

Ref: AC.038/2012

12 November 2012

Subject: Clarification on the Company's operating results for the third quarter of 2012

To: President and Managers

The Stock Exchange of Thailand

Forth Corporation Public Company Limited ("the Company") would like to inform the operating results of the Company and its subsidiaries for the three-month period ended 30 September 2012 as follows:

The Company and its subsidiaries have a consolidated net profit for the three-month period ended 30 September 2012 amounting to Baht 63 million, which a decrease of 74.52% comparing to the consolidated net profit for the same period of prior year amounting to Baht 248 million. It is resulted from the various reasons summarized below.

1. The Company and its subsidiaries generated revenues from sale of goods, services and project works amounting to Baht 1,529 million which decreased by Baht 1,081 million as compared to those of the same quarter of prior year. The main reasons were as follows:
 - 1.1 Revenue from electronics manufacturing service business was decreased by Baht 688 million, which was mainly resulted in a decrease in orders from a major customer.
 - 1.2 Revenue from telecommunication business was decreased by Baht 138 million. It was mainly resulted in the projects for installation of MSAN equipments which are nearly completed. It was also a result of the slowdown of the projects with government agencies.
 - 1.3 Revenue from technology related business was decreased by Baht 307 million. It was mainly from the decrease in revenue from the installation of closed-circuit televisions (CCTV) and related equipments of two subsidiaries since the projects were completed. Nonetheless, it is compensated with the increase in service income by providing the development and implementation of Enterprise Resource Planning (ERP) system to two government agencies, including the maintenance and customization services to ERP and related systems to the Metropolitan Electricity Authority (MEA).

In addition in the third quarter of 2011, the Company recognized income from the right to use SAP licenses to MEA amounting to Baht 372 million and there is no similar income recognized in the current quarter.

- 1.4 Revenue from retail business was increased by Baht 52 million. It was resulted from revenue from mobile top-up service of a subsidiary. The accumulated amount of topping up for the nine months ended 30 September 2012 amounted to approximately Baht 2,911 million, with an increase of Baht 1,152 million compared with the same period of prior year.
2. The Company has its gross profit margin in this quarter amounting to Baht 245 million. Its decrease of Baht 181 million was resulted from a decrease of gross profit margin of technology related business, which is consistent with a decrease of revenue as described in Article 1.3. Although revenue of electronic manufacturing service business was significantly decreased, gross profit margin of such business was slightly decreased. The gross profit margin of assembly of electronic components for other customers increased more than a decrease of gross profit margin of turnkey production of a major customer.
3. Administrative expenses increased by Baht 14 million was resulted from inventory written off by stock destruction and warranty expense.
4. Financial expenses decreased by Baht 11 million was resulted in repayments of short-term loans for financing project works, which have been completed, billed and collected. It was also resulted in repayment of the installment of long-term loans.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)
Financial Controller