

BTS Rail Mass Transit Growth Infrastructure Fund
Report and interim financial statements
For the three-month period ended 30 June 2017

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

I have reviewed the accompanying statement of balance sheet, including the details of investments of BTS Rail Mass Transit Growth Infrastructure Fund as at 30 June 2017, the related statements of income, changes in net assets, cash flows and significant financial information for the three-month period then ended, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

EY Office Limited
Bangkok: 11 August 2017

BTS Rail Mass Transit Growth Infrastructure Fund**Balance sheet****As at 30 June 2017**

		(Unit: Thousand Baht)	
	Note	30 June 2017	31 March 2017
		(Unaudited but reviewed)	(Audited)
Assets			
Investment in the Net Revenue Purchase and Transfer Agreement at fair value (at cost: Baht 61,432 million (31 March 2017: Baht 61,432 million))	5	65,600,000	65,800,000
Investments in securities at fair value (at cost: Baht 936 million (31 March 2017: Baht 1,134 million))		937,983	1,136,194
Cash at bank	7	51,657	55,518
Account receivable from the Net Revenue Purchase and Transfer Agreement	11	174,376	44,798
Accounts receivable from interest		8	59
Other assets		2,931	5,104
Total assets		<u>66,766,955</u>	<u>67,041,673</u>
Liabilities			
Other payables and accrued expenses		16,404	7,020
Specific business tax payable		4,116	6,828
Other liabilities		2,758	2,004
Total liabilities		<u>23,278</u>	<u>15,852</u>
Net assets		<u>66,743,677</u>	<u>67,025,821</u>
Net assets			
Registered capital 5,788,000,000 units of Baht 10.6110 each	8	<u>61,416,468</u>	<u>61,416,468</u>
Paid-in capital from unitholders		61,416,468	61,416,468
Retained earnings	9	5,327,209	5,609,353
Net assets		<u>66,743,677</u>	<u>67,025,821</u>
		-	-
Net asset value per unit (Baht)		11.5313	11.5801
Number of units issued - end of period/year (Thousand units)		5,788,000	5,788,000

The accompanying notes are an integral part of the interim financial statements.

.....
(Mr. Winai Hirunpinyopard)

Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund
Details of investments
As at 30 June 2017

Details of investments classified by asset classes

Type of investment	30 June 2017			31 March 2017					
	Cost	Fair value	Percentage of investment	Cost	Fair value	Percentage of investment			
	(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)			
Investment in the infrastructure business (Note 5)									
Investment in the Net Revenue Purchase and Transfer Agreement to acquire the net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration and Bangkok Mass Transit System Public Company Limited from 17 April 2013 until the expiration of the Concession Agreement (4 December 2029)									
	61,432,135	65,600,000	98.59	61,432,135	65,800,000	98.30			
Total investment in the infrastructure business	61,432,135	65,600,000	98.59	61,432,135	65,800,000	98.30			
Type of investment	Maturity date	Yield rate	Par value	Fair value	Percentage of investment	Par value	Fair value	Percentage of investment	
		(Percent per annum)	(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)	
Investments in securities									
Bond									
Bank of Thailand	CB17427A	27 April 2017	1.3900	-	-	-	90,000	89,910	0.13
Bank of Thailand	CB17511B	11 May 2017	1.3825	-	-	-	15,000	14,977	0.02
Bank of Thailand	CB17518A	18 May 2017	1.4000 - 1.4150	-	-	-	220,000	219,601	0.33
Bank of Thailand	CB17518B	18 May 2017	1.3920	-	-	-	90,000	89,839	0.13
Bank of Thailand	CB17525A	25 May 2017	1.3950 - 1.4200	-	-	-	160,000	159,670	0.24
Bank of Thailand	CB17525B	25 May 2017	1.3950 - 1.4050	-	-	-	160,000	159,668	0.24
Bank of Thailand	CB17817A	17 August 2017	1.3550	80,000	79,861	0.12	-	-	-
Bank of Thailand	CB17824A	24 August 2017	1.2900 - 1.4990	323,000	322,362	0.48	105,000	104,379	0.16
Bank of Thailand	CB17824B	24 August 2017	1.3000	32,000	31,939	0.05	-	-	-
Bank of Thailand	CB17831A	31 August 2017	1.4000 - 1.5050	505,000	503,821	0.76	300,000	298,150	0.45
Total investments in bond				940,000	937,983	1.41	1,140,000	1,136,194	1.70
Total investments in securities				940,000	937,983	1.41	1,140,000	1,136,194	1.70
Total investments				62,372,135	66,537,983	100.00	62,572,135	66,936,194	100.00

The accompanying notes are an integral part of the interim financial statements.

(Mr. Winai Hirunpinoyard)
Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Income statement

For the three-month period ended 30 June 2017

		(Unit: Thousand Baht)	
	Note	2017	2016
Investment income			
Income from the investment in the Net Revenue Purchase and Transfer Agreement	6, 11	1,144,210	1,155,193
Interest income		4,764	4,857
Total income		<u>1,148,974</u>	<u>1,160,050</u>
Expenses			
Management fee	11	13,388	13,304
Trustee fee		3,570	3,548
Registrar fee		1,334	1,330
Professional fees		4,081	6,474
Amortisation of deferred unit issuance costs		-	16,220
Other expenses		10,682	22,023
Total expenses		<u>33,055</u>	<u>62,899</u>
Net investment income		<u>1,115,919</u>	<u>1,097,151</u>
Unrealised gains (losses) on investments			
Net unrealised gains (losses) on investments		(199,947)	199,951
Total unrealised gains (losses) on investments		<u>(199,947)</u>	<u>199,951</u>
Increase in net assets resulting from operations		<u><u>915,972</u></u>	<u><u>1,297,102</u></u>

The accompanying notes are an integral part of the interim financial statements.

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(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Statement of changes in net assets

For the three-month period ended 30 June 2017

		(Unit: Thousand Baht)	
	Note	2017	2016
Increase in net assets resulting from operations during period			
Net investment income		1,115,919	1,097,151
Net unrealised gains (losses) on investments		(199,947)	199,951
Increase in net assets resulting from operations		915,972	1,297,102
Decrease in paid-in capital during period	8	-	(370,432)
Distributions to unitholders during period	10	(1,198,116)	(966,596)
Decrease in net assets during period		(282,144)	(39,926)
Net assets - beginning of period		67,025,821	66,783,595
Net assets - end of period		66,743,677	66,743,669
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The accompanying notes are an integral part of the interim financial statements.

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(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Statement of cash flows

For the three-month period ended 30 June 2017

	(Unit: Thousand Baht)	
	2017	2016
Cash flows from operating activities		
Increase in net assets resulting from operations	915,972	1,297,102
Adjustments to reconcile the increase in net assets resulting from operations to net cash provided by operating activities		
Purchases of investments in securities	(1,753,403)	(2,841,030)
Sales of investments in securities	1,955,000	3,310,000
Net sales of investments in securities	201,597	468,970
Increase in account receivable from the Net Revenue Purchase and Transfer Agreement	(129,578)	(248,903)
Decrease in accounts receivable from interest	51	1,521
Decrease in other assets	2,173	2,176
Decrease in account payable from the Net Revenue Purchase and Transfer Agreement	-	(24,430)
Increase in account payable and accrued expenses	9,384	8,219
Decrease in specific business tax payable	(2,712)	(2,034)
Increase (decrease) in other liabilities	754	(177)
Amortisation of deferred units issuance cost	-	16,220
Amortisation of discounts on investments	(3,333)	(3,351)
Net unrealised (gains) losses on investments	199,947	(199,951)
Net cash from operating activities	1,194,255	1,315,362
Cash flows from financing activities		
Decrease in paid-in capital from unitholders	-	(370,432)
Distributions to unitholders	(1,198,116)	(966,596)
Net cash used in financing activities	(1,198,116)	(1,337,028)
Net decrease in cash at bank	(3,861)	(21,666)
Cash at bank at beginning of period	55,518	64,066
Cash at bank at end of period	51,657	42,400

The accompanying notes are an integral part of the interim financial statements.

