

Ref: AC.002/2012

21 February 2012

Subject: Clarification on the Company's operating results for the year ended 31 December 2011

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 year ended 31 December 2011 as follows:

For the year ended 31 December 2011, the Company and its subsidiaries has generated net profit of Baht 370 million which increased by Baht 52 million or 16.45% as compared to same period of prior year. 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 8,870 million decreased by Baht 2,674 million as compared to same period of prior year. The main reasons were as follows:
  - The revenue from sale of goods decreased by Baht 3,076 million which mainly resulted from decreasing of manufacturing of printed circuit board for one major client, affected by flood situation, with amount of Baht 4,638 million. This can offset by increasing revenue from sale of SAP licenses to the Metropolitan Electricity Authority (MEA), amounting to Baht 372 million, as well as increasing sale of Variable Message Signs (VMS) and LED screens of one subsidiary.
  - The service income also increased by Baht 243 million which mainly resulted from top-up service of one subsidiary. At the end of 2011, the total top-up kiosks were approximately 13,000 kiosks which increased by 5,000 kiosks from the end of 2010.
  - The revenue from project work increased by Baht 159 million which mainly resulted from revenue from installation of traffic light equipment, CCTV and LED screens of two subsidiaries with amount of Baht 122 million and a Baht 127 million of revenue from enterprise resources planning service agreement of the Company. These can offset

by decreasing revenue from installation of telecommunication equipment, amounting to Baht 90 million.

2. The Company has generated gross profit of Baht 1,185 million or increased by Baht 339 million or 40.10% which mainly resulted of profit from sale of SAP licenses as described in article 1. This could offset with an increase of loss on diminution in value of inventories of Baht 24 million. In addition, in 2010, the Company recorded loss of ERP project of Baht 116 million. However the Company is not liable for any loss of such project because MEA has already received the work in the second quarter of 2011.
3. The selling and administrative expenses increased by Baht 123 million or 23.64% which resulted from a Baht 24 million of factory overheads included in the selling and administrative expenses instead of the manufacturing cost as a result of the Company's factory had scale down the production. This was an effect of flood situation incurred during October to November 2011. In addition, there were an increase of allowance for doubtful accounts of trade and other receivables with the amount of Baht 20 million and increase of allowance for impairment of smart traffic boards of Baht 16 million.
4. The financial cost increased by Baht 69 million or 89.81% which resulted from the increasing of loan interest rate as well as the increasing of loan for its working capital.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller