

Ref: AC.032/2013

14 May 2013

Subject: Clarification on the Company's operating results for the three-month period ended 31 March 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 31 March 2013 as follows:

The Company and its subsidiaries had a consolidated net profit for the three-month period ended 31 March 2013 amounting to Baht 84 million, which increased by 1,668% compared to the consolidated net loss of the same period of prior year amounting to Baht 5 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 1,226 million which decreased by Baht 414 million compared to the prior year. This caused by many reasons as follows:
 - 1.1 Revenue from electronic manufacturing business decreased by Baht 681 million, mainly due to a decline of a major customer's orders.
 - 1.2 Revenue from telecommunication business increased by Baht 123 million due to the revenue from the sale of high speed internet wireless access equipment for Smart Thailand and the improvement of IP phone system for all police stations project.
 - 1.3 Revenue from technology related business increased by Baht 90 million due to the revenue from the installation of closed-circuit televisions (CCTV) and related equipments projects.
 - 1.4 Revenue from retail business increased by Baht 54 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 31 March 2013 amounted to Baht 1,615 million, with an increase of Baht 634 million compared to the prior year.

2. The Company had gross profit margin amounting to Baht 270 million. Its increase of Baht 99 million resulted from the increase of gross profit margin of telecommunication, technology related and retail businesses. This can offset by decreasing gross profit margin of electronic manufacturing business. 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 amounting to Baht 10 million.

3. Financial expense decreased by Baht 13 million due to repayments 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 14 million as a result of the adoption of Thai Accounting Standard (TAS) No. 12 "Income Taxes".

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller