

Ref: AC.024/2012

14 May 2012

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

To: President and Manager

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 31 March 2012 as follows:

The Company and its subsidiaries has net loss for the three-month period ended 31 March 2012 amounting to Baht 13 million, a decrease of 119.54%. Meanwhile, the Company has net profit for the same period of prior year amounting to Baht 65 million. The main reasons were summarized below.

1. The Company and its subsidiaries generated revenues from sale of goods, services and project work amounting to Baht 1,640 million which decreased by Baht 831 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 decreased by Baht 383 million which mainly resulted from a recovery of one major customer's order after the flood situation incurred in the end of 2011. However, the order was still low as compared to the order during normal situation.
  - 1.2 Revenue from telecommunication business decreased by Baht 491 million mainly resulted from a decrease of revenue from MSAN projects. The projects have almost finished.
  - 1.3 Revenue from retail business increased by Baht 52 million resulted from service fees via kiosks of a subsidiary. As of 31 March 2012, the total kiosks were approximately 16,000 kiosks which increased by 2,000 kiosks from the end of 2011.

2. Gross profit margin was Baht 171 million or decreased by Baht 41 million due to a decrease of gross profit margin of telecommunication business, especially gross profit margin of the MSAN projects. This was in line with the decrease of revenue as mentioned in section 1.2. However, gross profit margin of retail business increased by Baht 13 million. This was resulted from a continuously growth of retail business.
3. Administrative expenses increased by Baht 26 million. This came as a result of administrative expenses of a newly established subsidiary in the second quarter of 2011, personnel expense, research and development expense, tax penalty and surcharge and doubtful accounts etc.
4. The financial cost increased by Baht 7 million which resulted from an increase of interest rates as compared to those of the same period of prior year.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller