

Ref: AC.011/2013

26 February 2013

Subject: Clarification on the Company's operating results for the year ended 31 December 2012

To: President and Managers

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 2012 as follows:

The Company and its subsidiaries have a consolidated net profit for the year ended 31 December 2012 amounting to Baht 93 million, which a decrease of 297.67% comparing to the consolidated net profit of the previous year amounting to Baht 370 million. It is resulted from the reasons below.

1. The Company and its subsidiaries generated revenues from sale of goods, services and project works amounting to Baht 5,887 million which decreased by Baht 2,983 million comparing to the previous year. The main factors were as follows:
 - 1.1 Revenue from electronics manufacturing service business (EMS business) was decreased by Baht 1,575 million, which was mainly resulted in a decrease in orders from a major customer.
 - 1.2 Revenue from telecommunication business was decreased by Baht 1,094 million. It was mainly resulted in the projects for installation of MSAN equipments which are nearly completed. It was also a result of the project slowdown with government agencies.
 - 1.3 Revenue from technology related business was decreased by Baht 527 million due to the decrease of sale of the right to use of SAP licenses amounting to Baht 372 million and the decrease of revenue from the development and implementation of Enterprise Resource Planning (ERP) system amounting to Baht 212 million. There is no similar income recognised in 2012.

In 2012, the Company earned service income by providing the development and implementation of ERP system to two government agencies, including the maintenance and customization services to ERP and related systems to Metropolitan Electricity Authority (MEA). In addition, its other two subsidiaries continuously earn revenues from the installation of closed-circuit televisions (CCTV) and related equipments.

- 1.4 Revenue from retail business increased by Baht 213 million due to revenue from mobile top-up service of a subsidiary. The total amount of topping up for the year 2012 amounted to Baht 4,434 million, with an increase of Baht 1,771 million, compared to the previous year.
2. The Company has gross profit margin amounting to Baht 790 million. Its decrease of Baht 395 million was resulted from a decrease of gross profit margin of technology related business, which is consistent with a decrease of revenue as described in Article 1.3. Although revenue of electronic manufacturing service business was significantly decreased, gross profit margin of such business was slightly decreased. 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.
3. Administrative expenses decreased by Baht 36 million. In 2011, the Company recorded doubtful debt of trade and other receivables amounting to Baht 22 million and impairment loss of the right to derive benefit from the smart traffic boards amounting to Baht 16 million. Such expenses were not incurred in 2012.
4. Financial expenses decreased by Baht 22 million was resulted in 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.

Please be informed accordingly.

Yours sincerely,

(Mr. Arin Jamnaree)

Financial Controller