

**Thailand's First Infrastructure Fund and  
the Largest Private Sector Initial Public Offering**

THB  
**62.5**bn  
Fund Size

## **ANNUAL REPORT 2013/14**

BTS Rail Mass Transit Growth  
Infrastructure Fund



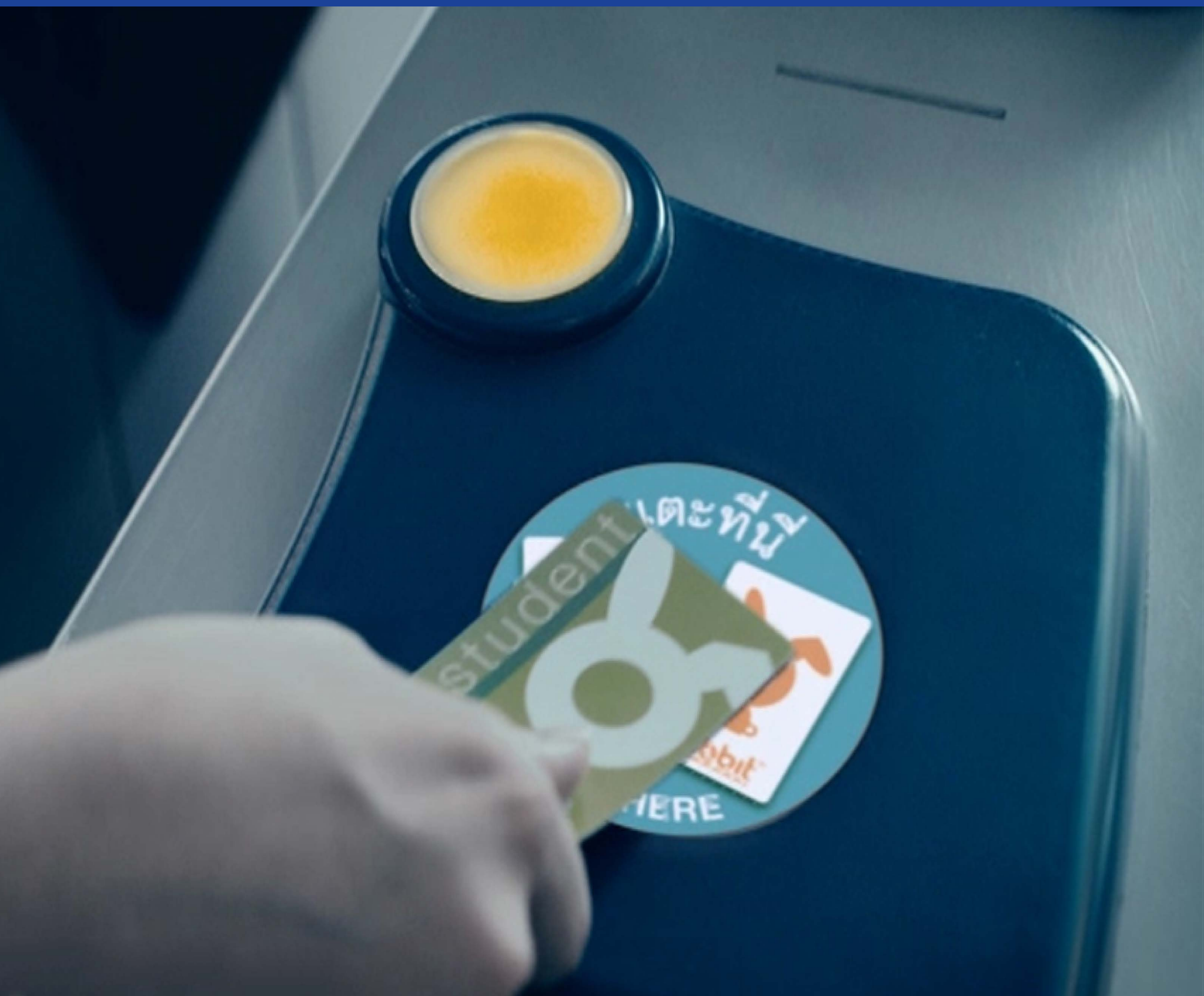


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# 1.0 Introduction

- 1.1 Messages from the Management Company
- 1.2 BTSGIF at a Glance
- 1.3 Key Figures



# 1.1

## Messages from the Management Company

### To Unitholders BTS Rail Mass Transit Growth Infrastructure Fund

BBL Asset Management Company Limited (“the Management Company”) would like to submit the Annual Report for the performance of BTS Rail Mass Transit Growth Infrastructure Fund for FY2013/2014 to all unitholders.

For the Fund’s performance for FY2013/2014 (17 April 2013 - 31 March 2014), the Fund had total income of THB 3,808.58 mn, total expenses of THB 455.57 mn and net investment income of THB 3,353.01 mn. The Fund had announced the dividend payments for 4 times, totaling of THB 0.579 per unit or a total of THB 3,351.25 mn. The fund had amortization of issuance costs of THB 353.81 mn or equaled to THB 0.061 per unit which BBLAM will pay aforementioned amount in the form of capital reduction. As of 31 Mar 2014, the Fund had net asset value of THB 65,104.51 mn, or THB 11.2481 per unit. For FY2013/2014, BTSGIF recognised an increase to the fair value of its investment in the net revenue purchase and transfer agreement (NRTA) by THB 1,701.00 mn (from THB 61,399.00 mn to THB 63,100.00 mn) and recognised an unrealised gain on investment of THB 1,701.00 mn.

The Management Company would like to express our sincere thanks to all unitholders for entrusting us to manage your investments. Our management policy is to operate the funds under our management for highest and best interest of the unitholders and good corporate governance.

Sincerely yours,  
BBL Asset Management Company Limited





# 1.2

## BTSGIF at a Glance

**BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF)**, the first infrastructure fund in Thailand, was established on 17 April 2013 with the corporation between BBL Asset Management Co., Ltd. and BTS Group Holdings Public Company Limited (BTSG). With the initial fund size of THB 62,510.4mn, this issuance is considered the largest private sector initial public offering in the history of Thailand's capital market, and BTSGIF was able to invest in the rights to receive net farebox revenues to be generated from the operation of the core BTS SkyTrain network from Bangkok Mass Transit System Public Company Limited (BTSC).

Following a 2-year transaction development period and an extensive cornerstone marketing process, the IPO was well-received by the market. Institutional demand was more than 25 times oversubscribed and attracted a high quality order book including some of the world's most respected 'long only' investors. There were over 56,900 retail applicants, more than any other IPO in Thailand. BTSG was the largest single subscriber, taking one third of the total 5,788mn units.






Infrastructure Funds have successfully come to fruition as a result of the Thai government's initiative, supported by the Thai Securities and Exchange Commission, the Stock Exchange of Thailand, relevant tax authorities and other supervisory bodies. In order to support the funding and development of the nation's infrastructure plan, this new vehicle category was established to allow and encourage broader investor access to infrastructure investments. Infrastructure funds benefit from corporate tax exemption for the duration of the fund, exemption on income tax on dividends for individual investors for 10 years since the inception date of the Fund (subject to certain restrictions) and must distribute a minimum of 90% of adjusted net profit.

The transaction arms BTS Group with a significant cash balance that will be earmarked to bid for new extension lines and future growth of BTS Group's mass transit business. At the same time, BTSC remains the exclusive operator of the Core Network. BTSGIF will benefit from the future expansion as the new lines will feed more passengers to the existing Core Network.



In its first fiscal year, BTSGIF has also delivered results above the original projections. More details can be seen at [www.btsgif.com](http://www.btsgif.com)

**Awards of Success:** In 2013/14, BTSGIF won 6 international level awards from 5 entities as follows:

<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>FinanceAsia Achievement Awards 2013</b>	<b>The Asset Triple A Regional House and Deal Awards 2013</b>	<b>AsiaMoney Awards 2013</b>	<b>International Financing Review (IFR) Asia Awards 2013</b>	<b>Asian Legal Business SE Asia Law Awards 2014</b>
<b>Date : 9 December 2013</b>	<b>Date: 12 December 2013</b>	<b>Date : 9 February 2014</b>	<b>Date : 19 February 2014</b>	<b>Date : 29 May 2014</b>
<b>Presented by</b>	<b>Presented by</b>	<b>Presented by</b>	<b>Presented by</b>	<b>Presented by</b>
				
<b>Notes: In recognition of the best IPO in Asia in 2013</b>	<b>Notes: In recognition of the best equity deal in 2013</b>	<b>Notes: In recognition of the Country Deals of the Year: Thailand</b>	<b>Notes: In recognition of the Regional Equity Issue of the Year and Thailand Equity Issue of the Year</b>	<b>Notes: In recognition of the Equity Market Deal of the Year</b>
<p>“We feel that BTSGIF stands out as the most innovative IPO this year and the one that looks likely to have the biggest impact on the equity capital markets long-term. As the first infrastructure fund in Thailand, it offers investors a combination of stable returns, high dividend yields and strong growth, while giving the country’s infrastructure providers a chance to monetise part of their assets to finance future build-outs.”</p> <p>(Source: FinanceAsia Achievement Awards 2013 by FinanceAsia Editors, 9 Dec 13)</p>		<p>“Each year AsiaMoney chooses the standout capital markets transaction from each major country in ex-Japan Asia. In Thailand BTS makes several records with the initial public offering of an infrastructure fund based upon the revenues of the Bangkok SkyTrain.”</p> <p>(Source: AsiaMoney)</p>	<p>“BTSGIF’s IPO of THB 42bn (USD 1.3bn) was Thailand’s largest private-sector float and its first infrastructure fund, opening an entirely new market and deepening the region’s capital markets.”</p> <p>“This deal also put Thai IPOs on the map for global institutional investors, proving that jumbo deals were possible in another South-East Asian market.”</p> <p>(Source: IFR ASIA REVIEW OF THE YEAR 2013)</p>	

