

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity

Balance sheets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2010</u>	<u>31 December 2009</u>	<u>30 June 2010</u>	<u>31 December 2009</u>
	(Unaudited and unreviewed)	(Audited)	(Unaudited and unreviewed)	(Audited)
Assets				
Current assets				
Cash and cash equivalents	200,198	50,909	130,381	28,058
Trade accounts and notes receivable				
Related parties	2,915,475	2,800,937	2,894,419	2,786,716
Unrelated parties	434,756	354,074	413,418	339,216
Less: Allowance for doubtful accounts	(283,809)	(283,809)	(283,809)	(283,809)
Trade accounts and notes receivable - net	<u>3,066,422</u>	<u>2,871,202</u>	<u>3,024,028</u>	<u>2,842,123</u>
Amounts due from and advances paid to related parties	2,988	3,340	2,894	3,725
Inventories - net	13,878,355	14,169,091	13,890,705	14,186,496
Other current assets				
Advances payment	11,944	13,328	9,106	13,206
Input tax refundable	314,680	473,517	314,680	473,517
Prepaid expenses	21,120	11,577	18,951	10,408
Prepaid expenses from related parties	734	722	722	722
Accrued income from related parties	8,183	7,960	7,306	7,015
Undue input vat	84,153	8,107	82,092	5,168
Others	<u>2,138</u>	<u>9,622</u>	<u>1,814</u>	<u>2,344</u>
Total current assets	<u>17,590,915</u>	<u>17,619,375</u>	<u>17,482,679</u>	<u>17,572,782</u>
Non-current assets				
Investments in subsidiary companies	-	-	279,000	279,000
Investment in joint venture	3,972,350	3,838,852	4,502,797	4,502,797
Other long-term investment	-	-	-	-
Property, plant and equipment - net	20,719,185	21,252,007	18,472,287	18,941,579
Intangible assets - net	43,858	47,935	43,392	47,422
Other non-current assets - net	<u>20,783</u>	<u>15,085</u>	<u>6,506</u>	<u>6,506</u>
Total non-current assets	<u>24,756,176</u>	<u>25,153,879</u>	<u>23,303,982</u>	<u>23,777,304</u>
Total assets	<u><u>42,347,091</u></u>	<u><u>42,773,254</u></u>	<u><u>40,786,661</u></u>	<u><u>41,350,086</u></u>

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity

Balance sheets (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2010</u>	<u>31 December 2009</u>	<u>30 June 2010</u>	<u>31 December 2009</u>
	(Unaudited and unreviewed)	(Audited)	(Unaudited and unreviewed)	(Audited)
Liabilities and shareholders' equity				
Current liabilities				
Bank overdrafts and short-term loans				
from financial institutions	12,034,571	12,933,462	12,005,468	12,905,530
Trade accounts payable				
Related parties	8,247	4,989	39,271	36,837
Unrelated parties	3,008,586	3,754,944	2,966,135	3,721,088
Total trade accounts payable	3,016,833	3,759,933	3,005,406	3,757,925
Amounts due to and advances received				
from related parties	29,229	46,757	56,994	85,888
Current portion of long-term loans	1,808,314	1,799,259	1,698,400	1,698,400
Current portion of liabilities under				
finance lease agreements	13,584	22,720	-	-
Current portion of liabilities under				
hire purchase agreements	2,848	1,781	2,273	917
Other current liabilities				
Accrued interest expenses	40,205	51,814	39,991	51,577
Accrued corporate income tax	9,803	11,217	-	-
Accrued expenses	97,135	96,728	74,403	91,860
Advances received from sales of goods				
and provision of services	31,363	132,380	29,399	130,285
Retention payable	6,853	6,773	5,310	4,954
Contingent liabilities	67,949	-	67,949	-
Others	77,573	56,193	60,963	40,101
Total current liabilities	17,236,260	18,919,017	17,046,556	18,767,437
Non-current liabilities				
Long-term loans, net of current portion	5,163,739	6,091,035	4,836,000	5,685,200
Liabilities under finance lease agreements, net				
of current portion	1,826	7,455	-	-
Liabilities under hire purchase agreements, net				
of current portion	2,520	643	2,434	302
Total non-current liabilities	5,168,085	6,099,133	4,838,434	5,685,502
Total liabilities	22,404,345	25,018,150	21,884,990	24,452,939