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(Mr. Winai Hirunpinoyard)

Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund**Significant financial information**

For the three-month period ended 30 June 2017

(Unit: Baht)

	For the three-month period ended 30 June 2017	For the three-month period ended 30 June 2016	For the three-month period ended 30 June 2015	For the three-month period ended 30 June 2014	For the period from 17 April 2013 (date of registration) to 30 June 2013
Operating performance (per unit)					
Net asset value - beginning of period	11.5801	11.5382	11.3145	11.2481	-
Add: Paid-in capital from unitholders	-	-	-	-	10.8000
Income from investment operations					
Net investment income	0.1928	0.1896	0.1689	0.1516	0.1177
Net unrealised gains (losses) on investments	(0.0346)	0.0345	0.0299	0.0014	0.0865
Total income from investment operations	0.1582	0.2241	0.1988	0.1530	0.2042
Less: Decrease in paid-in capital from unitholders	-	(0.0640)	(0.0480)	-	-
Distributions to unitholders	(0.2070)	(0.1670)	(0.1380)	(0.1540)	-
Net asset value - end of period	11.5313	11.5313	11.3273	11.2471	11.0042

Ratio of the increase in net assets resulting from

operations to average net assets during the period (%)	1.37	1.95	1.75	1.36	1.87
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Significant financial ratios and additional information

Net assets - end of period (Thousand Baht)	66,743,677	66,743,669	65,562,449	65,098,482	63,692,511
Ratio of total expenses to average net assets during period (%)	0.05	0.09	0.20	0.20	0.16
Ratio of total investment income to average net assets during period (%)	1.72	1.74	1.69	1.55	1.24
Ratio of weighted average investment purchases and sales to average net assets during period (%)*	0.08	0.11	0.04	0.07	96.23
Average net assets during period (Thousand Baht)	66,910,332	66,669,999	65,566,264	65,102,498	63,178,207

* Investment purchases and sales exclude cash at banks and investments in promissory notes, and must be real purchases or sales of investments which exclude purchases under resale agreements or sales under repurchase agreements.

The accompanying notes are an integral part of the interim financial statements.

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(Mr. Winai Hirunpinoyard)

Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to interim financial statements
For the three-month period ended 30 June 2017

1. Description of BTS Rail Mass Transit Growth Infrastructure Fund

BTS Rail Mass Transit Growth Infrastructure Fund (“the Fund”) is a specified infrastructure business fund with the specific investment project to invest detailed in the Fund’s prospectus. The Fund was established and registered as a closed-end infrastructure fund on 17 April 2013 with no project life stipulated. The Fund raised funds from the public and general investors, with the main objective of utilising the proceeds from such fund raising to invest in infrastructure businesses. The Fund initially invested in acquiring the net revenue to be generated from the operations of the Core BTS Skytrain System from Bangkok Mass Transit System Public Company Limited (“BTSC”), covering the 23.5 kilometer original lines of the BTS SkyTrain System, consisting of the 17.0 kilometer Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometer Silom line from National Stadium to Taksin Bridge (“the Core BTS Skytrain System”). The Fund may also engage in activities within the scope allowed under the regulations of the Office of the Securities and Exchange Commission and other relevant notifications, with a view to generate income and returns for the Fund and the unitholders. This may include investment in other securities and/or deriving benefits from other means as prescribed by securities laws and/or other relevant laws.

On 17 April 2013, the Stock Exchange of Thailand approved the listing of the Fund’s units and permitted their trading in the Stock Exchange of Thailand on 19 April 2013.

The Fund is managed by BBL Asset Management Company Limited (“the Management Company”) and its trustee is Standard Chartered Bank (Thai) Public Company Limited.

As at 30 June 2017, the Fund’s major unitholder is BTS Group Holdings Public Company Limited holding 33.33% of the Fund units issued.

2. Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2016) *Interim Financial Reporting*, with the Fund choosing to present condensed interim financial statements. However, the Fund has presented the balance sheet, the details of investments, the statement of income, changes in net assets, cash flows, and significant financial information in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Fund. The interim financial statements in English language have been translated from the Thai language financial statements.

3. New financial reporting standards

During the period, the Fund has adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017 (beginning on or after 1 April 2017 for the Fund). These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Fund's financial statements.

4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2017.

5. Investment in the Net Revenue Purchase and Transfer Agreement

As stipulated in the Net Revenue Purchase and Transfer Agreement ("NRTA"), BTSC agreed to fully reimburse the Fund for any specific business tax in connection with the Net Revenue Purchase and Transfer Agreement.

Under the terms of the NRTA, the Fund will pay BTSC the incentive fee on annual basis if the net revenues for any year are more than the annual net revenue target for that year, at the following rates.

- (a) 10% in respect of the net revenue amount exceeding the 100% but not exceeding 125% of the annual net revenue target.
- (b) 15% of the net revenue in respect of the amount exceeding the 125% of the annual net revenue target.