# 1.3

## Key Figures

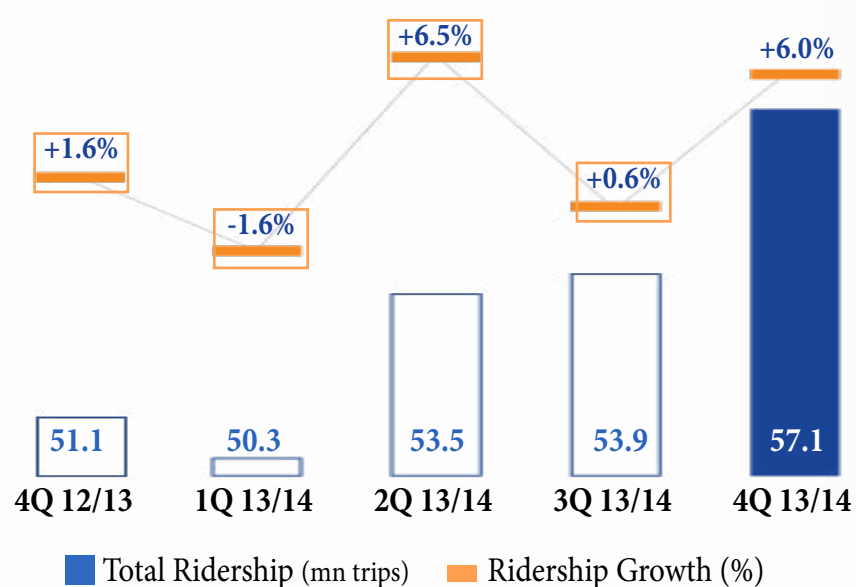
### FINANCIAL PERFORMANCE

THB mn	1Q 13/14	2Q 13/14	3Q 13/14	4Q 13/14	FY 13/14
Total Income	781.81	1,041.16	984.93	1,000.68	3,808.58
Total Expenses	100.73	125.69	119.06	110.09	455.57
Net Investment Income	681.08	915.47	865.87	890.59	3,353.01
Increase in Net Assets resulting from Operations	1,182.11	1,315.43	1,266.07	1,290.39	5,054.01

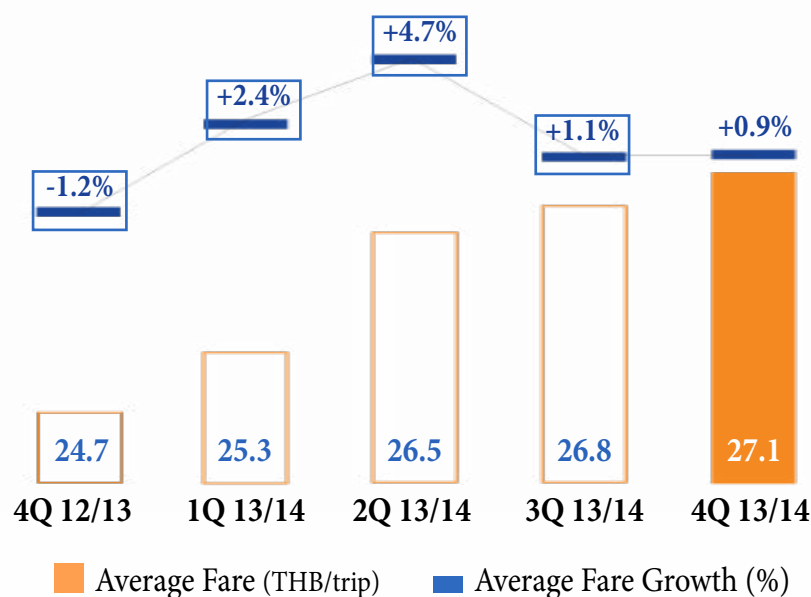
### BALANCE SHEET (As of 31 March 2014)

THB mn	Investment in NRTA	Total Asset	Total Liabilities	Net Asset Value	NAV per Unit
	63,100.00	65,184.40	79.89	65,104.51	11.2481

### BTS's HISTORICAL QUARTERLY RIDERSHIP



### BTS's HISTORICAL QUARTERLY AVERAGE FARE









# 2.0 BTS SkyTrain System and Outlook

- 2.1 The BTS SkyTrain Core System and Extension
- 2.2 Business and Industry Overview: Mass Transit

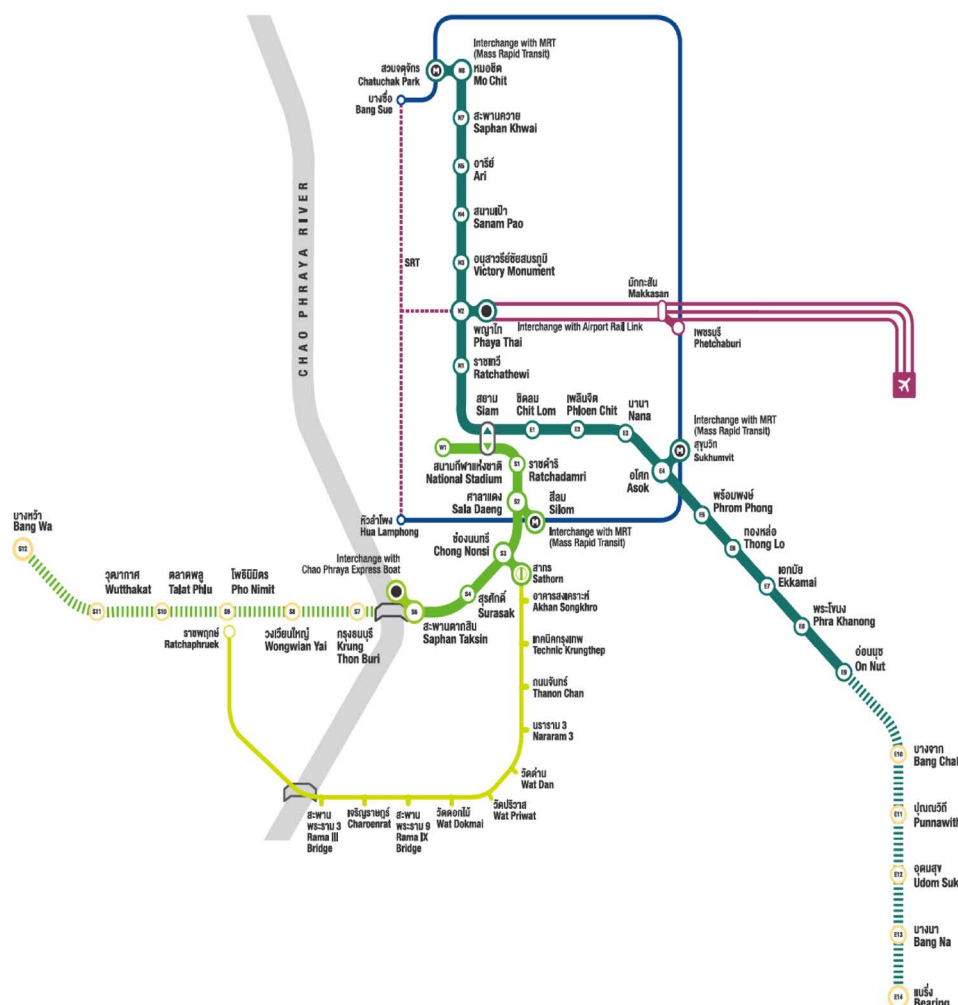


# 2.1

## The BTS SkyTrain Core System and Extension

The BTS SkyTrain Core System and Extension currently consist of two operating lines with a combined total of 34 elevated stations (including 6 stations connected to the Silom Line phase 1 extension and Silom Line phase 2 extension and 5 stations connected to the Sukhumvit Line extension), one of which is an interchange between the two lines, as follows:

- Core Sukhumvit Line and Sukhumvit Line Extension. The 17.0 km Core Sukhumvit Line runs from On Nut to Mo Chit, following Sukhumvit, Ploenchit, Rama I, Phayathai and Phahonyothin Roads and contains 17 stations. The 5.25 km Sukhumvit Line extension starts from On Nut heading eastwards to Soi Bearing through 5 new stations, Bangchak station, Punna withi station, Udomsuk station, Bangna station and Bearing station. The Sukhumvit Line Extension commenced the operation on 12 August 2011.



### Core Network

- Silom Line
- Sukhumvit Line

### Other

- BRT

### Extension Lines

- Silom Line extension
- Sukhumvit Line extension

- Core Silom Line and Silom Line Phase 1 and Phase 2 Extension. The 6.5 km Core Silom Line starts at the Taksin Bridge (Saphan Taksin) above Chareon Krung Road and runs along Sathorn, Klong Chong Nonsi, Silom, Rajadamri, and Rama I Roads before reaching its terminus immediately east of Ban That Thong near the National Sports Stadium on Rama I Road. The Silom Line has 7 stations. The 7.5 km Silom Line Phase 1 and Phase 2 Extension starts from Taksin Bridge heading south to 6 new stations, Krung Thon Buri station, Wongwian Yai station, Pho Nimit station, Talat Phlu station, Wutthakat station and Bang Wa station. The Silom Line Phase 1 and Phase 2 Extension commenced full operation on 5 December 2013.

