2011, the difference transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is based on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 years
Leasehold and leasehold improvement	5 and 10 years
Buildings and building improvement	20 years
Machinery, tool and equipment	
- in production line	The unit of production
- in coke production line	20 years
- in steel making line	20 years
- in service line	5 – 10 years
- other tool and equipment	3 – 10 years
Furniture, fixtures and office equipment	5 – 10 years
Vehicles	5 years
Roads	5, 20 and 27 years
Berth and berth facilities	5 and 30 years
Tug boats	5 – 17 years
Customs cargo warehouse	5 years

Depreciation is charged to profit or loss (depreciation related to revalued assets acquired before 1 January 2011 is calculated based on the asset's original cost while based on the revalued carrying amount of the asset for revalued assets acquired since 1 January 2011).

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Software licenses	3 – 10 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

The carrying amounts of the Group's assets or its cash-generating unit are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts

are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial

assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Interest bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Employee benefits Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is

the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Group recognises all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in profit or loss.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement

date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Environmental liabilities

The Group has provided environmental liabilities related to site restoration and related restore existing damage in accordance with the Group's policy and applicable legal requirements.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting the Group's obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(q) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest and other income

Interest and other income is recognised in profit or loss as it accrues.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(r) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(s) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(t) Income tax

Income tax expense for the year comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders

and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(v) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries and jointly-controlled entities are described in Notes 9 and 10. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Sahaviriya Group Corporation Limited	Thailand	Major shareholder, 25.77% shareholding and direct and indirect shareholding by the Company's director(s)
Vanomet Holding AG	Switzerland	Major shareholder, 18.72% shareholding and common director with a subsidiary
Sahaviriya Inter Steel Holdings Co., Ltd.	Thailand	Major shareholder, 8.7% shareholding and common directors and direct and indirect shareholding by the Company's director(s)
Thai Coated Steel Sheet Co., Ltd.	Thailand	Shareholding by the Company and common directors
Bangsaphan Barmill Public Company Limited	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
B.S. Metal Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Plate Mill Public Company Limited	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prapawit Building Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Western Housing Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Sahaviriya Steel Group Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
C.A.R. Services Co., Ltd.	Thailand	The direct and indirect shareholding by the Company's director(s)
Sahaviriya Panich International Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Line Transport Co., Ltd.	Thailand	Common directors with the subsidiary and direct and indirect shareholding by the Company's director(s)
Saha Special Steel Co., Ltd.	Thailand	The direct and indirect shareholding by the Company director(s)
Bangpakong Lighter Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Bangpakong Port Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangsaphan Transport Co., Ltd.	Thailand	The direct and indirect shareholding by the Company's director(s)
Prachuap Bangsaparn Co., Ltd.	Thailand	Indirect shareholding by the Company director(s)
Sahaviriya Iron and Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Thai Steel Sales Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prachuap Pattana Development Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangpakong Karnyotha Co., Ltd.	Thailand	Indirect shareholding by the Company director(s)
Saha Logistics Holdings Co., Ltd.	Thailand	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Shipping Limited	Hong Kong	Common shareholder and directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Shipping UK Limited	United Kingdom	Common shareholder and directors and indirect shareholding by the Company's director(s)
Vanomet AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet Finance AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet International AG	Switzerland	Common shareholder and common director with a subsidiary
Vanomet Asia AG	Switzerland	Common shareholder and common director with a subsidiary
Atlantic Steel AG	Switzerland	Common shareholder and common director with a subsidiary
Saha Bangpakong Steel Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Saha Steel Process Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Capital Holdings Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangna 26 Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Sahaviriya Panich Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
KP Captial Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Pichai Agriculture & Land Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Saha Long Steel Holding Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)

Name of entities	Country of incorporation/ nationality	Nature of relationships
Sahaviriya Credit Foncier Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
Sahaviriya Orchid Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Surasak Muang-Chol Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Bangsaphan Steel Trading Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
C B S Consultant Co., Ltd.	Thailand	Common directors and direct shareholding by the Company's director(s)
SMI Trading Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SMI Product Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SST Bangpakong Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Tong Real Estate Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Krisna Residence Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Growth Water Woods Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Chonglom Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Chumphontanee Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Soi Hiland Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Lam Pharam 3 Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
North-South Sathorn Property Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
Prachuap Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Pomprachul Steel Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Saha H-Beem Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Saha Panish holding Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SSP Access Co., Ltd.	Thailand	Common directors and direct and indirect shareholding by the Company's director(s)
SV Nittan Co., Ltd.	Thailand	Common directors and indirect shareholding by the Company's director(s)
Key management personnel	Thailand	Persons having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for particular types of transactions are explained further below:

	Transactions of the Company with subsidiary companies and jointly-controlled entities	Transactions with related companies
Sale of goods and materials	<ul style="list-style-type: none"> ● Third party pricing used, dependent on volume and relevant market considerations. 	<ul style="list-style-type: none"> ● Third party pricing used, dependent on volume and relevant market considerations.
Rendering of port services	<ul style="list-style-type: none"> ● Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. 	<ul style="list-style-type: none"> ● Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations.
Rendering of other services	<ul style="list-style-type: none"> ● Charges for rendering of services and maintenance-related services are based on agreements and common credit term. 	<ul style="list-style-type: none"> ● Charges for rendering of services and maintenance-related services are based on agreements and common credit term.
Dividend income	<ul style="list-style-type: none"> ● Right to receive dividends 	<ul style="list-style-type: none"> ● Right to receive dividends.
Other income	<ul style="list-style-type: none"> ● Sales of scrap material are priced based on scrap weight and the prices set by the Company. ● Revenue from providing management staff to subsidiaries and jointly-controlled entities are based on agreements. 	<ul style="list-style-type: none"> ● Sales of scrap material are priced based on scrap weight and the prices set by the Company. ● Revenue from providing management staff to related parties are based on agreements.
Purchase of goods	<ul style="list-style-type: none"> ● Purchases of goods for production are based on third party prices under terms and conditions normally applicable to similar transactions. ● Certain purchases of steel slab between the company and subsidiaries are based on the agreed price formula. ● Purchases of rolls are charged on agreed prices. 	<ul style="list-style-type: none"> ● Purchases of raw material for production are based on market price.
Receiving of other services	<ul style="list-style-type: none"> ● Maintenance-related services are charged based on long-term maintenance service agreements. The term of the agreement can be modified according to business circumstances. 	<ul style="list-style-type: none"> ● Transportation charges are based on agreements, dependent on cargo weight and distance. ● Warehouse rental is charged based on rental agreements. ● Cut sheet services are charged based on agreements. ● Rental charges for staff accommodation are fixed on an annual basis and agreed with the lessor.
Receiving of port services	<ul style="list-style-type: none"> ● Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. 	
Selling and administrative expense	<ul style="list-style-type: none"> ● Port services rendered are charged based on Ministry of Transportation-determined rates, dependent on service volume and relevant market considerations. 	<ul style="list-style-type: none"> ● Domestic transportation services are charged based on agreements, dependent on cargo weight and distance. ● Office rental is charged based on rental agreements. ● Rental charges for staff accommodation are fixed on an annual basis and agreed with the lessor. ● Commission expense is charged based on agreements.
Interest and financial charges		<ul style="list-style-type: none"> ● Interest and financial charges are based on agreed rate, which approximate market rate.

Significant transactions for the years ended 31 December with related parties were summarised as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Subsidiaries				
Purchases of goods and receiving of services	-	-	26,789,417	23,661,627
Purchases of machinery and equipment	-	-	18,468	20,999
Dividend income	-	-	128,850	92,700
Other income	-	-	27,912	18,883
Jointly-controlled entities				
Sales of goods and materials	2,573,214	3,315,763	2,569,145	3,190,989
Rendering of services	70,545	143,221	-	70,690
Purchases of goods and receiving of services	800,486	619,704	-	-
Other income	14,117	18,961	14,107	18,961
Selling and administrative expenses	1,665	2,121	1,661	2,121
Other related parties				
Sales of goods	47,372,204	39,093,697	32,479,075	34,836,048
Rendering of services	30,083	22,555	-	-
Purchases of goods and receiving of services (including other expense related)	30,601,463	34,453,323	1,252,686	7,864,664
Other income	58,473	22,407	56,715	20,927
Selling and administrative expenses	351,723	354,669	345,705	349,546
Finance costs	408,679	689,888	129,276	208,847
Key management personnel				
Key management personnel compensation				
Short-term benefits	130,495	134,976	55,020	44,587
Statutory severance pay	2,623	1,952	1,669	1,533
Other long-term benefits	33	34	21	23
Total key management personnel compensation	133,151	136,962	56,710	46,143

For the year ended 31 December 2013, intercompany sales to other related parties described above excluded indirect sales of goods from a subsidiary to the Company through a related company of Baht 16,695 million (2555: 12,404 million) which had been eliminated in the consolidation financial statements.

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Trade accounts receivable from related parties				
Jointly controlled entity				
Thai Cold Rolled Steel Sheet Public Company Limited	10,473	10,284	421	-
Other related parties				
B.S. Metal Co., Ltd.	1,978,862	1,931,019	1,978,862	1,931,009
Sahaviriya Panich International Co., Ltd.	1,978,010	1,880,286	1,978,010	1,880,286
Vanomet AG	524,879	709,443	-	-
Others	9,887	4,385	-	-
	4,502,111	4,535,417	3,957,293	3,811,295
LESS allowance for doubtful accounts	-	(41,708)	-	-
Net	4,502,111	4,493,709	3,957,293	3,811,295
Subsidiaries				
Sahaviriya Steel Industries UK Limited (Mainly is raw materials procured for and advance payment for purchase of goods)	-	-	2,371,008	-
West Coast Engineering Co., Ltd.	-	-	7,544	801
Prachuap Port Co.,Ltd.	-	-	1,762	-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Jointly-controlled entity				
Redcar Bulk Terminal Limited	119,535	108,211	-	-
Thai Cold Rolled Steel Sheet Public Company Limited	7	79	7	79
Other related parties				
Vanomet AG (mainly an advance payment for purchase of goods)	1,667,813	2,297,378	396,102	156,790
Sahaviriya Plate Mill Public Company Limited	385,318	-	385,318	-
Sahaviriya Shipping UK	83,026	-	-	-
Line Transport Co., Ltd.	7,350	612	6,992	528
Prapawit Building Property Co., Ltd.	208	1,515	-	-
Others	2,240	43	438	2
Total	2,265,497	2,407,838	3,169,171	158,200
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	536	590
Jointly-controlled entity				
Redcar Bulk Terminal Limited	369,238	-	-	-
Thai Cold Rolled Steel Sheet Public Company Limited	3,139	2,178	273	317
Other related parties				
Thai Coated Steel Sheet Co., Ltd.	4,252	3,957	4,252	3,957
Bangsaphan Barmill Public Company Limited	3,780	6,215	3,780	6,215
B.S. Metal Co., Ltd.	388	150	388	150
Total	380,797	12,500	9,229	11,229

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Long-term other receivable from related party				
Subsidiaries				
Sahaviriya Steel Industries UK Limited	-	-	572,896	520,106
Total	-	-	572,896	520,106
Trade accounts payable to related parties				
Subsidiaries				
West Coast Engineering Co., Ltd.	-	-	79,028	79,028
Prachuap Port Co., Ltd.	-	-	59,465	59,465
Sahaviriya Steel Industries UK Limited	-	-	19,933	19,933
Other related parties				
Vanomet AG	3,583,132	2,080,578	3,016,663	3,016,663
Line Transport Co., Ltd.	2,018	7,232	1,987	1,987
B.S. Metal Co., Ltd.	660	254	660	660
Others	451	-	402	402
Total	3,586,261	2,088,064	3,178,138	3,178,138
Other payables to related parties				
Subsidiaries				
Prachuap Port Co., Ltd.	-	-	17,393	17,393
West Coast Engineering Co., Ltd.	-	-	18,496	18,496
Jointly controlled entity				
Redcar Bulk Terminal Limited	471,029	266,250	-	-
Thai Cold Rolled Steel Sheet Public Company Limited	62	56	62	62
Other related parties				
Vamomet AG	1,067,525	-	6,832	-
Line Transport Co., Ltd.	18,270	23,280	18,270	23,261
Bangpakong Lighter Co., Ltd.	8,325	20,363	8,325	20,363
Bangpakong Port Co., Ltd.	1,274	3,082	1,274	3,082
Prapawit Building Property Co., Ltd.	1,511	1,369	1,251	1,145
Sahaviriya Panich International Co., Ltd.	-	39,250	-	39,250
Sahaviriya Plate Mill Public Company Limited	-	28,037	-	28,037
Sahaviriya Inter Steel Holdings Co., Ltd.	-	4,783	-	4,783
Others	452	403	442	332
Total	1,568,448	386,873	72,345	167,736

In September 2012, the Company submitted the explanation letter to the Securities and Exchange Commission Thailand that on 30 August 2012, the Company was informed that Vanomet Holding AG (“Vanomet”) is the major shareholders of the Company, which holds the Company’s ordinary share of 2,801,063,841 shares, 15.32% (18.72% as at 31 December 2013) of the Company’s issued shares since 2010. The shareholding has been held through the domestic and foreign custodians of Vanomet.