(Unaudited but reviewed)

Under the sponsor support and guarantee agreement, BTS Group Holdings Public Company Limited (“BTSG”) who is the major shareholder of BTSC, has agreed to provide a limited guarantee for the performance of BTSC under the terms of the NRTA. (However, there is no guarantee provided on the net revenue to be received by the Fund). In addition, BTSG agreed to maintain the shareholding interest in BTSC at 97.46% as a minimum and to secure such sponsor support and guarantee agreement BTSG pledged its aforementioned shares in BTSC and also entered into an agreement to sell, and the Fund to buy, BTSG’s shares in BTSC upon the occurrence of an event of default in accordance with the terms and conditions of the NRTA at the price determined in the agreement to sell, and to buy shares.

On 10 August 2016, the Fund, BTSC and AIA Company Limited (“AIA”) signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than Baht 650 million and this agreement has been approved by the trustee. Under the agreement, the Fund and AIA will each fund 50% of the total construction cost.

Movement of the investment in the NRTA during the three-month period ended 30 June 2017 is summarised below.

	(Unit: Thousand Baht)
Investment in the NRTA at beginning of period	65,800,000
Less: Unrealised loss from investment valuation during period	<u>(200,000)</u>
Investment in the NRTA at end of period	<u><u>65,600,000</u></u>

6. Revenue from the investment in the Net Revenue Purchase and Transfer Agreement

	(Unit: Thousand Baht)	
	<u>For the three-month periods ended 30 June</u>	
	<u>2017</u>	<u>2016</u>
Farebox revenue	1,621,634	1,586,655
Less: Operating expenses	(362,944)	(319,292)
Repair and maintenance expenses	(109,035)	(96,363)
Capital expenditures	<u>(5,445)</u>	<u>(15,807)</u>
Net revenue from investment	<u><u>1,144,210</u></u>	<u><u>1,155,193</u></u>

(Unaudited but reviewed)

7. Cash at bank

Bank/account type	Principal (Thousand Baht)		Interest rate (% per annum)	
	30 June 2017	31 March 2017	30 June 2017	31 March 2017
		(Audited)		(Audited)
Bangkok Bank Public Company Limited/ Saving account	38,778	47,253	0.375	0.375
Standard Chartered Bank (Thai) Public Company Limited/ Saving account	12,879	8,265	0.500	0.500
Total	<u>51,657</u>	<u>55,518</u>		

8. Unitholders' equity

Movements of the investment units are as follows:

	For the three-month period ended 30 June 2017			For the year ended 31 March 2017		
	Number of units (Thousand units)	Value per unit (Baht)	Registered capital (Thousand Baht)	Number of units (Thousand units)	Value per unit (Baht)	Registered capital (Thousand Baht)
Beginning of the period/year	5,788,000	10.6110	61,416,468	5,788,000	10.6750	61,786,900
Reduction of investment unit value	-	-	-	-	(0.0640)	(370,432)
Ending of the period/year	<u>5,788,000</u>	<u>10.6110</u>	<u>61,416,468</u>	<u>5,788,000</u>	<u>10.6110</u>	<u>61,416,468</u>

9. Retained earnings

(Unit: Thousand Baht)

	For the three-month period ended	
	30 June 2017	For the year ended 31 March 2017
Accumulated net investment income	15,375,769	10,893,169
Accumulated net realised gains on investments	2	2
Accumulated net unrealised gains on investments	4,367,878	4,001,004
Less: Accumulated distributions to unit holders	(14,134,296)	(9,897,480)
Retained earnings at the beginning of the period/year	5,609,353	4,996,695
Add: Increase in net assets resulting from operations during the period/year	915,972	4,849,474
Less: Distributions to unitholders during the period/year	(1,198,116)	(4,236,816)
Retained earnings at the end of period/year	<u>5,327,209</u>	<u>5,609,353</u>

(Unaudited but reviewed)

10. Distributions to unitholders

Dividend declared during the three-month periods ended 30 June 2017 and 2016 consisted of the following.

<u>Declared date</u>	<u>For the operations period</u>	<u>Per unit</u>	<u>Total</u>
		(Baht)	(Thousand Baht)
23 May 2017	1 January 2017 to 31 March 2017	0.207	1,198,116
Total dividends for the three-month period ended 30 June 2017		<u>0.207</u>	<u>1,198,116</u>
16 May 2016	1 January 2016 to 31 March 2016	0.167	966,596
Total dividends for the three-month period ended 30 June 2016		<u>0.167</u>	<u>966,596</u>

11. Related party transactions

During the period, the Fund had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Fund and those companies. Below is a summary of those transactions.

