

Ref: AC.033/2012

14 August 2012

Subject: Clarification on the Company's operating results for the second 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 30 June 2012 as follows:

The Company and its subsidiaries has net profit for the three-month period ended 30 June 2012 amounting to Baht 28 million, a decrease of 65.41%. Meanwhile, the Company has net profit for the same period of prior year amounting to Baht 83 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 1,427 million which decreased by Baht 1,136 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 641 million, which was mainly due to a decrease in orders from a major customer of Baht 715 million.
  - 1.2 Revenue from telecommunication business decreased by Baht 273 million, mainly resulted from the projects for installation of MSAN equipments because the projects are almost completed. It was also a result of the slowing of the projects with government agencies.
  - 1.3 Revenue from technology related business decreased by Baht 273 million, mainly from revenue from the installation of closed-circuit televisions (CCTV) and related equipments of two subsidiaries has decreased since the projects are almost completed. Also in the second quarter of 2011, the Metropolitan Electricity Authority (MEA) approved the final work of the implementation of Enterprise

Resource Planning (ERP) system. The Company therefore recognized revenue from the project amounting to Baht 127 million. Subsequently, the Company continues to be employed by the MEA for maintenance service, development and customization of the ERP system and related systems.

- 1.4 Revenue from retail business was increased by Baht 51 million. It was resulted from revenue from mobile top-up service of a subsidiary. The accumulated amount of topping up for the six months ended 30 June 2012 amounted to approximately Baht 1,822 million, an increase of Baht 753 million, compared with that of the same period of prior year.
2. Gross profit margin was Baht 187 million or decreased by Baht 63 million due to a decrease of gross profit margin of telecommunication business and technology related business. This is consistent with a decrease of revenues as described in Articles 1.2 and 1.3. However, gross profit margin of electronic manufacturing service business increased by Baht 42 million, although revenue of such business is declining. 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.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller