

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

Balance sheets

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		72,997	50,909	17,891	28,058
Trade accounts receivable					
Related parties	2	2,624,632	2,800,937	2,610,340	2,786,716
Unrelated parties		723,615	354,074	694,427	339,216
Less: Allowance for doubtful accounts		(283,809)	(283,809)	(283,809)	(283,809)
Trade accounts receivable - net	3	3,064,438	2,871,202	3,020,958	2,842,123
Amounts due from and advances paid to related parties	2	291	3,340	818	3,725
Inventories - net	4	12,170,434	14,169,091	12,169,941	14,186,496
Other current assets					
Input tax refundable		267,233	473,517	267,233	473,517
Accrued income from related parties	2	8,354	7,960	7,523	7,015
Undue input vat		82,522	8,107	80,751	5,168
Others		41,150	35,249	36,442	26,680
Total current assets		15,707,419	17,619,375	15,601,557	17,572,782
Non-current assets					
Investments in subsidiary companies	5	-	-	279,000	279,000
Investment in joint venture	6	4,056,515	3,838,852	4,502,797	4,502,797
Other long-term investment	7	-	-	-	-
Deposit for assets acquisition	8	313,475	-	313,475	-
Property, plant and equipment - net	9	20,493,255	21,252,007	18,281,001	18,941,579
Intangible assets - net	10	42,120	47,935	41,678	47,422
Other non-current assets - net		20,179	15,085	6,456	6,506
Total non-current assets		24,925,544	25,153,879	23,424,407	23,777,304
Total assets		40,632,963	42,773,254	39,025,964	41,350,086

The accompanying notes are an integral part of the financial statements.

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

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	11	11,625,862	12,933,462	11,593,620	12,905,530
Trade accounts payable					
Related parties	2	20,584	4,989	54,355	36,837
Unrelated parties		2,290,781	3,754,944	2,255,573	3,721,088
Total trade accounts payable		2,311,365	3,759,933	2,309,928	3,757,925
Amounts due to and advances received from related parties	2	61,578	46,757	88,076	85,888
Current portion of long-term loans	12	1,924,035	1,799,259	1,811,800	1,698,400
Current portion of liabilities under finance lease agreements	13	11,042	22,720	-	-
Current portion of liabilities under hire purchase agreements		2,934	1,781	1,966	917
Short-term provision	14	11,835	11,835	11,835	11,835
Other current liabilities					
Accrued interest expenses		20,123	51,814	19,884	51,577
Accrued corporate income tax		6,691	11,217	-	-
Accrued expenses		115,991	96,728	88,671	91,860
Others payable		64,128	23,074	52,687	17,185
Advances received from sales of goods and provision of services		104,057	132,380	102,937	130,285
Others		20,554	28,057	9,875	16,035
Total current liabilities		16,280,195	18,919,017	16,091,279	18,767,437
Non-current liabilities					
Long-term loans, net of current portion	12	4,462,120	6,091,035	4,213,400	5,685,200
Liabilities under finance lease agreements, net of current portion	13	146	7,455	-	-
Liabilities under hire purchase agreements, net of current portion		2,951	643	2,040	302
Total non-current liabilities		4,465,217	6,099,133	4,215,440	5,685,502
Total liabilities		20,745,412	25,018,150	20,306,719	24,452,939

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

Balance sheets (continued)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2010	31 December 2009	30 September 2010	31 December 2009
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
13,101,500,000 ordinary shares of Baht 1 each		13,101,500	13,101,500	13,101,500	13,101,500
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	15	6,358,232	6,646,798	6,132,774	6,407,640
Retained earnings (deficit)					
Appropriated - statutory reserve	16	441,797	441,797	441,797	441,797
Unappropriated		1,331,956	(1,059,093)	1,214,674	(882,290)
Equity attributable to the Company's shareholders		19,061,985	16,959,502	18,719,245	16,897,147
Minority interest - equity attributable to minority shareholders of subsidiary					
		825,566	795,602	-	-
Total shareholders' equity		19,887,551	17,755,104	18,719,245	16,897,147
Total liabilities and shareholders' equity		40,632,963	42,773,254	39,025,964	41,350,086
		-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

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

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

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Revenues					
Revenue from sales		11,523,783	9,246,386	11,522,429	9,246,352
Revenue from rendering of services		73,957	47,550	-	-
Other income					
Exchange gain		96,058	26,275	95,817	26,131
Others		6,305	8,095	6,906	8,943
Total revenues		11,700,103	9,328,306	11,625,152	9,281,426
Expenses					
Cost of sales		11,631,826	8,345,002	11,684,023	8,395,196
Reversal of allowance for diminution in value of inventories		(337,644)	(658,502)	(337,644)	(658,502)
		11,294,182	7,686,500	11,346,379	7,736,694
Cost of rendering of services		47,183	26,578	-	-
Selling expenses		126,868	83,462	127,385	83,702
Administrative expenses		113,589	51,451	96,747	36,107
Management benefit expenses		16,752	15,891	11,467	10,655
Other expenses					
Reversal of provision for loss on hornerous contracts	14	(67,949)	-	(67,949)	-
Total expenses		11,530,625	7,863,882	11,514,029	7,867,158
Income before finance cost and corporate income tax		169,478	1,464,424	111,123	1,414,268
Finance cost		(216,135)	(201,250)	(210,039)	(192,818)
Share of profit from investment in joint venture		84,165	62,911	-	-
Income (loss) before corporate income tax		37,508	1,326,085	(98,916)	1,221,450
Corporate income tax	17	(983)	(2,792)	-	-
Net income (loss) for the period		36,525	1,323,293	(98,916)	1,221,450
Net income (loss) attributable to					
Equity holders of the parent		17,714	1,312,717	(98,916)	1,221,450
Minority interests of the subsidiary		18,811	10,576		
		36,525	1,323,293		
Basic earnings (loss) per share					
Net income (loss) attributable to equity holders of the parent (Baht per share)	18	0.001	0.100	(0.008)	0.093
Weighted average number of ordinary shares (Thousand shares)		13,101,280	13,101,280	13,101,280	13,101,280

The accompanying notes are an integral part of the financial statements.

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

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

		Consolidated financial statements		Separate financial statements	
	Note	2010	2009	2010	2009
Revenues					
Revenue from sales		37,126,301	23,746,489	37,122,151	23,746,368
Revenue from rendering of services		223,219	156,537	-	-
Other income					
Exchange gain		231,452	137,173	231,116	137,119
Dividend income		-	-	25,500	-
Others		23,857	32,601	24,489	34,593
Total revenues		37,604,829	24,072,800	37,403,256	23,918,080
Expenses					
Cost of sales		33,728,168	27,604,053	33,894,103	27,703,634
Loss from record (reversal) of allowance for diminution in value of inventories		102,699	(5,360,057)	102,699	(5,360,057)
		33,830,867	22,243,996	33,996,802	22,343,577
Cost of rendering of services		120,857	113,560	-	-
Selling expenses		435,174	211,277	436,439	211,719
Administrative expenses		265,563	151,818	214,974	111,507
Management benefit expenses		54,713	51,608	38,073	36,028
Other expenses					
Loss from litigation claim	20	-	14,465	-	14,465
Total expenses		34,707,174	22,786,724	34,686,288	22,717,296
Income before finance cost and corporate income tax		2,897,655	1,286,076	2,716,968	1,200,784
Finance cost		(639,885)	(810,917)	(620,004)	(781,633)
Share of profit (loss) from investment in joint venture		217,663	(333,585)	-	-
Income before corporate income tax		2,475,433	141,574	2,096,964	419,151
Corporate income tax	17	(18,920)	(2,792)	-	-
Net income for the period		2,456,513	138,782	2,096,964	419,151
Net income attributable to					
Equity holders of the parent		2,391,049	121,488	2,096,964	419,151
Minority interests of the subsidiary		65,464	17,294		
		2,456,513	138,782		
Basic earnings per share					
Net income attributable to equity holders of the parent (Baht per share)	18	0.183	0.009	0.160	0.032
Weighted average number of ordinary shares (Thousand shares)		13,101,280	13,101,280	13,101,280	13,101,280