Significant agreements with related parties Slab offtake agreement

The Company entered into a slab offtake agreement with SSI UK for a minimum purchase commitment of 1,500,000 metric tons per year or such quantities to ensure 2,500,000

metric tons per year of slab sales from SSI UK inclusive of third party sales, with prices determined on an arm’s length basis at market price. The offtake agreement becomes effective in April 2012 and terminates in April 2019 (or 7 years). Either party can issue intention written letter informing the other party to terminate the agreement.

Port service agreement

The Company’s subsidiary, SSI UK, entered into a port service agreement with Redcar Bulk Terminal Limited, which is its jointly-controlled entity, with a minimum volume for raw materials and finished goods commitment of 10 million tones per year, with prices determined on an arm’s length basis at market services rate. The subsidiary does not have any termination rights under this service agreement.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Cash on hand	747	682	600	600
Cash at banks	162,351	241,456	104,373	60,849
Total	163,098	242,138	104,973	61,449

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Thai Baht	155,399	115,547	104,973	61,449
United States Dollars	5,869	122,648	-	-
Pound Sterling	1,052	3,880	-	-
Euro	778	63	-	-
Total	163,098	242,138	104,973	61,449

7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Related parties	5	4,502,111	4,535,417	3,957,293	3,811,295
Other parties		889,888	1,732,669	297,298	324,354
Total		5,391,999	6,268,086	4,254,591	4,135,649
LESS allowance for doubtful accounts		(283,809)	(430,118)	(283,809)	(283,809)
Net		5,108,190	5,837,968	3,970,782	3,851,840
Bad and doubtful debts expenses for the year (reversal)		(146,309)	146,309	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Related parties				
Within credit terms	4,335,630	4,125,842	3,957,293	3,811,295
Overdue:				
Less than 3 months	153,811	216,888	-	-
3-6 months	6,032	-	-	-
6-12 months	6,638	96,224	-	-
Over 12 months	-	96,463	-	-
	4,502,111	4,535,417	3,957,293	3,811,295
LESS allowance for doubtful accounts	-	(41,708)	-	-
	4,502,111	4,493,709	3,957,293	3,811,295

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Other parties				
Within credit terms	366,956	494,635	3,915	40,545
Overdue:				
Less than 3 months	154,734	683,737	9,574	-
3-6 months	45,856	198,508	-	-
6-12 months	-	68,065	-	-
Over 12 months	322,342	287,724	283,809	283,809
	889,888	1,732,669	297,298	324,354
LESS allowance for doubtful accounts	(283,809)	(388,410)	(283,809)	(283,809)
	606,079	1,344,259	13,489	40,545
Net	5,108,190	5,837,968	3,970,782	3,851,840

The normal credit terms granted by the Group ranges from 30 to 120 days. Trade receivable from other parties aged over 12 months in 2013 was collected subsequently in January 2014 of Baht 23.5 million.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Thai Baht	4,348,338	4,192,484	4,254,591	4,135,649
United States Dollars	734,293	795,759	-	-
Pound Sterling	292,679	1,237,844	-	-
Euro	13,128	41,999	-	-
Other	3,561	-	-	-
Total	5,391,999	6,268,086	4,254,591	4,135,649

8 Inventories

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Finished goods		3,837,326	3,851,034	3,858,515	3,865,191
Work in progress		68,350	32,936	-	-
Raw materials		5,717,432	10,713,230	2,073,459	6,755,843
Spare parts and factory supplies		2,036,444	2,193,649	1,222,876	1,250,059
Inventories under collateral management agreement	15	3,112,322	-	3,112,322	-
Goods in transit		3,088,186	5,436,948	3,088,186	4,775,306
		17,860,060	22,227,797	13,355,358	16,646,399
LESS allowance for decline in value		(472,504)	(613,154)	(255,323)	(345,491)
Net		17,387,556	21,614,643	13,100,035	16,300,908
Carrying value of inventories subject to retention of title clauses or otherwise pledged to secure liabilities		12,454,903	14,181,237	8,978,731	10,472,735

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Inventories recognised as an expenses in 'cost of sales of goods':				
Cost	69,920,137	72,957,665	43,124,851	48,070,173
Reversal of write-down	(155,156)	(692,941)	(90,168)	(296,919)
Net	69,764,981	72,264,724	43,034,683	47,773,254

9 Investments in subsidiaries

	Separate financial statements	
	2013	2012
(in thousand Baht)		
At 1 January	24,080,276	12,534,552
Acquisitions	3,680,516	11,545,724
At 31 December	27,760,792	24,080,276

Investments in subsidiaries as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

Type of business	Separate financial statements											
	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)											
Subsidiaries	(%)											
Prachuap Port Co., Ltd.	51.00	51.00	400,000	400,000	204,000	204,000	-	-	204,000	204,000	68,850	10,200
West Coast Engineering Co., Ltd.	99.99	99.99	75,000	75,000	75,000	75,000	-	-	75,000	75,000	60,000	82,500
Sahaviriya Steel Industries UK Limited	100.00	100.00	557 million	480.7 million	27,481,792	23,801,276	-	-	27,481,792	23,801,276	-	-
Total					27,760,792	24,080,276	-	-	27,760,792	24,080,276	128,850	92,700

All subsidiaries were incorporated in Thailand, except Sahaviriya Steel Industries UK Limited which was incorporated in the United Kingdom.

During the year ended 31 December 2013, the Company increased the equity investment in SSI UK totaling approximately USD 120.6 million.

At 31 December 2013 and 2012, the entire common shares of the Company in SSI UK of 556,999 shares and 480,736 shares, respectively, have been pledged as collateral against the banks.

In 2013, the management performed test of impairment of certain investments in subsidiaries and measure recoverable amounts at fair value less cost to sell method.

10 Investments in jointly-controlled entities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
At 1 January	3,499,196	4,683,314	3,159,668	4,502,797
Revaluation of property, plant and	159,662	-	-	-
Share of net profit (loss) of equity - accounted				
jointly - controlled entities	250,730	(988)	-	-
Others	(70,297)	(1,183,130)	-	(1,343,129)
At 31 December	3,839,291	3,499,196	3,159,668	3,159,668

In October 2012, the Company signed a Partnership agreement with JFE and MISI (both are the Company's joint venture partner in the existing jointly-controlled entity, Thai Cold Rolled Steel Sheet Public Company Limited ("TCR")). Under the agreement, the Company will sell a portion of its share capital in TCR. As at 31 December 2013, the portion of shares in TCR of Baht 1,183 million and Baht 1,343 in consolidated financial statement and separate financial statement, respectively, which are intended for sales, is presented under "Assets classified as held for sale" and has been measured at the lower of its carrying amount and fair value less costs to sell.

In February 2013, the Company completed the sales of such portion of its shareholding in TCR to JFE and MISI and received the total proceeds of USD 50 million (equivalent to approximately Baht 1,568 million) a transaction in which the Company recognised a gain on sale of investment in jointly-controlled entity of Baht 363 million and Baht 225 million in the consolidated financial statements and separate financial statements, respectively. After completion of the transaction, the Company's shareholding in TCR is 35.19%.

In 2013, a jointly-controlled entity of the Company engaged an independent professional valuer to revalue its property, plant and equipment. The Group has recognized the revaluation in "Investment in jointly-controlled entities" together with revaluation surplus of Baht 160 million according to the ownership interest and presented as "Revaluation surplus" in equity.

At the extraordinary meeting of shareholders of TCR held in October 2013, the shareholders approved the reduction of share capital and paid-up share capital to eliminate the deficit by reducing par value of Baht 10 per share to Baht 4.5 per share. Therefore, the share capital decreased from Baht 10,703 million to Baht 4,816.3 million. However, the Company still maintains the same ownership interest at 35.19%.

Investments in jointly-controlled entities as 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

Consolidated financial statements														
Type of business	Ownership interest		Paid up capital		Cost method		Equity method		Impairment		At equity - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)													
Jointly-controlled entities	(%)													
Direct holding														
Thai Cold Rolled Steel Sheet Public Company Limited	35.19	50.15 ^(*)	4,816,350	10,703,000	3,817,962	3,817,962	2,795,675	2,783,278	-	-	2,795,675	2,783,278	-	-
Indirect holding														
Redcar Bulk Terminal Limited	50.00	50.00	GBP 26.5 million	GBP 26.5 million	767,624	767,624	726,653	715,918	-	-	726,653	715,918	-	-
Total					4,585,586	4,585,586	3,522,328	3,499,196	-	-	3,522,328	3,499,196	-	-

(*) Includes shares held by the Company which will be disposed in February 2013 and presented as asset classified as held for sales.

Thai Cold Rolled Steel Sheet Public Company Limited and Redcar Bulk Terminal Limited were incorporated in Thailand and United Kingdom, respectively.

As at 31 December 2013 and 2012, a subsidiary of the Company has pledged all common shares in a jointly-controlled entity, Redcar Bulk Terminal Limited, as collateral against credit facilities provided by the banks.

Separate financial statements											
Type of business	Ownership interest		Paid-up capital		Cost method		Impairment		At cost - net		Dividend income
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
	(in thousand Baht)										
Jointly - controlled entity	(%)										
Thai Cold Rolled Steel Production and Sheet Public distribution of cold rolled coils	35.19	50.15 ⁽¹⁾	4,816,350	10,703,000	3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	-
Total					3,817,962	3,817,962	658,294	658,294	3,159,668	3,159,668	-

The following summarised financial information on interests in jointly-controlled entities which have been accounted for at the equity method in the consolidated financial statements represents the Group's share:

	Ownership interest (%)	(in thousand Baht)									
		Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Net profit (loss)	
Jointly controlled entities											
2013											
Thai Cold Rolled Steel Sheet Public Company Limited	35.19	1,122,965	3,230,590	4,353,555	999,844	506,408	1,506,252	4,162,751	4,287,678	(124,927)	
Redcar Bulk Terminal Limited	50.00	485,002	627,852	1,112,854	165,980	6,928	172,909	654,173	278,516	375,657	
Total		1,607,967	3,858,442	5,466,409	1,165,824	513,336	1,679,161	4,816,924	4,566,194	250,730	
2012											
Thai Cold Rolled Steel Sheet Public Company Limited	50.15 ^(*)	1,572,120	5,837,659	7,409,779	1,792,563	728,335	2,520,898	7,370,321	7,425,901	(55,580)	
Redcar Bulk Terminal Limited	50.00	276,274	646,828	923,102	124,353	85,701	210,054	474,697	420,105	54,592	
Total		1,848,394	6,484,487	8,332,881	1,916,916	814,036	2,730,952	7,845,018	7,846,006	(98)	

(*) Includes shares held by the Company which will be disposed in February 2013 and presented as asset classified as held for sales.

Contingent liabilities and commitments relating to the jointly-controlled entity:

	2013	2012
Contingent liabilities directly incurred by the Group		
Group's share of the jointly-controlled entity' contingent liabilities	Baht 20 million	Baht 21 million and USD 2 million
Capital commitments in relation to interest in jointly-controlled entity		
Group's share of the jointly-controlled entity according to		
- in capital expenditure	Baht 12 million, USD 0.18 million and Yen 86 million	Baht 32 million, USD 0.15 million and Yen 142 million
- in non-cancellable operating lease commitments	Baht 11 million	Baht 15 million
- in raw materials purchases	Baht 17 million and Yen 11 million	Baht 31 million, USD 4 million and Yen 0.75 million

In 2013, the management performed test of impairment of investments in jointly-controlled entities those had indicator for impairment, which the method used to measure recoverable amounts is fair value less cost to sell approach.

11 Other long-term investment

Other long-term investment as at 31 December 2013 and 2012, and dividend income for the years then ended were as follows:

Consolidated financial statements												
	Ownership interest		Paidup capital		Cost method		Impairment		Atcost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)											
Thai Coated Steel Sheet Company Limited	3.70	3.70	2,206,900	2,206,900	294,000	294,000	294,000	294,000	-	-	-	-
Total	3.70	3.70	2,206,900	2,206,900	294,000	294,000	294,000	294,000	-	-	-	-
Separate financial statements												
	Ownership interest		Paidup capital		Cost method		Impairment		Atcost - net		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)											
Thai Coated Steel Sheet Company Limited	3.70	3.70	2,206,900	2,206,900	294,000	294,000	294,000	294,000	-	-	-	-
Total	3.70	3.70	2,206,900	2,206,900	294,000	294,000	294,000	294,000	-	-	-	-

12 Property, plant and equipment

	Consolidated financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
	(in thousand Baht)						
Cost/revaluation							
At 1 January 2012	2,978,255	3,423,236	36,841,372	191,175	84,804	20,914,009	64,432,851
Additions	-	1,113	611,906	10,976	6,301	4,773,211	5,403,507
Transfers	4,005	6,719	23,743,440	5,113	-	(23,759,277)	-
Disposals	(643)	(3,695)	(330,747)	(15,991)	(8,736)	-	(359,812)
Effect of movements							
in exchange rates	(43,288)	158,222	(1,307,349)	-	-	70,878	(1,121,537)
At 31 December 2012 and 1 January 2013	2,938,329	3,585,595	59,558,622	191,273	82,369	1,998,821	68,355,009
Additions	-	127	92,118	18,234	14,643	580,750	705,872
Transfers	-	87,566	2,174,116	6,316	-	(2,238,621)	29,377
Disposals	-	-	(4,260)	(5,729)	(396)	-	(10,385)
Revaluation	(51,106)	(716,273)	566,098	-	-	-	(201,281)
Effect of movements in							
exchange rates	89,141	36,528	2,345,980	-	-	21,648	2,493,297
At 31 December 2013	2,976,364	2,993,543	64,732,674	210,094	96,616	362,598	71,371,889

	Consolidated financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
Depreciation and impairment losses							
At 1 January 2012	685,208	2,189,924	11,195,301	152,416	61,334	-	14,284,183
Depreciation charge for the year	6,560	107,584	1,794,173	15,786	7,790	-	1,931,893
Depreciation on revaluation	146	57,000	311,115	-	-	-	368,261
Disposals	(643)	(1,660)	(37,902)	(13,821)	(8,211)	-	(62,237)
Effect of movements in exchange rates	-	(2,297)	(26,149)	-	-	-	(28,446)
At 31 December 2012 and							
1 January 2013	691,271	2,350,551	13,236,538	154,381	60,913	-	16,493,654
Depreciation charge for the year	6,054	115,582	2,250,348	16,503	8,915	-	2,397,402
Depreciation on revaluation	(3,045)	19,543	351,536	-	-	-	368,034
Revaluation	(42,400)	(634,677)	157,682	-	-	-	(519,395)
Disposals	-	-	(3,829)	(5,605)	(396)	-	(9,830)
Effect of movements in exchange rates	-	2,293	215,188	-	-	-	217,481
At 31 December 2013	651,880	1,853,292	16,207,463	165,279	69,432	-	18,947,346

	Consolidated financial statements						
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	Total
	(in thousand Baht)						
Net book value							
At 1 January 2012							
Owned assets	2,293,047	1,233,312	25,626,664	38,643	8,801	20,914,009	50,114,476
Assets under finance leases and hire-purchases	-	-	19,407	116	14,669	-	34,192
	2,293,047	1,233,312	25,646,071	38,759	23,470	20,914,009	50,148,668
At 31 December 2012 and 1 January 2013							
Owned assets	2,247,058	1,235,044	46,022,304	36,851	5,576	1,998,821	51,545,654
Assets under finance leases and hire-purchases	-	-	299,780	41	15,880	-	315,701
	2,247,058	1,235,044	46,322,084	36,892	21,456	1,998,821	51,861,355
At 31 December 2013							
Owned assets							
Assets under finance leases	2,324,484	1,140,251	48,205,254	44,815	11,142	362,598	52,088,544
and hire-purchases	-	-	319,957	-	16,042	-	335,999
	2,324,484	1,140,251	48,525,211	44,815	27,184	362,598	52,424,543

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 729 million (2012: Baht 839 million).

Capitalised borrowing cost relating to the acquisition of assets amounted to Baht 58 million (2012: Baht 52 million), with a capitalisation rate of 4.8% to 4.9% per annum (2012: 4.8% to 4.9% per annum).

	Separate financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
	(in thousand Baht)						
Cost/valuation							
At 1 January 2012	1,054,553	2,948,184	25,144,504	155,280	60,661	95,252	29,458,434
Additions	-	942	46,412	6,548	4,396	138,226	196,524
Transfers	1,580	6,329	54,729	4,131	-	(66,769)	-
Disposals	-	-	(18,378)	(6,033)	(4,747)	-	(29,158)
At 31 December 2012 and 1 January 2013	1,056,133	2,955,455	25,227,267	159,926	60,310	166,709	29,625,800
Additions	-	-	62,065	16,192	10,067	14,784	103,108
Transfers	-	5,255	22,000	3,277	-	(79,666)	(49,134)
Disposals	-	-	(819)	(5,225)	-	-	(6,044)
Revaluation	(48,552)	(716,858)	791,165	-	-	-	25,755
At 31 December 2013	1,007,581	2,243,852	26,101,678	174,170	70,377	101,827	29,699,485
Depreciation and impairment losses							
At 1 January 2012	375,217	2,105,055	9,298,735	124,404	41,445	-	11,944,856
Depreciation charge for the year	3,219	92,096	498,920	12,180	6,215	-	612,630
Depreciation on revaluation	-	55,168	281,017	-	-	-	336,185
Disposals	-	-	(6,581)	(6,019)	(4,747)	-	(17,347)
At 31 December 2012 and 1 January 2013	378,436	2,252,319	10,072,091	130,565	42,913	-	12,876,324
Depreciation charge for the year	1,159	91,987	516,905	13,287	6,939	-	630,277
Depreciation on revaluation	63	17,672	322,242	-	-	-	339,977
Revaluation	(40,746)	(639,555)	326,801	-	-	-	(353,500)
Disposals	-	-	(462)	(5,109)	-	-	(5,571)
At 31 December 2013	338,912	1,722,423	11,237,577	138,743	49,852	-	13,487,507

	Separate financial statements						Total
	Land and land improvement	Factory and office buildings	Machinery, tool and factory equipment	Office furniture, fixtures and equipment	Vehicles	Assets under construction and installation	
	(in thousand Baht)						
Net book value							
At 1 January 2012							
Owned assets	679,336	843,129	15,845,769	30,876	4,547	95,252	17,498,909
Assets under hire-purchase	-	-	-	-	14,669	-	14,669
	679,336	843,129	15,845,769	30,876	19,216	95,252	17,513,578
At 31 December 2012 and 1 January 2013							
Owned assets	677,697	703,136	15,155,176	29,361	4,627	166,709	16,736,706
Assets under hire-purchase	-	-	-	-	12,770	-	12,770
	677,697	703,136	15,155,176	29,361	17,397	166,709	16,749,476
At 31 December 2013							
Owned assets	668,669	521,429	14,864,101	35,427	4,483	101,827	16,195,936
Assets under hire-purchase	-	-	-	-	16,042	-	16,042
	668,669	521,429	14,864,101	35,427	20,525	101,827	16,211,978

The gross amount of the Company's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 647 million (2012: Baht 624 million).

In October 2006, the FAP issued Notification No. 25/2549 allowing entities which carry their assets at revalued amounts to calculate depreciation to be charged to the income statements based on the historical cost of the assets instead of on the revalued amounts. TAS 16 (Revised 2009)

Property, Plant and Equipment, states that depreciation shall be recognised within profit or loss. During years ended 31 December 2011, the FAP issued a notification allowing entities to continue the existing method for another period of 5 years or less. The Group has decided to follow this notification. However, had the depreciation charge been calculated based on the revalued amounts, net income and earnings per share attributable to equity owners of the Company would have been affected as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Decrease in profit for the years (in thousand Baht)	360,965	368,261	333,932	336,185
Decrease in earnings per share (Baht per share)	0.012	0.019	0.011	0.018
Decrease in earnings per share (Baht per share)	0.012	0.019	0.011	0.018

In December 2012, the Group engaged an independent professional valuer to revalue its property, plant and equipment. The revaluation of its property, plant and equipment has been finished during the first quarter of 2013. The valuation methods were as follows:

- 1) Sales comparison approach, which was based on recent sales and listing of comparable property, for:
 - Land
- 2) Cost approach, which was based on the cost of reproducing or replacing the property, less depreciation from physical deterioration and functional and economic/ external obsolescence, for:
 - Land and land improvement;
 - Building and building improvement; and
 - Machinery and equipment.

As at 31 December 2013, the Group provided allowance for assets revaluation of Baht 12.7 million (2012: nil) and reversed allowance for impairment loss of Baht 1.7 million (2012: Baht 2.1 million).

As at 31 December 2013, the Group have mortgaged/pledged assets amounting to approximately Baht 51,412 million (2012: Baht 50,901 million) (the Company: Baht 16,051 million (2012: Baht 16,169 million)) as collateral against bank overdrafts, short-term loans and long-term loans from financial institutions and letter of guarantee for electricity, port and goods warehouse, as described in Note 14.

In 2013, the management of Sahaviriya Steel Industry UK performed test of impairment of their property, plant and equipment which confirmed that the subsidiary value are supported by their recoverable amounts as determined by fair value less costs to sell method.