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity

Balance sheets (continued)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2010</u>	<u>31 December 2009</u>	<u>30 June 2010</u>	<u>31 December 2009</u>
	(Unaudited and unreviewed)	(Audited)	(Unaudited and unreviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
13,101,500,000 ordinary shares of Baht 1 each	<u>13,101,500</u>	<u>13,101,500</u>	<u>13,101,500</u>	<u>13,101,500</u>
Issued and fully paid-up				
13,101,280,000 ordinary shares of Baht 1 each	13,101,280	13,101,280	13,101,280	13,101,280
Discount on ordinary share	(2,171,280)	(2,171,280)	(2,171,280)	(2,171,280)
Unrealised gain				
Revaluation surplus on assets	6,446,245	6,646,798	6,216,284	6,407,640
Retained earnings (deficit)				
Appropriated - statutory reserve	441,797	441,797	441,797	441,797
Unappropriated	<u>1,314,242</u>	<u>(1,059,093)</u>	<u>1,313,590</u>	<u>(882,290)</u>
Equity attributable to the Company's shareholders	19,132,284	16,959,502	18,901,671	16,897,147
Minority interest - equity attributable to minority shareholders of subsidiary	<u>810,462</u>	<u>795,602</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>19,942,746</u>	<u>17,755,104</u>	<u>18,901,671</u>	<u>16,897,147</u>
Total liabilities and shareholders' equity	<u>42,347,091</u>	<u>42,773,254</u>	<u>40,786,661</u>	<u>41,350,086</u>
	-	-	-	-

Directors

(Unaudited and unreviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Income statements****For the three-month periods ended 30 June 2010 and 2009**

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

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Revenue from sales	11,807,536	7,776,157	11,805,373	7,776,120
Revenue from rendering of services	78,780	54,302	-	-
Other income				
Exchange gain	35,643	84,595	35,599	84,685
Dividend Received	-	-	25,500	-
Others	6,396	9,570	6,580	9,799
Total revenues	<u>11,928,355</u>	<u>7,924,624</u>	<u>11,873,052</u>	<u>7,870,604</u>
Expenses				
Cost of sales	10,048,181	8,625,738	10,100,419	8,656,592
Record (reversal) of allowance for diminution in value of inventories	463,309	(1,972,776)	463,309	(1,969,376)
	<u>10,511,490</u>	<u>6,652,962</u>	<u>10,563,728</u>	<u>6,687,216</u>
Cost of rendering of services	42,085	35,462	-	-
Selling expenses	131,373	67,813	131,518	68,294
Administrative expenses	82,969	51,963	65,518	38,451
Management benefit expenses	17,751	14,989	12,938	9,364
Other expenses				
Loss from litigation claim	-	14,465	-	14,465
Loss from contingent liabilities	67,949	-	67,949	-
Total expenses	<u>10,853,617</u>	<u>6,837,654</u>	<u>10,841,651</u>	<u>6,817,790</u>
Income before share of profit (loss) from investment in joint venture, finance cost and corporate income tax	<u>1,074,738</u>	<u>1,086,970</u>	<u>1,031,401</u>	<u>1,052,814</u>
Share of profit (loss) from investment in joint venture	69,320	(107,454)	-	-
Income before finance cost and corporate income tax	<u>1,144,058</u>	<u>979,516</u>	<u>1,031,401</u>	<u>1,052,814</u>
Finance cost	(197,516)	(286,465)	(190,777)	(276,819)
Income before corporate income tax	<u>946,542</u>	<u>693,051</u>	<u>840,624</u>	<u>775,995</u>
Corporate income tax	(7,296)	-	-	-
Net income for the period	<u>939,246</u>	<u>693,051</u>	<u>840,624</u>	<u>775,995</u>
Net income attributable to				
Equity holders of the parent	917,680	683,816	<u>840,624</u>	<u>775,995</u>
Minority interests of the subsidiary	21,566	9,235		
	<u>939,246</u>	<u>693,051</u>		
Basic earnings per share				
Net income attributable to equity holders of the parent (Baht per share)	<u>0.07</u>	<u>0.05</u>	<u>0.06</u>	<u>0.06</u>
Weighted average number of ordinary shares (Thousand shares)	<u>13,101,280</u>	<u>13,101,280</u>	<u>13,101,280</u>	<u>13,101,280</u>

(Unaudited and unreviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Income statements****For the six-month periods ended 30 June 2010 and 2009**

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

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues				
Revenue from sales	25,602,518	14,500,103	25,599,722	14,500,016
Revenue from rendering of services	149,262	108,987	-	-
Other income				
Exchange gain	135,394	110,898	135,299	110,988
Dividend Received	-	-	25,500	-
Others	17,552	24,506	17,583	25,650
Total revenues	<u>25,904,726</u>	<u>14,744,494</u>	<u>25,778,104</u>	<u>14,636,654</u>
Expenses				
Cost of sales	22,096,342	19,259,051	22,210,080	19,308,438
Record (reversal) of allowance for diminution in value of inventories	440,343	(4,701,555)	440,343	(4,701,555)
	<u>22,536,685</u>	<u>14,557,496</u>	<u>22,650,423</u>	<u>14,606,883</u>
Cost of rendering of services	73,674	86,982	-	-
Selling expenses	308,306	127,815	309,054	128,017
Administrative expenses	151,864	100,367	118,238	75,400
Management benefit expenses	38,071	35,717	26,595	25,373
Other expenses				
Loss from litigation claim	-	14,465	-	14,465
Loss from contingent liabilities	67,949	-	67,949	-
Total expenses	<u>23,176,549</u>	<u>14,922,842</u>	<u>23,172,259</u>	<u>14,850,138</u>
Income (loss) before share of profit (loss) from investment in joint venture, finance cost and corporate income tax	<u>2,728,177</u>	<u>(178,348)</u>	<u>2,605,845</u>	<u>(213,484)</u>
Share of profit (loss) from investment in joint venture	133,498	(396,496)	-	-
Income (loss) before finance cost and corporate income tax	<u>2,861,675</u>	<u>(574,844)</u>	<u>2,605,845</u>	<u>(213,484)</u>
Finance cost	(423,750)	(609,667)	(409,965)	(588,815)
Income (loss) before corporate income tax	<u>2,437,925</u>	<u>(1,184,511)</u>	<u>2,195,880</u>	<u>(802,299)</u>
Corporate income tax	(17,937)	-	-	-
Net income (loss) for the period	<u>2,419,988</u>	<u>(1,184,511)</u>	<u>2,195,880</u>	<u>(802,299)</u>
Net income (loss) attributable to				
Equity holders of the parent	2,373,335	(1,191,229)	<u>2,195,880</u>	<u>(802,299)</u>
Minority interests of the subsidiary	46,653	6,718		
	<u>2,419,988</u>	<u>(1,184,511)</u>		
Basic earnings (loss) per share				
Net income (loss) attributable to equity holders of the parent (Baht per share)	<u>0.18</u>	<u>(0.09)</u>	<u>0.17</u>	<u>(0.06)</u>
Weighted average number of ordinary shares (Thousand shares)	<u>13,101,280</u>	<u>13,101,280</u>	<u>13,101,280</u>	<u>13,101,280</u>

(Unaudited and unreviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Cash flow statements****For the six-month periods ended 30 June 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities				
Net income (loss) before tax	2,437,925	(1,184,511)	2,195,880	(802,299)
Adjustments to reconcile net income (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	415,112	331,896	355,018	267,434
Withholding tax written off	883	553	883	553
Record (reversal) of allowance for diminution in value of inventories	440,343	(4,701,555)	440,343	(4,701,555)
Loss from litigation claim	-	14,465	-	14,465
Loss from contingent liabilities	67,949	-	67,949	-
Share of loss (profit) from investment in joint venture	(133,498)	396,496	-	-
Loss (gain) on sale/written-off of equipment	2,440	(355)	2,596	(361)
Unrealised loss (gain) on exchange	(9,162)	5,029	(9,103)	4,940
Cash received from dividend	-	-	(25,500)	-
Interest expenses	412,822	595,330	399,281	574,889
Income (loss) from operating activities before changes in operating assets and liabilities	3,634,814	(4,542,652)	3,427,347	(4,641,934)
Operating assets (increase) decrease				
Trade accounts and notes receivable - related parties	(114,537)	144,926	(107,703)	149,963
Trade accounts and notes receivable - unrelated parties	(80,975)	(455,700)	(74,495)	(457,883)
Amounts due from and advances paid to related parties	352	(1,226)	831	(756)
Prepaid expenses paid to related parties	(12)	-	-	-
Inventories	(149,608)	9,635,789	(144,553)	9,630,342
Other current assets	75,416	19,516	77,592	18,706
Other non-current assets	(678)	1,799	-	1,842
Operating liabilities increase (decrease)				
Trade accounts payable - related parties	3,258	(4,505)	2,433	(7,901)
Trade accounts payable - unrelated parties	(735,119)	(636,563)	(743,713)	(632,105)
Amounts due to and advances received from related parties	(17,528)	50,133	(28,894)	48,609
Other current liabilities	(80,937)	95,645	(98,967)	94,797
Cash flows from operating activities	2,534,446	4,307,162	2,309,878	4,203,680
Cash paid for interest expenses	(424,431)	(607,776)	(410,867)	(587,706)
Cash paid for corporate income tax	(18,515)	(8,455)	(503)	(488)
Net cash flows from operating activities	2,091,500	3,690,931	1,898,508	3,615,486

(Unaudited and unreviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Cash flow statements (continued)****For the six-month periods ended 30 June 2010 and 2009**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Cash flows from investing activities				
Acquisitions of property, plant and equipment	(85,441)	(31,748)	(72,390)	(19,635)
Proceeds from sales of equipment	1,341	547	1,141	547
Cash received from dividend	-	-	25,500	-
Net cash flows used in investing activities	<u>(84,100)</u>	<u>(31,201)</u>	<u>(45,749)</u>	<u>(19,088)</u>
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(898,890)	(2,929,196)	(900,063)	(2,910,291)
Repayment of long-term loans	(918,239)	(543,223)	(849,200)	(499,200)
Repayment of liabilities under finance lease and				
hire purchase agreements	(16,482)	(111,833)	(1,173)	(97,233)
Dividend payment	(24,500)	-	-	-
Net cash used in financing activities	<u>(1,858,111)</u>	<u>(3,584,252)</u>	<u>(1,750,436)</u>	<u>(3,506,724)</u>
Net increase (decrease) in cash and cash equivalents	<u>149,289</u>	<u>75,478</u>	<u>102,323</u>	<u>89,674</u>
Cash and cash equivalents at beginning of period	<u>50,909</u>	<u>47,040</u>	<u>28,058</u>	<u>21,060</u>
Cash and cash equivalents at end of period	<u><u>200,198</u></u>	<u><u>122,518</u></u>	<u><u>130,381</u></u>	<u><u>110,734</u></u>
	-		-	
Supplementary cash flows information				
Non-cash transactions				
Assets acquired under finance lease and				
hire purchase agreements	4,399	-	4,399	-
Amortisation of revaluation surplus on assets	232,346	156,637	191,356	139,169
Acquisition of land and equipment - not yet paid	-	16,348	-	-