The Sukhumvit and Silom Lines run parallel for about 800 meters along Rama I Road. The central station, which is the interchange station between the two lines, was built on this portion of the system near Siam Square. The map shows the Core BTS SkyTrain System route network and the various line of Extension BTS SkyTrain System.



# 2.2

## Business and Industry Overview: Mass Transit

### Key Developments 2013/14

- Record ridership of 214.7mn total passengers (+8.9% YoY)
- Historic ridership record of 884,769 trips (Core Network) achieved on 13 January 2014
- Average fare increased 6.5% YoY to THB 26.4
- Full commencement of Wongwian Yai – Bang Wa extension on 5 December 2013



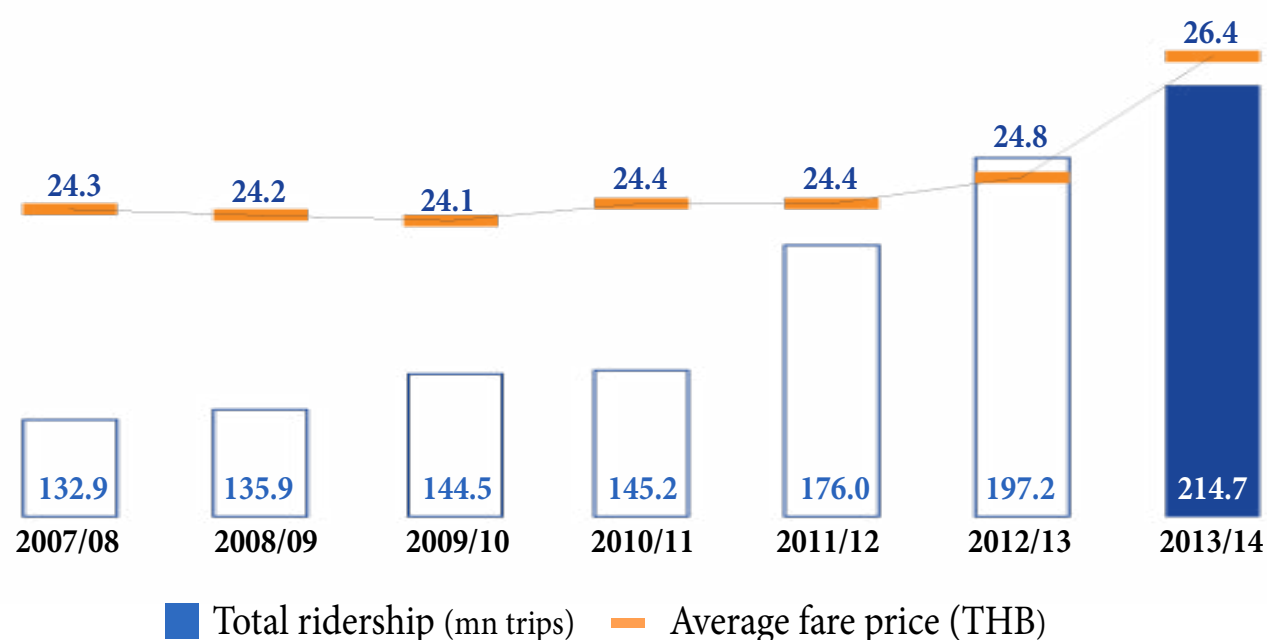
Bangkok Mass Transit System Public Company Limited (BTSC) reported another year of robust growth and proved resilient amidst the weakened global economy and Thai political stalemate in 2013/14. Thailand's GDP grew a mere 2.9% in 2013 but contracted 0.6% in 1Q 2014 from the same period in the previous year, with the Bank of Thailand forecasting that GDP growth will be confined to less than 2.7% in 2014. Whilst many Thai companies suffered under the economic stagnation, Mass Transit business flourished, as evident from the increase in total annual ridership, which reached 214.7mn trips. This translates to a growth of 8.9% compared to 2012/13 and within the higher end of 7 – 10% target range. Ridership peaked during the Bangkok political demonstrations, growing 17.1% in January 2014 and 20.1% in February 2014 from the previous year, as commuters experienced inconvenience on road-based transit and subsequently resorted to the BTS SkyTrain and other rail mass transit as an alternative mode of transport. A historic ridership record of 884,769 trips was achieved on 13 January 2014 on the Core Network. Average weekday ridership for 2013/14 was 654,100 trips, representing an increase of 8.3% from last year. Aside from the short-term political impact, key growth factors include the expanding network (the opening of full operation of the Silom Line extension in December 2013), the new rolling stock (in service since May 2013) and continued organic growth (population growth, urbanisation and property development along the mass transit routes).

BTSC also continues to expand its scope of operation services as the mass transit network continues to expand. On 5 December 2013, BTSC commenced full operation of the 5.3km Silom Line extension from Wongwian Yai (S8) to Bang Wa (S12) following the award of this 30-year Operation and Maintenance Services (O&M) Contract from the Bangkok Metropolitan Administration (BMA) in May 2012. (Note that trial operation from Wongwian Yai (S8) to Talat Phlu (S10) was commenced in early 2013.)

On 17 April 2013, BTSC sold the future Net Farebox Revenues from the BTS SkyTrain Core Network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). The transaction enabled BTS Group to secure funding for the upcoming expansion of the mass transit network which is forecasted to increase from 100.1km currently to 464.0km by 2029. BTS Group is expected to be a lead participant in this expansion and is now strongly positioned to do so both from an operational expertise and financial perspective. Following the sale, BTSC remains the operator of the BTS SkyTrain and BTS Group maintains a significant investment in the BTS SkyTrain Core Network via a 33.3% holding of investment units of BTSGIF.

In 2010, BTSC executed an order for 35 single-car trains under an ongoing capacity expansion programme. By May 2013, all trains on the Sukhumvit Line were extended from 3-car trains to 4-car trains.

**Historical Ridership and Average Fare Price**



Moreover, in 2011, an additional five 4-car trains were ordered and these have all arrived in November 2013.

On 1 June 2013, BTSC together with BBL Asset Management Company Limited, the Fund Manager of BTSGIF, implemented the first effective fare increase since March 2007. The resulting 6.5% average fare increase for 2013/14 was in line with the target. After enduring years of rising inflation, an increase in minimum wage, rising electricity costs, increase in operating expenses and investing in new rolling stock, the fare hike was deemed a good balance taking into account the increased purchasing power of passengers, the ongoing sustainable and effective maintenance of the system, the provision of a better service for commuters and return to unitholders.

### Operations Performance in 2013/14

BTSC continues to maintain high standards of safety and services throughout its operation. The key indicators for operations performance include service reliability, train reliability and ticket reliability. Service reliability measures the punctuality of the trains, with the target set at more than 1,000 trips per delay of 5 minutes or greater. The results achieved for 2013/14 were an average of 1,890 trips, surpassing the target and an improvement from 2012/13, where on average, only 960 trips were made before a delay of 5 minutes or greater occurred. The low result in 2012/13 was on account of the replacement of a new signaling system as well as the commissioning of new trains, which caused interruptions during the initial stage. Train reliability measures the distance travelled before a fault occurs. The target is set for not less than 35,000 car-kilometres per fault and BTSC recorded 97,570 car-kilometres per fault in 2013/14, exceeding the target. Ticket reliability refers to the number of transactions before a fault occurs, which includes equipment failure as well as mishandling of tickets by passengers. The target was set at not less than 15,000 transactions before a failure and ticket reliability in 2013/14 was recorded at 22,914 transactions per fault, staying above the target. BTSC performs regular upgrades on equipment in order to ensure continuous improvement in performance and reliability.

### Operations Performance against Target

Performance Indicators		Target	2013/14	2012/13
Service Reliability (trips)	More than 1,000 trips per delay of 5 minutes or greater		1,890	960
Train Reliability (car-kms.)	Not less than 35,000 car-km. per fault		97,570	99,941
Ticket Reliability (transactions)	Not less than 15,000 times before a failure		22,914	19,821



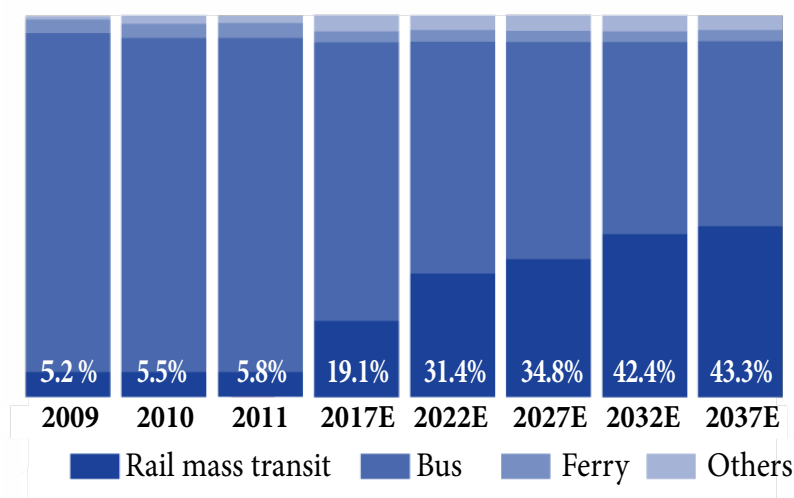
## Thailand Mass Transit Market Overview

### Immature Rail Mass Transit Network

Since the inception of the BTS SkyTrain (the first rail mass transit system in Bangkok) in December 1999, rail mass transit usage in Bangkok has seen a gradual rise and in 2011, accounted for 5.8% (0.68mn trips per day) of the total mass transit usage in Bangkok (11.8mn trips per day). This is a relatively slow growth in the overall mass transit market share. According to the Office of Transport and Traffic Policy and Planning (OTP), modes of transport categorised under mass transit in Bangkok includes rail-based (including the BTS SkyTrain and MRT Subway), road-based (buses), water-based (ferry) and others (mini-vans, limited standard gauge over-ground rail). Bangkok's mass transit market share (measured in number of trips per day) as of December 2011 was composed of bus mass transit at 89.0%, rail mass transit at 5.8%, ferry at 2.5% and others at 2.7%. The OTP forecasts that rail mass transit market share will progressively take the market share of bus mass transit as the demand for rail mass transit in Bangkok increases and the network becomes more extensive in the next few years.

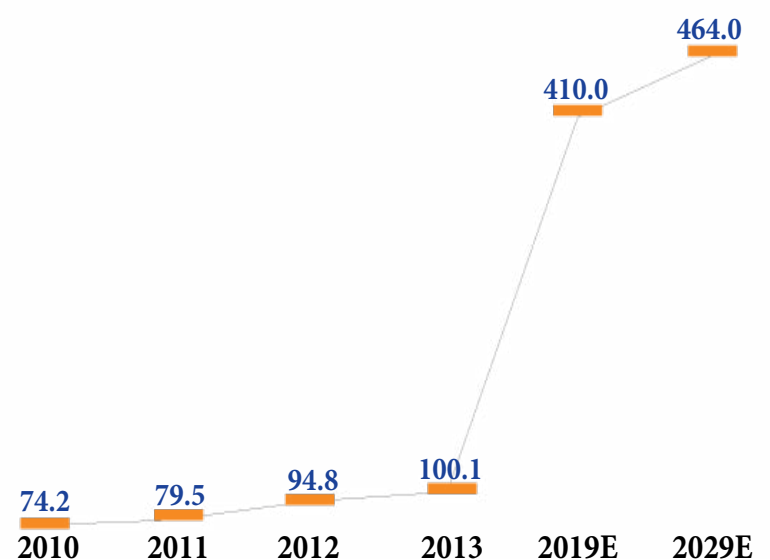
Following the commencement of the Wongwian Yai - Bang Wa extension in December 2013, the total route length of the current rail mass transit network (consisting of BTS SkyTrain, MRT Subway, Airport Rail Link and SRT Line) expanded to 100.1km from 94.8km in 2012. The extension also had a positive effect on the pervasion (defined as rail mass transit length per million population) in Bangkok, which rose slightly to 9.5km per million people in 2013 from 9.1km in 2012. Despite this, the rail mass transit network in Bangkok and vicinities is still immature when compared to those of regional peers (for more details, please refer to *Comparable Markets Overview*).

**Bangkok's Mass Transit Market Share  
(forecast 2017-2037)**



Source: Transport data and model integrated with multimodal transport and logistics (TDML II) of the Office of Transport and Traffic Policy and Planning (OTP)

**Existing and Future Rail Mass Transit  
Network Rail Length (km)**



Source: Ministry of Transport

### Aggressive Network Expansion in the Pipeline

Expansion of public transportation infrastructure has always been a top priority on the national agenda. The Policy Statement of the Council of Ministers delivered by the Prime Minister on 23 August 2011 stated that the government will expedite the bidding process of 10 mass transit lines to be completed within 4 years (from 2011 – 2015). The government targets to have a network covering a total route length of 410.0km by 2019 and reaching 464.0km by 2029. Of those, 88.8km are currently under construction. Prior to the dissolution of Parliament in December 2013, some of the 10 routes were planned to be open for bidding by 2013 – 2014 under the government's policy. The bidding for these projects has inevitably experienced delays since then, as the caretaker government had limited authority to approve the projects. Nonetheless, the current military government has full authority to approve budgets and projects, and the recently approved fiscal budget for 2014/15 includes plans for mass rapid transit network development.