13 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	(in thousand Baht)			
Total	1,662,963	8,658	(2,924,427)	(3,199,689)
Set off of tax	(1,659,694)	(8,535)	1,659,694	8,535
Net deferred tax assets (liabilities)	3,269	123	(1,264,733)	(3,191,154)

	Separate financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	(in thousand Baht)			
Deferred tax liabilities	-	-	(1,185,703)	(1,177,847)

Movements of deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements				
	At 1 January 2013	(Charged) / Credited to			At 31 December 2013
		Profit or loss	Other compre- hensive income	Exchange differences	
	(in thousand Baht)				
Deferred tax assets					
Inventories	444	-	-	-	444
Other current assets	-	201	-	-	201
Property, plant and equipment	9	721	-	-	730
Employee benefit obligations	8,205	890	-	-	9,095
Capital allowances under UK Act	-	1,547,658	-	104,835	1,652,493
Total	8,658	1,549,470	-	104,835	1,662,963
Deferred tax liabilities					
Other current assets	(91)	(58)	-	-	(149)
Property, plant and equipment	(3,181,802)	378,221	8,742	(112,661)	(2,907,500)
Long-term loans from financial institutions	(14,874)	-	-	-	(14,874)
Finance lease liabilities	(2,922)	1,018	-	-	(1,904)
Total	(3,199,689)	379,181	8,742	(112,661)	(2,924,427)

During the year ended 31 December 2013, SSI UK recognised deferred tax assets on the capital allowances according to Capital Allowance Act 2001 under United Kingdom's laws, which is not exceeded deferred tax liabilities.

	Consolidated financial statements				
	At 1 January 2012	(Charged) / Credited to			At 31 December 2012
		Profit or loss	Other compre- hensive income	Exchange differences	
	(in thousand Baht)				
Deferred tax assets					
Inventory	-	444	-	-	444
Property, plant and equipment	39	(30)	-	-	9
Employee benefit obligations	7,531	674	-	-	8,205
Total	7,570	1,088	-	-	8,658
Deferred tax liabilities					
Other current assets	(95)	5	-	-	(90)
Property, plant and equipment	(3,925,772)	590,789	74,595	78,586	(3,181,802)
Long-term loans from financial institutions	(14,874)	-	-	-	(14,874)
Finance lease liabilities	(3,577)	655	-	-	(2,922)
Total	(3,944,318)	591,449	74,595	78,586	(3,199,688)

	Separate financial statements			
	At 1 January 2013	(Charged) / credited to		At 31 December 2013
		Profit or loss	Other compre- hensive income	
	(in thousand Baht)			
Deferred tax liabilities				
Property, plant and equipment	(1,162,973)	547	(8,403)	(1,170,829)
Long-term loans from financial institutions	(14,874)	-	-	(14,874)
Total	(1,177,847)	547	(8,403)	(1,185,703)

	Separate financial statements			At 31 December 2013
	At 1 January 2013	(Charged) / credited to		
		Profit or loss	Other compre- hensive income	
	(in thousand Baht)			
Deferred tax liabilities				
Property, plant and equipment	(1,230,210)	-	67,237	(1,162,973)
Long-term loans from financial institutions	(14,874)	-	-	(14,874)
Total	(1,245,084)	-	67,237	(1,177,847)

Deferred tax assets (liabilities) arising from temporary differences and unused tax losses that have not been recognised in the financial statements as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Deferred tax assets				
- Deductible temporary differences	419,308	490,480	364,930	438,120
- Tax losses	4,700,335	4,919,472	1,211,977	1,177,888
Deferred tax liability				
- Deductible temporary differences	(9,968)	(17,641)	(9,968)	(17,641)
Net	5,109,675	5,392,311	1,566,939	1,598,367

The deductible temporary differences do not expire under current tax legislation. The Group has not recognised deferred tax assets in respect of these items because it is not probable that future taxable profit against which the Group can utilise the benefits therefrom.

14 Interest-bearing liabilities

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Current					
Bank overdraft - unsecured		281,231	-	-	-
Short-term loans from financial institutions					
- secured		21,607,371	25,308,703	11,693,814	16,122,283
Current portion of long-term loans from financial institutions					
- secured		1,924,004	4,563,773	1,811,783	2,207,073
Current portion of finance lease liabilities		49,845	46,848	-	-
Current portion of liabilities under hire purchase agreements		6,896	4,966	5,212	3,963
Total		23,869,347	29,924,290	13,510,809	18,333,319
Non-current					
Long-term loans from financial institutions					
- secured		27,879,311	20,424,804	12,057,875	8,065,068
Subordinated convertible debentures	18	149	1,317,709	149	1,317,709
Finance lease liabilities		161,063	210,908	-	-
Liabilities under hire purchase agreements		6,242	3,407	4,314	2,655
Total		28,046,765	21,956,828	12,062,338	9,385,432
Grand total		51,916,112	51,881,118	25,573,147	27,718,751

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities and liabilities under hire purchase agreements, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
(in thousand Baht)				
Within one year	23,812,605	29,872,476	13,505,597	18,329,356
After one year but within five years	18,766,351	20,501,253	8,303,259	8,854,271
After five years	9,113,109	1,241,260	3,754,766	528,506
Total	51,692,065	51,614,989	25,563,622	27,712,133

Secured interest-bearing liabilities as at 31 December were secured on the following assets:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Property, plant and equipment	51,411,732	50,901,491	16,050,520	16,169,419
Investments in subsidiaries and jointly-controlled entity	24,527,929	24,517,194	27,481,792	23,801,276
Inventories	12,454,903	14,181,237	8,978,731	10,472,735
Total	88,394,564	89,599,922	52,511,043	50,443,430

As at 31 December 2013, the significant long-term loan agreements of the Group are detailed as follows:

141 Company: Baht 23,900 million debt facility dated 24 February 2011 and as amended

Facilities received	Main conditions / Other conditions
<p><u>Lenders</u> : 3 commercial banks</p> <p><u>Facility A</u> : Credit facility: Baht 6,200 million</p> <ul style="list-style-type: none"> ● Baht term loan to partially-finance the acquisition purchase price, associated deal costs and general working capital purposes. ● Interest rate is based on MLR and loan had period 7 year tenure. However, this had been extended for another 3 years. ● First repayment 27 months after first draw-down (23 March 2011). <p><u>Facility B</u> : Credit facility: Baht 5,700 million</p> <ul style="list-style-type: none"> ● Baht term loan to refinance another facility provided by other commercial banks. ● Interest rate is based on MLR and loan had period 7 year tenure. However, this had been extended for another 2 years. ● First repayment 3 months after first draw-down (16 March 2011). <p><u>Facility C</u> : Credit facility: Baht 12,000 million</p> <ul style="list-style-type: none"> ● Revolving facility to refinance amounts owed to other commercial banks and for general corporate purposes (subject to maximum short-term loans of Baht 2,000 million). <p>Interest charged at lower of MLR or money market rate plus margin.</p>	<p><u>Main conditions</u></p> <ol style="list-style-type: none"> 1) Consolidated Debt to Equity ratio of below 2:1 for 2011 and 2012 (1.5:1 thereafter). 2) Debt Service coverage ratio of at least 1.2:1 Testing conducted on a quarterly basis from 31 December 2011 onward. 3) Assets disposal, merger and acquisition and dividends payment. <p><u>Other conditions</u></p> <ul style="list-style-type: none"> ● Commitment fees as specified in the agreements. ● Maintaining shareholding structure, Public company status etc. ● Guaranteed by SSI UK, according to loan rescheduling agreement in third quarter 2013. Guarantee has been extended to cover as the ultimate balance of sums payable by SSI.

142 SSI UK: USD 790million debt facilities

Facilities received	Main conditions /Other conditions
<p><u>Lenders:</u> 3 commercial banks</p> <p><u>Facility A:</u> Credit facility: USD 250 million</p> <ul style="list-style-type: none"> ● USD Term loans to finance the acquisition purchase price and investment in Redcar Bulk Terminal Limited. ● Repayable in 5-7 years, But has been extended for 2 more years of which first repayment 27 months after first draw-down month (24 March 2011). <p><u>Facility B:</u> Credit facility: USD 150 million</p> <ul style="list-style-type: none"> ● USD term loan to finance capital expenditure and start-up costs. ● Repayable in 7 years, But has been extended for 2 more years of which first repayment 27 months after first draw-down of facility A (24 March 2011). <p><u>Facility C:</u> Credit facility: USD 90 million</p> <ul style="list-style-type: none"> ● USD term loan to finance capital expenditure. ● Repayable in 7 for C1 and 4 for C2 years, But has been extended for 2 more years of which first repayment 27 months after first draw-down of facility A (24 March 2011). <p>The first repayment of all Facility A, Facility B and Facility C have been then extended to December 2014.</p> <p><u>Revolving Facility 1:</u> Credit facility: USD 200 million</p> <ul style="list-style-type: none"> ● Revolving facility to pay first TCP Working Capital, L/C amounts in respect of capital expenditure and start up costs and general corporate purposes relate to initial purchase of steel making plants. ● Repay each loan on the last day of its interest period. <p><u>Revolving Facility 2:</u> Credit facility: USD 100 million</p> <ul style="list-style-type: none"> ● Revolving facility to general corporate purposes. ● Repay each loan on the last day of its interest period. ● Revolving facility had 6 months tenor after first draw-down (30 April 2012), but has been then additionally extended until 30 September 2015. <p>Interest on all facilities is payable at LIBOR + Margin.</p>	<p><u>Main conditions</u></p> <ol style="list-style-type: none"> 1) Consolidated long term debt to EBITDA ratio of below 2.5:1 for 2013 (2.0:1 thereafter). 2) Debt Service coverage ratio of at least 1.2:1 (for the period of 27 months following initial utilisation to final maturity for Facility A). 3) Current asset/current liability ratio of at least 1:1 from 31 December 2011 onwards. 4) Requirement for lenders to pre-authorise corporate mergers, acquisitions or changes in ownership. 5) Commitment, cancellation and other fees applicable. 6) All debt facilities guaranteed by the Company. 7) Only additional Revolving Facility obtained in 2012 of USD 100 million is personal guaranteed by the president of SSI. 8) Conditions subsequent include completing liquidity shortfall plan by 30 June 2012 and the Company injecting into SSI UK additional equity of at least USD 250 million by 31 July 2012.

143 Company Interest rate swap agreements

The Company entered into various interest rate swap agreements, in order to hedge interest rate risk exposures for principal amounting to Baht 5,547 million. Under these agreements, the Company has swapped its floating MLR rate exposure on amounts due to the Banks for fixed rates of 7.835% to 7.9%. These agreements are valid from 30 June 2011 to 31 March 2014.

144 Group Other interest bearing liabilities

In addition to the above borrowings, the Group has secured interest-bearing liabilities as follows:

Bank overdrafts and short-term loans of the Company are secured by the pledge of raw materials and finished goods owned by the Company, and for those banks providing both short-term and long-term loans, the Company has additionally made a mortgage of land and construction thereon and machinery of the Company and assigned beneficiary rights under insurance policies to the lenders. These loan agreements contain certain covenants as stipulated in the agreement that, among other things, required the Company to maintain according to the agreement such as maintenance of financial ratios.

Short-term loans of PPC, a subsidiary company, are secured by the mortgage of certain PPC owned land and construction and/or future construction thereon. The bank overdraft and short-term loans of WCE, a subsidiary company, are secured by mortgage of certain WCE owned land and construction thereon and the assignment of beneficiary rights under insurance policies to the lender.

