

Ref: AC.061/2013

13 November 2013

Subject: Clarification on the Company's operating results for the three-month period ended 30 September 2013

To: President and Managers

The Stock Exchange of Thailand

Forth Corporation Public Company Limited ("the Company") would like to clarify the operating results of the Company and its subsidiaries for three-month period ended 30 September 2013 as follows:

The Company and its subsidiaries had a consolidated net profit for the three-month period ended 30 September 2013 amounting to Baht 77 million, which increased by Baht 18 million, compared to the consolidated net profit for the same period of prior year amounting to Baht 61 million. The main reasons were outlined below.

1. The Company and its subsidiaries generated revenues from sale of goods, services and project work amounting to Baht 996 million, which decreased by Baht 533 million, compared to those of the prior year. This caused by many reasons as follows:
 - 1.1 Revenue from the electronic manufacturing business decreased by Baht 710 million due to a decrease of production orders from Western Digital (Thailand) Company Limited. In addition, there is no additional production order from this customer starting from the end of July 2013 onwards.
 - 1.2 Revenue from the telecommunication business decreased by Baht 33 million due to the completion of the installation of Multi Service Access Node (MSAN), WDM equipment and other related services projects since the second quarter of 2013. Besides, there is no additional large project during the current quarter of 2013.
 - 1.3 Revenue from the technology related business increased by Baht 141 million due to the completion of the installation of closed-circuit televisions (CCTV) and related equipments projects during the third quarter of 2013.
 - 1.4 Revenue from the retail business increased by Baht 69 million due to the revenue from the mobile top-up service of a subsidiary. The total amount of the topping up for the three-month period ended 30 September 2013 amounted to Baht 1,920 million, with an increase of Baht 831 million compared to the prior year.

2. The Company had gross profit margin amounting to Baht 269 million. Its increase of Baht 24 million resulted from the increase of gross profit margin of technology related and retail businesses. This can offset by decreasing gross profit margin of electronic manufacturing and telecommunication businesses. The change of such gross profit margin was consistent with the change of revenue as described in Article 1.

In addition, the Company and its subsidiaries changed its accounting estimates with respect to the useful lives of machinery, tool and equipment from 5 years to 8 years and 10 years. The change of useful lives of assets will be more appropriate since the estimated useful life is consistent with the expected usage utility to the Company and its subsidiary. In this regard, the Company and its subsidiary applied this change in estimates prospectively. The effect of the change increased the net profit for the three-month period ended 30 September 2013 amounting to Baht 12 million.

3. Financial expense decreased by Baht 8 million due to repayment of short-term loans for financing project works, which have been completed, billed and collected. It was also resulted in repayment of long-term loans.
4. Income tax expense increased by Baht 8 million as a result of the adoption of Thai Accounting Standard (TAS) No. 12 "Income Taxes". The change was consistent with the increase of net profit.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller