



**บริษัท สหวิริยาสตีลอินดัสตรี จำกัด (มหาชน)**  
**SAHAVIRIYA STEEL INDUSTRIES PUBLIC COMPANY LIMITED**

ISO 9001, ISO 14001  
 TIS 18001  
 ISO/TS 16949  
 ISO/IEC 17025

ผู้นำตลาดเหล็กแผ่นชั้นคุณภาพพิเศษของอาเซียนและสร้างผลตอบแทนแก่ผู้มีส่วนได้เสียอย่างยั่งยืน  
 (Market Leader of High - Grade Steel Sheets in ASEAN, Creating Sustainable Value for Stakeholders)  
 A MEMBER OF SAHAVIRIYA GROUP

-Translation-

No. S.E.C. 003/2016

7 January 2016

Re : To clarify information on the third quarter financial statements ended 30 September 2015

Attn : President

The Stock Exchange of Thailand

Ref : SET's letter no. BorJor 727/2015 dated 29 December 2015 Re: Request for clarification on the third quarter financial statements ended 30 September 2015

With reference to the Stock Exchange of Thailand ("SET") requesting Sahaviriya Steel Industries Public Company Limited (the "Company") to clarify information on the third quarter financial statements ended 30 September 2015 reviewed by an independent auditor, consolidated net loss for the three-month and nine-month periods was Baht 33,122 million and Baht 39,384 million respectively, with negative equity of Baht 35,383 million. The auditor also did not express a conclusion on the Company's financial statements due to the limitation of review scope resulting in inability to carry out satisfactory review procedures on the liquidation process of Sahaviriya Steel Industries UK Limited (SSI UK); and material uncertainty concerning going concern as the Group's liabilities exceeded its assets, with deficit retained earnings of Baht 67,073 million. Additionally, the Major Creditors demanded the Company and its subsidiary to pay their obligations under the loan conditions and guarantee agreement. Therefore, the Company decided to submit a petition for Business Rehabilitation to the Central Bankruptcy Court on 1 October 2015. The inquiring date on such petition was scheduled on 21 December 2015. Subsequently, the next inquiring date was scheduled on 17 February 2016. Such circumstances indicated the existence of a material uncertainty which might cast significant doubt about the Group's ability to continue as going concerns, and the Company additionally clarified information in the Company's Letter No. S.E.C. 159/2015 dated 18 November 2015 and S.E.C. 166/2015 dated 21 December 2015, details as previously disclosed.

Pursuant to SET regulations regarding Delisting of Securities, B.E. 2542, the Company may possibly be delisted from SET if the Company's financial statements for the year as audited by the independent auditor shows shareholders' equity of less than zero. In order to contrue to shareholders and investors for their further investment decision concerning the Company's approaches to improving its financial position, the Company would like to clarify the progress of the Company's resolution to improve its financial position, operating performance, and liquidity as well as timeframe, as follows:

*pc.*

**1. Progress of the Company's approaches to improving financial position, operating performance, and liquidity**

SSI Reply: The Company had thoroughly considered its options to improve its financial position and decided to submit a petition for Business Rehabilitation to the Central Bankruptcy Court on 1 October 2015, in order to carry on operations as normal, including to maintain business value and competitiveness of the Company, as well as to minimize the impact upon the employees, customers, and trading partners of the Company. The Court scheduled the inquiry on the petition on 21 December 2015. On such inquiring date, the litigants would prefer to prepare and bring the witnesses to testify on the Court proceedings. The Court, then, scheduled the next inquiring date on 17 February 2016.

The Company would like to additionally inform that commencing from the day on which the Court made an order accepting the Company's petition for Business Rehabilitation on 1 October 2015; the Company's creditors can not by law take any action against the Company in a civil case. Presently, the Company is now able to carry on operations and generate income with sufficient working capital for production and sale, supported by customers and trading partners who still have confidence in the Company's business.

The Company is confident that after the Court orders the Company for Business Rehabilitation and appoints the Plan Preparer, trading partners and financial institutions will gain more confidence and will be willing to consider for additional support to the Company's business including raw materials supply and trade credits which will gradually enhance liquidity, operating performance, and financial position of the Company. In addition, after the Company enters into the Business Rehabilitation process, reaches the debt restructuring appropriate to its ability to service debt, and may include the capital restructuring to solve the negative equity issue, the Company will be able to generate enough income and earnings to pay obligations to creditors in accordance with the Business Rehabilitation Plan as approved by the Court.

**2. Timeframe for the plan**

SSI Reply: After the Company submitted a petition for Business Rehabilitation to the Central Bankruptcy Court on 1 October 2015, the next key steps are awaiting the Court's examination and consideration. Consequently, after the Court orders the Company for Business Rehabilitation, appoints the Plan Preparer, and approves the Business Rehabilitation Plan which may approximately take 2 years, depending on the rehabilitation proceedings under the applicable law, the Company will carry out its business strictly following the Business Rehabilitation Plan. And, after the Business Rehabilitation has been successfully completed pursuant to the Plan, the Company will submit a request to exit the Business Rehabilitation through court proceedings.

If there is any progress, the Company will submit information memorandum to SET accordingly.

Please be informed accordingly.

Yours sincerely,

-Signature-

(Win Viriyaprapaikit)  
President