Various long-term loans of the Company and its subsidiaries are secured by the mortgage/pledge of land with construction thereon and machinery, and the assignment of beneficiary rights under insurance policies to the lenders. For those banks providing both short-term and long-term loan facilities, the Company has additionally made a second pledge of raw materials and finished goods of the Company. These loan agreements contain certain covenants as stipulated in the agreement that, among other things, required the Company to maintain of financial ratios, the minimum maintenance of the Company's shareholding in PPC and WCE, restrictions on dividend payment in each fiscal year, and a prohibition on the Company pledging their investments

in shares of subsidiaries or creating any obligation thereon. During the third quarter of 2013, the long-term loan of PPC had been fully repaid therefore covenants as stipulated in the agreement were terminated. However, PPC are in the process of withdrawing secured assets from the bank security.

As at 31 December 2013, the Group had unutilised credit facilities totalling Baht 354 million and the Company had unutilised credit facilities totalling Baht 201 million (2012: Baht 294 million and USD 40 million for the Group and Baht 38 million for the Company).

As at 31 December 2013, the Company and SSI UK were unable to maintain financial covenant ratios and pay due debt of Baht 136 million committed to certain of its debt providers. However, these breaches of covenants were waived by creditors of the Company and SSI UK.

In addition, during 2012, the Company and SSI UK identified a need for additional working capital facilities to fund to operate the SSI Teesside plant. This need was driven by sluggish market conditions, the impact of severe flooding in the last quarter of 2011 and requests from certain working capital lenders not to extend short-term facilities upon their expiry and wide fluctuation of global commodity prices. In order to maintain Group liquidity and to comply with requests made by long-term lenders, the Company entered into negotiations with a group of working capital lenders ("the Working Capital Lenders") to defer repayment and maintain facilities into the future.

In 2013, the Company has reached the conclusion on loan rescheduling with all of eight short-term and long-term lenders. All lenders have entered into the Intercreditor Memorandum of Understanding with the Company as well as of five short-term lenders have entered into the Loan Rescheduling Agreement. The key points of loan rescheduling are as follows:

- Five short-term lenders with combined outstanding debt of approximately Baht 4,486.4 million agreed to change the status of loans from working capital loans to three-year amortising long-term loan with quarterly principal repayment starting from June 2013 and ending December 2015. Among those five short-term lenders, two of which had previously

filed lawsuit cases, as mentioned in Note 32, against the Company have now withdrawn the lawsuit cases.

- Three long-term lenders with combined outstanding debt of approximately Baht 10,214.8 million agreed to extend the repayment period of long-term loan of which the first portion with outstanding amount of approximately Baht 6,105.6 million has been extended from ending March 2018 to March 2021, and the balance portion with outstanding amount of approximately Baht 4,109.2 million has been extended from ending March 2018 to March 2020. During the third quarter of 2013, the Company has signed the loan rescheduling agreement with 3 long-term lenders.

In November 2013, lenders of SSI UK have reached the conclusion of rescheduling loans repayment scheme by the issuance of amendment. The key points are as follows:

- To extend the first repayment from November 2013 to December 2014.
- To revise repayment schedule which resulted to the change of current portion of long-term loans from financial institutions of Baht 2,167 million to long-term loans.
- To extend the last repayment for another 2 years from March 2015-2018 to March 2017-2020.

Movement of long-term loans from financial institutions were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
At 1 January	24,988,577	21,048,058	10,272,141	10,779,593
Rescheduling of short-term loans	4,486,370	-	4,486,370	-
Proceeds	156,806	4,980,387	-	-
Repayment	(964,170)	(688,301)	(905,734)	(546,972)
Amortisation of transaction charges	77,703	57,280	16,882	39,520
Effect of movements in exchange rates	1,058,028	(408,847)	-	-
At 31 December	29,803,314	24,988,577	13,869,659	10,272,141

On 13 February 2014, the Company has provided SSI UK with a letter of continuing financial support covering the period for at least 12 months from the date that the financial statements were approved and authorised to issue, as a general requirement of statutory financial statements.

Finance lease and hire purchase liabilities

The Group had machinery, equipment and vehicles acquired under finance lease and hire purchase agreements. As at 31 December were payable as follows:

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	68,282	11,541	56,741	66,750	14,936	51,814
After one year but within five years	178,834	11,529	167,305	236,717	22,402	214,315
Total	247,116	23,070	224,046	303,467	37,338	266,129

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	(in thousand Baht)					
Within one year	5,637	425	5,212	4,282	319	3,963
After one year but within five years	4,629	315	4,314	2,888	233	2,655
Total	10,266	740	9,526	7,170	552	6,618

The Group entered into the sale and lease back agreement for machinery and equipment with a company in 2012. Lease term is for a period of 5 years. The Group has paid the deposit to the lessor in the amount of Baht 41.4 million. This deposit is presented by offsetting with liabilities under financial lease contracts in the statement of financial position.

The net book value of machinery and equipment as at 31 December 2012 is Baht 267.2 million and the surplus from the sale which is higher than the carrying amount is Baht 19.4 million. This surplus is deferred and presented net under property, plant and equipment. Amortisation of such surplus presented offsetting with depreciation expenses in the statement of comprehensive income over the term of the lease.

The currency denomination of interest-bearing liabilities as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Thai Baht	25,921,668	28,114,698	25,573,147	27,718,751
United States Dollars	25,994,444	23,766,420	-	-
Total	51,916,112	51,881,118	25,573,147	27,718,751

15 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in thousand Baht)			
Related parties	5	3,586,261	2,088,064	3,178,138	2,122,999
Other parties (including payable under collateral management agreement of inventories of Baht 2,559 million in 2013)		9,027,989	9,749,637	5,664,494	7,365,741
Total		12,614,250	11,837,701	8,842,632	9,488,740

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Thai Baht	417,518	553,491	472,750	528,553
United States Dollars	8,913,247	8,948,881	8,306,010	8,948,881
Pound Sterling	3,105,955	2,324,425	406	402
Euro	174,305	10,815	60,270	10,815
Others	3,225	89	3,196	89
Total	12,614,250	11,837,701	8,842,632	9,488,740

Inventory under collateral management agreement

The Company entered into a collateral management agreement with a company which is incorporated overseas. Under the terms of this agreement, the Company has to pay for partial deposit and for the rest when withdraw inventory from representative company. The Company retains all or a significant portion of the risks and rewards relating to the collateralized inventory. Inventory is stored in the warehouse

facilities for which that counter party appoints a representative to act as the collateral manager. These transactions are treated as inventory under collateral management agreement and trade payable under collateral management agreement within the statement of financial position. That seller provide a selling price retains a certain amount of interest, management cost and commodity benchmark price movements. As at 31 December 2013, this facility's financing costs of Baht 36.8 million (2012: nil).

16 Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Accrued expenses	2,902,741	3,613,917	111,753	89,860
Other accounts payable	1,525,934	76,821	1,517,770	68,843
Advances received from sales of goods	63,186	2,166,505	15,084	669,127
Accrued interest expenses	70,540	136,510	70,348	136,477
Others	1,080,468	68,939	60,597	44,249
Total	5,642,869	6,062,692	1,775,552	1,008,556

17 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Statement of financial position				
Statement of financial position obligations for:				
Statutory severance pay	140,715	128,243	100,728	92,991
Other long-term employee benefits	20,933	20,863	14,997	14,642
Total	161,648	149,106	115,725	107,633
Year ended 31 December				
Statement of comprehensive income:				
Recognised in profit or loss				
Statutory severance pay	16,757	15,198	12,022	11,124
Other long-term employee benefits	2,752	2,948	1,853	1,774
Total	19,509	18,146	13,875	12,898

Statutory Severance Pay

The Group and the Company operate defined benefit plans based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The movement in the present value of the defined benefit obligations for the year ended 31 December was shown in the table below:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Defined benefit obligations at 1 January	149,106	133,328	107,633	95,470
Benefits paid by the plan	(6,967)	(2,368)	(5,783)	(735)
Current service costs and interest	19,509	18,146	13,875	12,898
Defined benefit obligations at 31 December	161,648	149,106	115,725	107,633

Expense recognised in profit or loss for the year ended 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Current service costs	14,306	13,450	10,067	9,469
Interest on obligation	5,203	4,696	3,808	3,429
Total	19,509	18,146	13,875	12,898

The expense is recognised in the following line items in the statement of comprehensive income for the year ended 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Cost of sales	11,441	10,666	7,099	6,607
Selling expenses	679	624	637	586
Administrative expenses	7,389	6,856	6,139	5,705
Total	19,509	18,146	13,875	12,898

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(%)			
Discount rate	3.5	3.5	3.5	3.5
Future salary increases	5.5 - 6.5	5.5 - 6.5	5.5	5.5

Assumptions regarding future mortality are based on published statistics and mortality tables.

18 Subordinated convertible debentures and convertible rights

Movement during the year ended 31 December of the subordinated convertible debentures and convertible rights were as follows:

	Consolidated / Separated financial statements					
	At 1 January 2013	Issuance	Amortisation charge for the year	Exercise of convertible debentures	Repurchase and cancellation	At 31 December 2013
	(in thousand Baht)					
Debentures						
Subordinated convertible debentures						
- Sahaviriya Inter Steel Holdings Limited (No. 1/2012)	1,492,000	-	-	-	(1,492,000)	-
- Minority (No. 1/2012)	5,405	-	-	-	(5,126)	279
	1,497,405	-	-	-	(1,497,126)	279
LESS Convertible rights of subordinated debentures	(179,318)	-	-	-	179,293	(25)
LESS Deferred expenses for issuance of subordinated debentures	(378)	-	1	-	272	(105)
Net	1,317,709	-	1	-	(1,317,551)	149
Convertible rights of subordinated debentures	179,318	-	-	-	(179,293)	25

	Consolidated / Separated financial statements					
	At 1 January 2012	Issuance	Amortisation charge for the period	Exercise of convertible debentures	Repurchase and cancellation	At 31 December 2012
	(in thousand Baht)					
Subordinated convertible debentures						
- Sahaviriya Inter Steel Holdings Limited (No. 1/2012)	-	1,644,531	-	(152,531)	-	1,492,000
- Minority (No. 1/2012)	-	5,469	-	(64)	-	5,405
- Vanomet AG (No. 2/2012)	-	600,000	-	-	(600,000)	-
	-	2,250,000	-	(152,595)	(600,000)	1,497,405
LESS Convertible rights of subordinated debentures	-	(311,091)	-	18,283	113,490	(179,318)
LESS Deferred expenses for issuance of subordinated debentures	-	(1,045)	310	-	357	(378)
Net	-	1,937,864	310	(134,312)	(486,153)	1,317,709
Convertible rights of subordinated debentures	-	311,091	-	(18,283)	(113,490)	179,318

At the Extraordinary General Meeting of Shareholders held on 22 September 2011, the shareholders approved the Company to issue convertible debentures in an amount not exceeding Baht 2,250 million. For the detail as follows:

The Company's existing shareholders are to be offered

- Up to Baht 1,650 million of convertible debentures at the ratio of 1,000 existing shares to 1 convertible debenture, provided that any fraction of the convertible debentures is rounded up.

These convertible debentures have:

- Par value and offering price of Baht 1,000 per unit, a 3 year term, coupon rate of 3% per annum (payable every 6 months) and can be exercised at the end of each quarter with the exercise period from 30 December 2011 to 3 years from issuance date (Board of Directors' meeting held on 26 April 2012, the Board approved to postpone the first exercise period from 30 December 2011 to be 30 June 2012).

- The initial conversion price shall not be lower than the volume weighted average of the Company's ordinary share trading price at offering period plus 10% premium and may be adjusted upwards or downwards at a certain rate or method as specified under the rights.

- Repayment of subordinated convertible debentures by ordinary shares instead of cash. The convertible debentures holders shall convert all convertible debentures at a conversion price at the convertible debentures' maturity date if the market share price equal to a maximum of 110% of the conversion price.

- Conversion price is Baht 1 per share.

If the Company's existing shareholders do not subscribe for all available convertible debentures, the other investors may subscribe to convertible debentures with

- Term (not exceeding 5 years), coupon rate (not more than 5% per annum), par value, offering and initial conversion price and exercise period to be determined by the Company's Board of Directors.

On 23 May 2012, the convertible debentures in amount of Baht 1,650 million (No. 1/2012 due in 2015) were offered and issued to existing shareholders. Also, on 5 June

2012, the convertible debentures in amount of Baht 600 million (No. 2/2012 due in 2017) were offered and issued to specific investors. Total proceed of Baht 2,250 million has been used to subscribe newly issued ordinary shares in SSI UK.

On 29 June 2012, two holders of Convertible Debentures No. 1/2012 declared their intention to exercise their conversion right to convert the Convertible Debentures in an aggregate principal amount of 152,595 units or Baht 152.60 million, which was subsequently converted to be the Company's ordinary shares in July 2012. The Company registered the increase of its paid-up capital with the Ministry of Commerce on 4 July 2012.

The Extraordinary General Meeting of Shareholders held on 11 October 2012, the shareholder approved to repurchase and cancel its outstanding convertible debentures. Subsequently on 24 December 2012, the Company has repurchased and cancelled its outstanding convertible debenture from Vanomet AG, which is a subsidiary of the Company's shareholder, at net price of Baht 835.94 per unit, totalling Baht 501.6 million. The gain on repurchase and cancellation of convertible debentures (difference between repurchase price and the outstanding value) of Baht 98.1 million is presented separately in equity as it was treated as equity distribution from shareholders.

On 18 July 2013, the Company has repurchased and cancelled its outstanding convertible debenture of 1,492,000 units from Sahaviriya Inter Steel Holding Co., Ltd., which is Company's shareholder, at net purchase price of Baht 820 per unit, amounted to Baht 1,223.5 million. The gain on repurchase and cancellation of convertible debentures (difference between repurchase price and the outstanding value) of Baht 268.1 million is presented separately in equity as it was treated as equity distribution from shareholders.

On 16 August 2013, 6 September 2013, 4 October 2013 and 21 October 2013, the Company has repurchased and cancelled its outstanding convertible debenture totalling 5,126 units, respectively from minority, at net price of Baht 1,000 per unit, totalling Baht 5.1 million. There were no gain (loss) from this repurchase and cancellation of convertible debenture.

19 Share capital

	Par value per share (in Baht)	2013		2012	
		Number	Baht	Number	Baht
		(thousand shares / thousand Baht)			
Authorised					
At 1 January					
- ordinary shares	1	39,867,779	39,867,779	20,434,108	20,434,108
Reduction	1	-	-	(2,250,000)	(2,250,000)
Increase of new shares	1	-	-	21,683,671	21,683,671
At 31 December					
- ordinary shares	1	39,867,779	39,867,779	39,867,779	39,867,779
Issued and paid-up					
At 1 January					
- ordinary shares	1	27,080,630	27,080,630	18,184,108	18,184,108
Issue of new shares	1	5,085,628	5,085,628	8,896,522	8,896,522
At 31 December					
- ordinary shares	1	32,166,258	32,166,258	27,080,630	27,080,630
Share discount					
At 1 January					
- ordinary shares		27,080,630	4,050,175	18,184,108	1,238,242
Issue of new shares		5,085,628	1,627,901	8,896,522	2,811,933
At 31 December					
- ordinary shares		32,166,258	5,678,076	27,080,630	4,050,175

Increase of new shares

At the Extraordinary General Meeting of Shareholders held on 11 October 2012, the shareholders passed the following resolutions:

a) Decrease the Company's registered share capital by cancelling 7,273,643,293 unissued registered shares with a par value of Baht 1 per share. The capital reduction decreased the Company's registered share capital from Baht 27,707.8 million to Baht 20,434.1 million.

b) Increase the Company's registered share capital by Baht 19,433.7 million from Baht 20,434.1 million to Baht 39,867.8 million by issuing additional 19,433,670,324 ordinary shares with a par value of Baht 1 per share to be offered to existing shareholders according to their shareholding proportion, through private placement and to the Company's major shareholder.

The Company has registered its decrease and increase paid-up share capital with the Ministry of Commerce during October to December 2012.

During the year ended 31 December 2013, the Company allocated various newly issued ordinary shares were summarised as follows:

- On 8 February 2013, the Company allocated the 350,705,883 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 238.5 million. The Company has registered its paid-up share capital with the Ministry of Commerce on 11 February 2013.

- On 23 and 31 May 2013, the Company allocated the 665,058,825 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 452.2 million. The Company has registered its paid-up share capital with the Ministry of Commerce on 3 June 2013.

- On 21 June 2013, the Company allocated the 91,852,942 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 62.5 million. The Company has registered its paid-up share capital with the Ministry of Commerce on 4 July 2013.

- On 18 July 2013, the Company allocated the 1,872,948,530 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 1,273.6 million. The Company has registered its paid-up share capital with the Ministry of Commerce on 18 July 2013.

- On 25 to 30 September 2013, the Company allocated the 544,588,233 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 370.3 million.

- During 1 to 3 October 2013, the Company allocated the 351,470,587 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 239 million. The allocated newly issued ordinary shares paid-up during 25 September to 3 October 2013, had been registered with the Ministry of Commerce on 4 October 2013 totalling 896,058,820 shares and had proceed from the issuance of ordinary shares totalling Baht 609.3 million.

During 4 to 10 October 2013, the Company allocated the 1,209,002,894 newly issued ordinary shares, at a par value of Baht 1 per share and at the offering price of Baht 0.68 per share, under the private placement scheme. The Company received the subscription proceeds from issuance of ordinary shares of Baht 822.1 million. The Company registered its paid-up share capital with the Ministry of Commerce on 11 October 2013.

The Company has issued ordinary shares totalling 5,085,627,894 shares (at Baht 1 per share) and received the subscription proceeds totalling Baht 3,458.2 million in 2013.

20 Reserves

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("Legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

Movements in reserves

Movements in reserves are shown in the statements of changes in equity.

21 Segment reporting

The Group has four reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments.

Segment 1	Manufacture of hot rolled coils
Segment 2	Maintenance services
Segment 3	Deep-sea port services
Segment 4	Coke manufacturing and steel making plants

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments

	Manufacture of hot-rolled coils		Maintenance services		Deep-sea port services		Coke manufacturing and steel making plants		Elimination of inter-segment revenues		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)											
External revenue	45,598,513	48,469,806	487,431	277,031	169,367	168,992	19,131,619	11,688,048	-	-	65,386,930	60,603,877
Inter-segment revenue	-	-	422,278	409,439	224,517	203,386	26,126,582	23,275,855	(26,773,377)	(23,888,680)	-	-
Segment profit (loss) before income tax	222,188	(1,654,542)	60,685	61,773	162,995	160,901	(9,184,103)	(14,817,673)	(151,960)	(191,273)	(8,890,195)	(16,440,814)
Segment assets	68,164,420	66,479,121	567,038	420,330	2,052,424	2,206,140	44,944,485	44,381,547	(31,002,182)	(24,967,085)	84,726,185	88,520,053

Reconciliation of reportable segment profit or loss and assets

For the year ended 31 December	2013	2012
	(in thousand Baht)	
Profit or loss		
Total loss for reportable segments	(8,738,235)	(16,249,541)
Elimination of inter-segment profits	(151,960)	(191,273)
Consolidated loss before income tax	(8,890,195)	(16,440,814)
Assets		
Total assets for reportable segments	115,728,368	113,487,138
Elimination of inter-segment assets	(31,002,182)	(24,964,085)
Consolidated total assets	84,726,186	88,520,053

As disclosed in Note 3(d), following the adoption of TFRS 8 - Operating Segments from 1 January 2013, the Group has changed its policy for reporting information on operating segments.

Geographical segments

Segment 1 is managed and operate manufacturing facilities and sales offices in Thailand

Segment 2 and 3 are operates principally in Thailand.

There are no material revenues derived from, or assets located in, foreign countries.

Segment 4

is managed and operate manufacturing facilities and sales offices in United Kingdom

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

Geographical information

	Revenues	
	2013	2012
(in thousand Baht)		
Thailand	46,850,449	52,610,336
Europe	14,469,302	4,654,839
United Kingdom	1,809,606	3,122,825
Mexico	1,345,439	-
North America	886,935	-
Other	1,089,596	215,877
Total	66,451,327	60,603,877

Major customer

Revenues from 2 customers of the Group's segment 1 represents approximately Baht 32,479 million (2012: Baht

34,426 million) and revenues from one customer of the Group's segment 4 represents approximately Baht 11,022 million (2012: Baht 4,131 million) of the Group's total revenues.

22 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Distribution expenses	294,300	289,481	294,300	289,481
Employee benefit expenses	25,504	23,666	19,482	20,205
Others	11,936	23,475	9,979	12,148
Total	331,740	336,622	323,761	321,834

23 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Employee benefit expenses	455,476	414,030	166,252	152,837
Travelling expenses	73,958	86,826	68,776	83,663
Depreciation and amortisation expenses	42,529	25,236	26,464	18,975
Professional fees	26,359	44,928	16,436	31,421
Rental and utility expenses	24,006	31,758	25,208	19,453
Taxes and other fees	17,956	4,471	12,114	10
Advertisement and public relation expenses	11,216	13,626	10,189	13,268
Insurance premium expenses	8,057	2,355	6,431	1,256
Training expenses	3,162	2,183	1,222	1,855
Supplies	2,475	1,985	1,261	1,024
Loss on written-off assets	526	12,784	423	12,784
Loss on sales of raw materials	-	40,394	-	40,394
Others	132,582	108,639	54,620	31,904
Total	798,302	789,215	389,396	408,844

24 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Management				
Wages and salaries	123,759	128,580	52,237	42,168
Defined benefit plans	6,736	6,396	2,783	2,419
Post employment benefit plan	2,623	1,952	1,669	1,533
Long-term employee benefits	33	34	21	23
	133,151	136,962	56,710	46,143
Other employees				
Wages and salaries	4,084,981	3,988,508	520,619	464,679
Defined benefit plans	321,976	225,226	24,726	23,162
Post employment benefit plan	14,134	13,596	10,353	9,591
Long-term employee benefits	2,719	2,564	1,831	1,750
	4,423,810	4,229,894	557,529	499,182
Total	4,556,961	4,366,856	614,239	545,325

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 10% of their basic salaries and by the Group at rates ranging from 5% to 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

SSI UK Defined contribution plans

The defined contribution plans comprise pension plan established by SSI UK for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 6% of their basic salaries (dependent upon ages and length of employments) and by the subsidiary at rates ranging from 6% to 12% of the employees' basic salaries (dependent upon ages and length of employments). The pension plan is managed by a pension plan manager authorised and regulated by the Financial Services Authority.