	For the three-month periods		(Unit: Thousand Baht)
	ended 30 June		
	<u>2017</u>	<u>2016</u>	<u>Pricing policy</u>
BBL Asset Management Company Limited			
(the Management Company)			
Management fee	13,388	13,304	The basis stated in the prospectus
Bangkok Mass Transit System Public Company Limited			
(a subsidiary of the major unitholder)			
Income from the investment in the Net Revenue Purchase and Transfer Agreement	1,144,210	1,155,193	The basis stated in the agreement
Reserve for incentive fee expense	9,434	19,857	The basis stated in the agreement
Reimbursement of the specific business tax	11,485	7,677	As incurred

(Unaudited but reviewed)

As at 30 June 2017 and 31 March 2017, the Fund has the following significant outstanding balance with its related companies.

	(Unit: Thousand Baht)	
	30 June 2017	31 March 2017
		(Audited)
BBL Asset Management Company Limited		
Accrued management fee	4,403	4,569
Bangkok Mass Transit System Public Company Limited		
Account receivable from the Net Revenue Purchase and Transfer Agreement	174,376	44,798
Accrued incentive fee	9,434	-

12. Investments trading information

The Fund's investments trading transactions during the three-month period ended 30 June 2017, excluding cash at bank and investments in promissory notes, amounted to approximately Baht 3,708 million, or 5.54% of the average net assets value during the period (2016: Baht 5,421 million, represented 8.13%).

13. Commitments

13.1 The Fund is committed to pay management fee, trustee's fee and registrar fee to counterparties under the terms and conditions specified in the agreements and the prospectus.

13.2 The Fund is committed to pay the incentive fee as described in the Note 5 to the interim financial statements.

13.3 The Fund has commitments with contingent expenses as stipulated in the Net Revenue Purchase and Transfer Agreement on behalf of BTSC as follows.

(a) Capital commitments

The Fund had capital commitments in respect of acquisitions of elevated train carriages, the provision of improvement of the Bangkok Mass Transit System for core line, and the renovation of office building.

(b) Lease and service commitments

The Fund has commitments to pay fees in respect of lease and other service agreements.

(c) Commitments under maintenance contracts

The Fund has commitments in respect of the cost of maintenance and spares supply service fees in relation to the project.

(d) Guarantees

The Fund had outstanding bank guarantees amounting to Baht 38 million (31 March 2017: Baht 38 million) issued on behalf of BTSC by a bank to the Metropolitan Electricity Authority, in order to guarantee electricity use under the Net Revenue Purchase and Transfer Agreement.

(e) Commitments related to long-term employee benefits

The Fund had commitments in respect of costs related to long-term employee benefit of BTSC's employees who retire during the remaining period of the Core BTS Skytrain System.

13.4 The Fund had commitments under the memorandum agreement of construction of Suksa Wittaya station (S4) between the Fund, BTSC and AIA with a value of not more than Baht 650 million. Under the agreement, the Fund and AIA will each fund 50% of the total construction cost.

13.5 The Fund had commitments which respect to service contracts. Minimum fees payable within one year required under service contracts amounted to Baht 1 million (31 March 2017: Baht 5 million).

14. Segment information

The Fund operates in a single business segment that is the investment in the Net Revenue Purchase and Transfer Agreement from the Core BTS Skytrain System and they were carried on in the single geographical area of Bangkok, Thailand. As a result, all revenues, operating profits, assets, and liabilities as reflected in these financial statements are assumed to pertain to the aforementioned business segment and geographic area.

15. Fair value hierarchy

As at 30 June 2017 and 31 March 2017, the Fund and had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)							
	Level 1		Level 2		Level 3		Total	
	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017
		(Audited)		(Audited)		(Audited)		(Audited)
The investment in the Net Revenue Purchase and Transfer Agreement	-	-	-	-	65,600	65,800	65,600	65,800
Investments in securities	-	-	938	1,136	-	-	938	1,136

During the period, the Fund has not changed measurement in fair value hierarchy.

(Unaudited but reviewed)

16. Approval of interim financial statements

These interim financial statements were authorised for issue by an authorised person of the Management Company on 11 August 2017.