

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

Interim financial statements
and
Review Report of Certified Public Accountant

For the three-month and six-month periods ended
30 June 2011

**Sahaviriya Steel Industries Public Company Limited, its Subsidiaries
and its Jointly-controlled entities**
Notes to the interim financial statements
For the three-month and six-month period ended 30 June 2011 (Unaudited)

Review Report of Certified Public Accountant

To the Board of Directors of Sahaviriya Steel Industries Public Company Limited

I have reviewed the accompanying consolidated and separate statements of financial position as at 30 June 2011, the related statements of income, comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-month period ended 30 June 2011 of Sahaviriya Steel Industries Public Company Limited its subsidiaries, and its jointly-controlled entities, and of Sahaviriya Steel Industries Public Company Limited (“the Company”), respectively. The Company’s management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to issue a report on these financial statements based on my reviews. The consolidated and separate statements of income for the three-month and six-month periods ended 30 June 2010, the related statements of changes in equity and cash flows for the six-month period ended 30 June 2010 of the Company, its subsidiaries and its jointly-controlled entity, and of the Company, respectively, were reviewed by another auditor whose report dated 5 August 2010 stated that nothing had come to her attention that caused her to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. Her report included an emphasis paragraph on matters relating to the Company’s dependence on related party sales and the outstanding balance due from such related parties. The Group has adopted certain new and revised financial reporting standards with effect from 1 January 2011. The consolidated and separate financial statements for the three-month and six-month periods ended 30 June 2010 have been restated accordingly as explained in Notes 2, 3 and 14 to the accompanying financial statements. I have reviewed the adjustments that were applied to the restatement of those financial statements and, based on my review, nothing has come to my attention to indicate that those adjustments are not appropriate and properly applied.

I conducted my reviews in accordance with the auditing standard on review engagements. This Standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit in accordance with generally accepted auditing standards. I have not performed an audit and, accordingly, I do not express an audit opinion on the reviewed financial statements.

Based on my reviews, nothing has come to my attention that causes me to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with Financial Reporting Standards.

Without qualifying the review conclusion in respect of the above financial statements, I draw attention to Note 5 to the interim financial statement. During the three-month and six-month period ended 30 June 2011, the Company sold goods to related parties in the normal course of business totaling Baht 6,880 million and Baht 16,512 million which comprises 89 percent and 84 percent of the Company’s total sales (*2010 Baht 9,384 million and Baht 19,360 million which comprised 79 percent and 76 percent of the Company total sales*). As at 30 June 2011, the outstanding trade accounts receivable from those related parties amounted to Baht 3,049 million (*31 December 2010: Baht 2,515 million*).

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The consolidated and separate financial statements for the year ended 31 December 2010 of the Company, its subsidiaries and its jointly-controlled entity, and of the Company, respectively, were audited by another auditor who expressed an unqualified opinion on those financial statements in her report dated 23 February 2011. Her report included an emphasis paragraph on matters relating to the Company's dependence on related party sales and the outstanding balance due from such related parties. The Group has adopted certain new and revised financial reporting standards with effect from 1 January 2011. The consolidated and separate financial statements for the year ended 31 December 2010 have been restated accordingly as explained in Notes 2, 3 and 14 to the accompanying financial statements. I have audited the adjustments that were applied to the restatement of those financial statements and in my opinion those adjustments are appropriate and have been properly applied. The consolidated and separate statements of financial position as at 31 December 2010, which are included in the accompanying financial statements for comparative purposes, are components of those financial statements.

(Sureerat Thongarunsang)
Certified Public Accountant
Registration No. 4409

KPMG Phoomchai Audit Ltd.
Bangkok
11 August 2011