25 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Changes in inventories of finished goods and work in progress	1,456,886	2,081,572	6,676	2,115,390
Raw materials and consumables used	47,716,439	54,960,650	40,433,582	43,677,974
Employee benefit expenses and contractual labor expenses	8,147,303	4,229,894	557,530	499,182
Fuel oil and electrical expenses	2,666,861	2,230,685	954,651	878,329
Depreciation and amortisation expenses	2,430,044	1,947,951	650,048	622,417
Maintenance expenses	2,619,673	3,083,646	375,530	312,060
Transportation expenses	1,417,734	1,505,487	294,300	289,481
Professional fees	676,334	590,840	29,341	35,441
Minimum lease payments recognised as an operating lease expenses	28,898	31,118	34,157	17,221
Advertising and public relation expenses	20,876	22,160	19,849	21,671
Loss on decline in value of inventories (reversal)	(155,156)	(692,941)	(90,168)	(296,919)
Others	4,354,171	3,806,700	482,344	396,191
Total cost of sales of goods and cost of rendering of services, selling expenses and administrative expenses	71,380,063	73,797,762	43,747,840	48,568,438

26 Finance costs

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Interest expenses	3,513,541	3,832,482	1,970,875	2,044,654
Bank charges	21,547	50,209	11,645	21,338
Loss on interest rate swap agreements	51,745	43,553	51,744	43,553
Total	3,586,833	3,926,244	2,034,264	2,109,545

27 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
(in thousand Baht)					
Current tax expense					
Current year		21,513	22,845	-	-
Deferred tax expense	13				
Movements in temporary differences		(1,928,650)	(592,537)	(548)	-
Total		(1,907,137)	(569,692)	(548)	-

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(in thousand Baht)						
Foreign currency translation differences for foreign operations	370,537	-	370,537	(209,969)	-	(209,969)
Revaluation of property, plant and equipment	324,593	(64,919)	259,674	-	-	-
Depreciation on revaluation surplus	(360,965)	73,661	(287,304)	(368,261)	74,595	(293,666)
Total	334,165	8,742	342,907	(578,230)	74,595	(503,635)

	Separate financial statements					
	2013			2012		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(in thousand Baht)						
Revaluation of property, plant and equipment	379,295	(75,189)	304,106	-	-	-
Depreciation on revaluation surplus	(333,932)	66,786	(267,146)	(336,185)	67,237	(268,948)
Total	45,363	(8403)	36,960	(336,185)	67,237	(268,948)

Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(8,890,195)		(16,440,814)
Income tax using the Thai corporation tax rate	20	(1,778,039)	23	(3,781,387)
Income tax reduction	-	-	1	(91,882)
Effect of different tax rates in foreign jurisdictions	3	(270,640)	1	(178,273)
Income not subject to tax (reversal)	1	(68,543)	-	(47,555)
Expenses not deductible for tax purposes	(1)	90,500	(1)	195,045
Recognition of previously unrecognized tax losses	2	(219,137)	-	-
Current year losses for which no deferred tax asset was recognised	(20)	1,766,795	(18)	2,915,497
Unrecognise deferred tax assets during the year	1	(63,498)	-	(45,054)
Under provided in prior years	(2)	170,933	-	43,858
Effect of capital allowance under UK Act	17	(1,547,658)	-	-
Others	-	12,150	(3)	420,059
Total	21	(1,907,137)	3	(569,692)

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		209,445		(1,654,542)
Income tax using the Thai corporation tax rate	20	41,889	23	(380,545)
Income not subject to tax	(12)	(25,854)	1	(19,436)
Expenses not deductible for tax purposes	7	14,845	(4)	67,173
Current year losses for which no deferred tax asset was recognised	16	34,090	(23)	377,624
Unrecognise deferred tax asset during the year	(31)	(65,517)	3	(44,816)
Total	-	(547)	-	-

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness

28 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to (1) the manufacture of hot rolled coils and hot rolled pickled and oiled coils (2) the provision of marine shipping services (3) the provision of high-powered tug boat services (4) the manufacture of industrial machinery and equipment, mechanical parts, and the repair and improvement of industrial machinery and equipment and steel structures for industrial use.

The privileges granted include:

(a) exemption from payment of import duty on machinery approved by the Board;

(b) exemption from payment of import duty on essential raw materials and supplies imported;

(c) exemption from payment of income tax for sales of hot rolled coils and hot rolled pickled and oiled coils, to the extent that the amount sold does not exceed 1.6 million tons a year, for a period of 8 years from the date on which the income is first derived from such operations (13 May 2004);

(d) exemption from payment of income tax on net income from the provision of marine shipping services, for a period of 8 years from the date on which the income is first derived from such operations (14 November 2006) to the extent that the amount of tax exempted does not exceed 100

percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Bath 1,146 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences. In addition, the privilege also includes an exemption from payment of import duty on machinery approved by the Board;

(e) exemption from payment of income tax on net income from the provision of high-powered tug boat services, for a period of 8 years from the date on which the income is first derived from such operations (4 July 2012) to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The amount of income tax exempted thus must not exceed Bath 300 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences; and

(f) exemption from payment of income tax on net income from manufacture of industrial machinery and equipment, mechanical parts, and the repair and improvement of industrial machinery and equipment and steel structures for industrial use, for a period of 8 years from the date on which the income is first derived from such operations, to the extent that the amount of tax exempted does not exceed 100 percent of the total investment made, excluding the price of land and working capital. The total amount of income tax exempted thus must not exceed Baht 167 million, and such cap is to be adjusted according to the actual capital investment (excluding land cost and working capital) as of the started date operation of the project commences.

As promoted companies, the Group must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses as at 31 December:

	Consolidated financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales and services	-	44,864,338	44,864,338	-	35,205,804	35,205,804
Local sales and services	272,981	47,022,989	47,295,970	14,704,038	34,582,715	49,286,753
Eliminations	(201,427)	(26,571,951)	(26,773,378)	(174,291)	(23,714,389)	(23,888,680)
Total Revenue	71,554	65,315,376	65,386,930	14,529,747	46,074,130	60,603,877

	Consolidated financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
	(in thousand Baht)					
Export sales	-	613,639	613,639	-	215,877	215,877
Local sales and services	-	44,984,874	44,984,874	14,437,403	33,816,526	48,253,929
Total Revenue	-	45,598,513	45,598,513	14,437,403	34,032,403	48,469,806

29 Basic/diluted loss per share

The calculations of basic/diluted loss per share for the years ended 31 December 2013 and 2012 were based on the loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht / thousand shares)			
Profit (loss) attributable to ordinary shareholders of the Company (basic)	(7,052,530)	(15,917,987)	210,003	(1,654,542)
Number of ordinary shares outstanding at 1 January	27,080,630	18,184,108	27,080,630	18,184,108
Effect of shares issued on 4 July 2012	-	75,464	-	75,464
Effect of shares issued on 7 November 2012	-	340,792	-	340,792
Effect of shares issued on 21 November 2012	-	285,495	-	285,495
Effect of shares issued on 29 November 2012	-	61,050	-	61,050
Effect of shares issued on 3 December 2012	-	60,097	-	60,097
Effect of shares issued on 24 December 2012	-	54,470	-	54,470
Effect of shares issued on 11 February 2013	311,312	-	311,312	-
Effect of shares issued on 3 June 2013	386,281	-	386,281	-
Effect of shares issued on 4 July 2013	45,549	-	45,549	-
Effect of shares issued on 18 July 2013	856,938	-	856,938	-
Effect of shares issued on 4 October 2013	218,491	-	218,491	-
Effect of shares issued on 11 October 2013	271,612	-	271,612	-
Weighted average number of ordinary shares outstanding (basic)	29,170,813	19,061,476	29,170,813	19,061,476
Profit (loss) per share (basic) (in Baht)	(0.24)	(0.84)	0.01	(0.09)

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 31 December 2013 was based on the profit for the year attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods shares after adjusting for the effects of all dilutive potential ordinary as follows:

For the year ended 31 December	Separate financial statements
Profit for the year attributable to ordinary shareholders of the Company (basic)	210,003
Interest expenses on subordinated convertible debentures, net of tax	5
Profit attributable to ordinary shareholders of the Company (diluted)	210,008
Weighted average number of ordinary shares outstanding (basic)	29,170,813
Effect of conversion of subordinated convertible debentures	279
Weighted average number of ordinary shares outstanding (diluted)	29,171,092
Earnings per share (diluted) (in Baht)	0.01

The incremental shares from assumed conversions are not included in calculating the diluted per share amounts because the control number (loss from continuing operations attributable to ordinary equity holders of the parent entity adjusted for interest expense of the convertible bonds) was negative (loss rather than profit).

30 Financial instruments

Financial risk management policies

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result for operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 14). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Consolidated financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Bank overdraft		281,231	-	-	281,231
Short-term loans from financial institutions	4.00-7.38	21,607,371	-	-	21,607,371
Long-term loans from financial institutions-current portion	4.24-7.40	1,924,004	-	-	1,924,004
Finance lease liabilities - current portion	7.56	49,845	-	-	49,845
Hire purchase liabilities - current portion	4.76	6,896	-	-	6,896
Non-current					
Long-term loans from financial institutions	4.24-7.40	-	18,766,202	9,113,109	27,879,311
Subordinated convertible debentures	3.00	-	149	-	149
Finance lease liabilities	7.56	-	161,063	-	161,063
Hire purchase liabilities	4.76	-	6,242	-	6,242
Total		23,869,347	18,933,656	9,113,109	51,916,112
2012					
Current					
Short-term loans from financial institutions	3.95-18.00	25,308,703	-	-	25,308,703
Long-term loans from financial institutions-current portion	5.88-7.13	4,563,773	-	-	4,563,773
Finance lease liabilities - current portion	5.63-6.25	46,848	-	-	46,848
Hire purchase liabilities - current portion	2.10-3.60	4,966	-	-	4,966
Non-current					
Long-term loans from financial institutions	6.13-7.13	-	19,843,452	581,352	20,424,804
Subordinated convertible debentures	3.00	-	1,317,709	-	1,317,709
Finance lease liabilities	5.63-6.25	-	210,908	-	210,908
Hire purchase liabilities	2.10-3.60	-	3,407	-	3,407
Total		29,924,290	21,375,476	581,352	51,881,118

	Separate financial statements				
	Effective interest rate	Within 1 year	After 1 year but within 5 years	After 5 years	Total
	(% per annum)	(in thousand Baht)			
2013					
Current					
Short-term loans from financial institutions	4.05-4.17	11,693,814	-	-	11,693,814
Long-term loans from financial institutions-current portion	7.00-7.40	1,811,783	-	-	1,811,783
Hire purchase liabilities - current portion	4.76	5,212	-	-	5,212
Noncurrent					
Long-term loans from financial institutions	7.00-7.40	-	8,303,110	3,754,766	12,057,876
Subordinated convertible debentures	3.00	-	149	-	149
Hire purchase liabilities	4.76	-	4,313	-	4,313
Total		13,510,809	8,307,572	3,754,766	25,573,147
2012					
Current					
Short-term loans from financial institutions	3.95-18.00	16,122,283	-	-	16,122,283
Long-term loans from financial institutions-current portion	6.13-7.13	2,207,073	-	-	2,207,073
Hire purchase liabilities - current portion	2.10-3.60	3,963	-	-	3,963
Noncurrent					
Long-term loans from financial institutions	6.13-7.13	-	7,536,562	528,506	8,065,068
Subordinated convertible debentures	3.00	-	1,317,709	-	1,317,709
Hire purchase liabilities	2.10-3.60	-	2,655	-	2,655
Total		18,333,319	8,856,926	528,506	27,718,751