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Cash flow statements****For the nine-month periods ended 30 September 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 before tax	2,475,433	141,574	2,096,964	419,151
Adjustments to reconcile net income before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	604,330	496,681	513,212	399,888
Withholding tax written off	2,221	553	883	553
Loss from record (reversal) of allowance for diminution in value of inventories	102,699	(5,360,057)	102,699	(5,360,057)
Loss from litigation claim	-	14,465	-	14,465
Share of loss (profit) from investment in joint venture	(217,663)	333,585	-	-
Gain on sales of equipment	(1,598)	(455)	(1,138)	(455)
Loss on written off of equipment	3,931	106	3,901	98
Unrealised (gain) loss on exchange	(20,799)	16,436	(20,740)	16,492
Dividend income	-	-	(25,500)	-
Interest expenses	623,834	789,692	604,195	760,902
Income (loss) from operating activities before changes in operating assets and liabilities	3,572,388	(3,567,420)	3,274,476	(3,748,963)
Operating assets (increase) decrease				
Trade accounts receivable - related parties	176,306	308,549	176,376	315,323
Trade accounts receivable - unrelated parties	(370,204)	(91,685)	(355,874)	(101,375)
Amounts due from and advances paid to related parties	3,049	(1,818)	2,907	(2,334)
Inventories	1,895,958	9,038,133	1,913,856	9,040,222
Other current assets	119,806	211,232	120,516	209,961
Other non-current assets	(75)	1,890	50	1,842
Operating liabilities increase (decrease)				
Trade accounts payable - related parties	15,595	(403)	17,518	8,132
Trade accounts payable - unrelated parties	(1,441,670)	1,530,287	(1,443,022)	1,526,661
Amounts due to and advances received from related parties	14,821	35,126	2,188	36,047
Other current liabilities	23,458	113,753	(2,284)	102,064
Cash flows from operating activities	4,009,432	7,577,644	3,706,707	7,387,580
Cash paid for interest expenses	(655,525)	(863,375)	(635,888)	(834,607)
Cash paid for corporate income tax	(24,609)	(12,135)	(706)	(665)
Net cash flows from operating activities	<u>3,329,298</u>	<u>6,702,134</u>	<u>3,070,113</u>	<u>6,552,308</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Sahaviriya Steel Industries Public Company Limited, its subsidiaries and its jointly controlled entity**Cash flow statements (continued)****For the nine-month periods ended 30 September 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				
Deposit for assets acquisition	(313,475)	-	(313,475)	-
Acquisitions of property, plant and equipment	(136,948)	(106,519)	(120,959)	(73,126)
Proceeds from sales of equipment	1,622	547	1,141	547
Acquisitions of intangible assets	(302)	-	(302)	-
Dividend income	-	-	25,500	-
Net cash flows used in investing activities	<u>(449,103)</u>	<u>(105,972)</u>	<u>(408,095)</u>	<u>(72,579)</u>
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	(1,307,599)	(5,051,230)	(1,311,910)	(5,003,352)
Repayment of long-term loans	(1,844,139)	(1,375,182)	(1,698,400)	(1,308,400)
Cash receipt from long-term loans	340,000	-	340,000	-
Repayment of liabilities under finance lease and				
hire purchase agreements	(21,869)	(167,708)	(1,875)	(145,709)
Advance received from related individual	-	9,955	-	-
Dividend payment	(24,500)	-	-	-
Net cash flows used in financing activities	<u>(2,858,107)</u>	<u>(6,584,165)</u>	<u>(2,672,185)</u>	<u>(6,457,461)</u>
Net increase (decrease) in cash and cash equivalents	22,088	11,997	(10,167)	22,268
Cash and cash equivalents at beginning of period	50,909	47,040	28,058	21,060
Cash and cash equivalents at end of period	<u>72,997</u>	<u>59,037</u>	<u>17,891</u>	<u>43,328</u>
	-	-	-	-
Supplementary cash flows information				
Non-cash transactions				
Assets acquired under finance lease and				
hire purchase agreements	6,034	-	4,399	-
Amortisation of revaluation surplus on assets	299,566	234,434	274,866	208,111

The accompanying notes are an integral part of the financial statements.