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies. The Group primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward ex-

change contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
United States Dollars	(in thousand Baht)			
Cash and cash equivalents	5,869	122,648	-	-
Trade accounts receivable	406,632	795,759	-	-
Interest-bearing liabilities	(25,994,443)	(23,766,420)	-	-
Trade accounts payable	(8,346,778)	(8,948,881)	(8,342,809)	(8,948,881)
Gross balance sheet exposure	(33,928,720)	(31,796,894)	(8,342,809)	(8,948,881)
Forward purchase contracts	6,205,359	3,595,735	6,205,359	3,595,735
Net exposure	(27,723,361)	(28,201,159)	(2,137,450)	(5,353,146)
Pound Sterling				
Cash and cash equivalents	1,052	3,880	-	-
Trade accounts receivable	292,679	1,346,055	-	-
Trade accounts payable	(3,105,955)	(2,324,425)	(406)	(402)
Gross balance sheet exposure	(2,812,224)	(974,490)	(406)	(402)
Forward purchase contracts	-	-	-	-
Net exposure	(2,812,224)	(974,490)	(406)	(402)
Euro				
Cash and cash equivalents	778	63	-	-
Trade accounts receivable	13,128	41,998	-	-
Trade accounts payable	(174,305)	(10,815)	(60,270)	(10,815)
Gross balance sheet exposure	(160,399)	31,246	(60,270)	(10,815)
Forward purchase contracts	54,343	-	54,343	-
Net exposure	(106,056)	31,246	(5,927)	(10,815)

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

The fair value of investments in equity and debt securities, which are held for trading, held to maturity and available for sales, is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. In respect of the liability component of convertible notes, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

As at 31 December, the fair value of financial assets and liabilities, together with the carrying values shown in the statement of financial position at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	Fairvalue	Carryingvalue	Fairvalue	Carryingvalue
2013	(in thousand Baht)			
Current				
Interest rate swaps - liabilities	86,627	109,010	86,627	109,010
Forward exchange contracts - liabilities	6,450,715	6,259,702	6,450,715	6,259,702
Total	6,537,342	6,368,712	6,537,342	6,368,712
2012				
Current				
Interest rate swaps - liabilities	516,585	590,538	516,585	590,538
Forward exchange contracts - liabilities	3,591,416	3,595,735	3,591,416	3,595,735
Total	4,108,001	4,186,273	4,108,001	4,186,273

31 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Capital commitments				
Contracted but not provided for				
Machinery and equipment	83	512	30	300
Total	83	512	30	300

As at 31 December 2013, the Group had capital commitment of Baht 17.2 million, USD 1.6 million, and EUR 0.3 million in relation to the acquisition and installation of machinery and equipments.

As at 31 December 2013, the Company had capital commitment of Baht 15.2 million, USD 0.2 million, and EUR 0.2 million in relation to the acquisition and installation of machinery and equipment.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Non-cancellable operating lease commitments				
Within one year	34	71	14	5
After one year but within five years	4	19	2	2
Total	38	90	16	7
Other commitments				
Raw materials purchases	4,556	10,261	2,335	1,298
Letters of credit	-	521	-	300
Bank guarantees	186	149	106	110
Other agreements	4,615	2,149	4,579	2,147
Total	9,357	13,080	7,020	3,855

As at 31 December 2013, the Group had outstanding bank guarantees issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of the business. These included letters of guarantee to guarantee:

- to the Customs Department in respect of the establishment of a wharf and go-downs amounting to Baht 11 million (2012: Baht 11 million);
- contractual performance entet amounting to Baht 62.5 million, GBP 0.1 million and AUD 0.1 million (2012: Baht

21 million, GBP 0.1 million and EUR 0.1 million); and

- electricity usage Baht 106.7 million (2012: Baht 104.5 million).

As at 31 December 2013, the Group had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 4,250.7 million, USD 4.4 million, EUR 4.7 million, GBP 0.1 million and JPY 1.2 million (2012: Baht 1,750.2 million, USD 2.8 million and EUR 6.4 million, GBP 0.1 million and JPY 125.1 million).

As at 31 December 2013, the Company had other commitments in relation to purchase spare parts and equipment supplies, and to obtain maintenance services amounting to Baht 4,212.2 million, USD 4.4 million, EUR 4.7 million, GBP 0.1 million and JPY 1.2 million (2012: Baht 1,748.3 million, USD 2.8 million and EUR 6.4 million, GBP 0.1 million and JPY 125.1 million).

The Company has issued guarantees in favour of the British Environment Agency in relation to landfill and radioactive source permits held by SSI UK. These guarantees

in relation to landfill permit in the first year to the third year value of GBP 3.1 million, GBP 3.3 million and GBP 2.2 million, respectively. The guarantee in relation to radioactive source permit have a value of 25,000 pounds.

Off balance sheet arrangements

Arrangements for one subsidiary are in place to ensure security of supply by consignment stock at Redcar Bulk Terminal Limited, the jointly-controlled entity.

32 Contingent liabilities and contingent assets

Contingent liabilities

As at 31 December, the Group was liable to banks in respect to the following guarantees:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Electricity supply	106,652	105,652	104,452	104,452
Performance guarantees	66,955	20,736	-	-
Others	12,111	22,333	1,110	5,085
Total	185,718	148,721	105,562	109,537

Dispute

On 9 July 2010, the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch ("the Land Office") ordered the Company and a subsidiary to submit the Certificates of Utilisation (Nor. Sor. 3 Kor) ("the Certificates") for various plots of land, with an aggregate value of Baht 123.1 million for the Company and Baht 187.6 million for the subsidiary, for cancellation. Later, the Land Office announced that it was issuing replacement certificates for the Certificates. The Company and the subsidiary filed a lawsuit against the officers of the Land Office with the Central Administrative Court "CAC", petitioning the CAC to order the cancellation of the announcement of the Company and the subsidiary. The Company and the subsidiary also petitioned the CAC to identify measures to provide them with temporary relief. The Court accepted the lawsuit for consideration, and is currently deliberating. However, in preparing the financial statements, the Company and the subsidiary recorded full allowance since 2007 and 2008, respectively.

On 1 September 2010, the Company and the subsidiary filed a lawsuit against the Director-General of the Department of Lands and the Deputy Permanent Secretary of the Ministry

of Interior with the CAC, petitioning the court to order the revocation of the order of the Director-General of the Department of Lands issued on 5 January 2010, which ordered the revocation and recharting of the area under the Certificates, and the withdrawal of the appeal decision of the Deputy Permanent Secretary of the Ministry of Interior. Also, the Company and the subsidiary requested the court to suspend the execution of a sentence of the CAC. Presently, the court is in a process of submitting the deposition of the defendant to the Company and the subsidiary. Also, the court ordered to combine this case with the case that the Company and the subsidiary filed a lawsuit against the Prachuabkirikhan Provincial Land Office, Bangsaphan Branch, discussed above.

On 20 December 2010, the Bangsaphan Sheriff, as the official responsible for the oversight and care of the National Forest, Klong Mae-Rumphueng forest, Prachuabkirikhan province ("the Forest"), issued a written order for the Company and the subsidiary to vacate the land for which the Director-General of the Department of Lands ordered revocation of the Certificates and for which the Land Office issued replacement certificates for the Certificates within 30 January 2011.

On 30 March 2011, the Company and the subsidiary filed a lawsuit petitioning the CAC to order the cancellation of written order of the Bangsaphan Sheriff on 20 December 2010, for the Company and the subsidiary to vacate from the Forest and to undertake no activities on that land. These are currently being considered by the CAC.

On 6 August 2013, CAC ordered to stay the execution ordering the Company and its subsidiary to vacate from the Forest and to undertake no activities on that land.

The management of the Company and the subsidiary believe that, regardless of the result, the dispute will not affect the business operations of the Company or the subsidiary.

Litigation

1) The Company has been sued by the Royal Forest Department in a civil case regarding the encroachment on a national forest reserve, with a total of Baht 4.90 million claimed and the Prachuabkirikhan Provincial Court ordered the Company to pay compensation of Baht 2 million plus interest at a rate of 7.5 percent per annum as from the date the lawsuit was lodged by the Royal Forestry Department. The Company placed a bank guarantee of Baht 3.9 million with the Appeal Court to suspend the execution of the judgement for the term of the appeal, and lodged an appeal of the judgement with the Prachuabkirikhan Provincial Court. The Company submitted an appeal to the Appeal Court and continued to the Supreme Court. The Supreme Court verdict ruled in favour of The Royal Forest Department and consequently on 20 September 2013, the Company paid claim amounted of Baht 4.9 million. Case is finally complete.

2) In March 2004, the Company was named co-defendant in two civil cases before the Bangkok South Civil Court, involving total claims of Baht 126 million resulting from the incorrect issue of bills of lading by forwarding agents. Subsequently, two of the plaintiffs in these cases sued the Company in the Central Intellectual Property and International Trade Court (“CIPITC”), which has jurisdiction in the cases. Claims made totalled approximately Baht 80 million. In December 2005, CIPITC combined the two cases because they relate to the same dispute. The CIPITC ordered the Company to pay compensation of USD 200,000, together with interest as from 9 May 2003 until the Company pays the claims and legal fees. In August 2009, the Company submitted an appeal of CIPITC’s judgements to the Supreme Court and

the case is currently being considered by the Supreme Court. Subsequently, one of the plaintiffs withdrew its lawsuit and did not intend to enforce settlement in accordance with the judgement given by CIPITC. The Company withdrew its appeal in relation to the plaintiff.

In preparing its financial statements, the Company has recorded a provision against this claim of Baht 7.8 million which has been held since 2009.

3) On 17 August 2012, a civil lawsuit has been filed by a financial institution against the Company at the Central Intellectual Property and International Trade Court (“CIPITC”) regarding the breach of repayment of Letter of Credits and Trust Receipts agreements which issued by the said financial institution. At that date, the said financial institution requested the Company to repay the principal loan including interest amounting to approximately Baht 964 million. Subsequently on 26 March 2013 the financial institution has withdrawn the lawsuit.

4) On 23 August 2012, a civil lawsuit has been filed by a financial institution against the Company at the Bangkok South Civil Court (the “Court”) regarding the breach of repayment of 2 promissory notes. The said financial institution requested the Company to repay principle and interest amounting to Baht 322 million, together with interest at default interest rate applied on the Baht 300 million principal loan amount from the date this case was filed until the Company paid the claims, fee and lawyer fees. Subsequently on 11 April 2013, the financial institution has withdrawn the lawsuit.

Contingent assets

On 6 June 2011, the Company filed a lawsuit against the Department of Land and Department of Provincial Administration (“the Departments”) related to a civil case pursued by the Departments against Company to revoke land use certificates (Nor. Sor. 3 Kor). The Company’s case is currently waiting for acceptance by the CAC.

33 Environment liabilities

The environmental provision is based upon environmental site assessments and environmental compliance reviews carried out in 2010 as part of the acquisition process of SSI UK. The financial effect and timing of the environmental provision are uncertain. The provision is reviewed on a periodic basis to reflecting a reassessment of the costs of compliance with European Union regulations and landfill containment.

34 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of Financial Statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reporting	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 4	Insurance Contracts	2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a lease	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential impact on the consolidated and separate financial

statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

35 Reclassification of accounts

Certain accounts in the 2012 financial statement have been reclassified to conform to the presentation in the 2013 financial statements.

	2012 Consolidated financial statements		
	Before reclassification	Reclassification	After reclassification
	(in thousand Baht)		
Statement of financial position			
as at 31 December 2012			
Trade accounts receivable	5,946,178	(108,210)	5,837,968
Other accounts receivable from related parties	2,299,628	108,210	2,407,838
Current-portion of long-term loans from financial institutions	2,265,509	2,298,264	4,563,773
Long-term loans from financial institutions	22,723,068	(2,298,264)	20,424,804
		-	
Statement of income for the year			
Cost of sale of goods	71,675,267	589,457	72,264,724
Cost of services	203,814	203,386	407,200
Administrative expenses	1,582,058	(792,843)	789,215
		-	

The reclassifications have been made in order to comply with the Group's transactions.



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