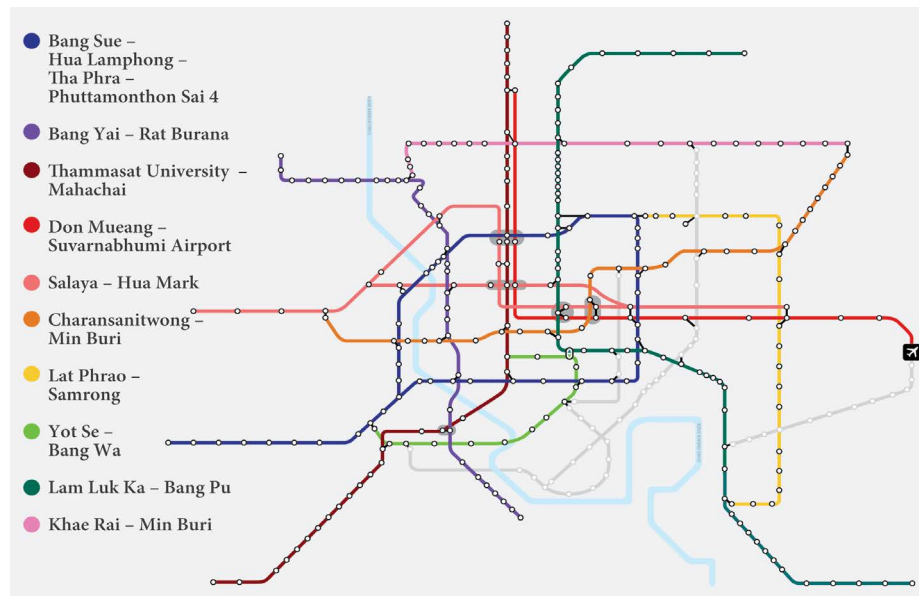
#### 10 Mass Rapid Transit Projects Under the Government's Policy

Project	Route	Distance (km)
Dark Red	Thammasat University Rangsit Campus - Mahachai	80.8
Light Red	Salaya - Hua Mark	54.0
Airport Rail Link	Don Mueang - Suvarnabhumi Airport	50.3
Dark Green	Lam Luk Ka - Bang Pu	66.5
Light Green	Yot Se - Bang Wa	15.5
Blue	Bang Sue - Hua Lamphong - Tha Phra - Phutthamonthon Sai 4	55.0
Purple	Bang Yai - Rat Burana	42.8
Orange	Charansanitwong - Min Buri	32.5
Pink	Khae Rai - Min Buri	36.0
Yellow	Lat Phrao - Samrong	30.4
<b>Total</b>		<b>464.0</b>

Sources: Office of Transport and Traffic Policy and Planning, Ministry of Transport

### 10 Mass Rapid Transit Projects Under the Government's Policy

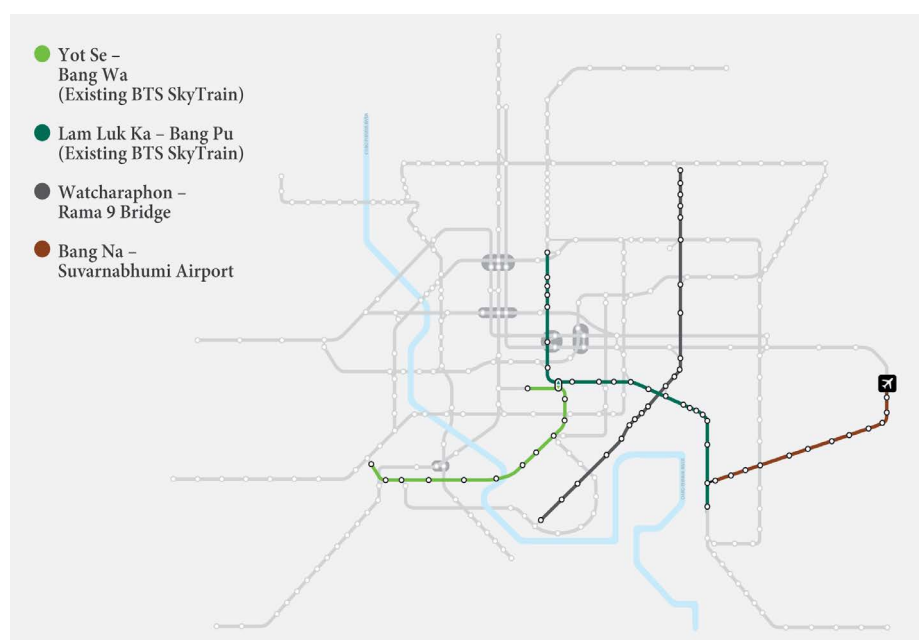
The OTP expects the tendering of 221.4 km new mass rapid transit lines and extensions to be rolled out over the next few years. Out of these, BTS Group has targeted the Dark Green Line extensions (Mo Chit – Saphan Mai – Khu Khot, 18.4km and Samut Prakan – Bang Pu, 7.0km) and the Pink Line (Khae Rai – Min Buri, 36.0 km) as the potential lines for winning the bid to be the operator.



Source: Office of Transport and Traffic Policy and Planning, Ministry of Transport

### Map of LRT and Grey Line Under BMA and Existing BTS SkyTrain

In addition, the BMA has a few projects under its purview which is expected to come to fruition within the next 5 years. The most imminent projects are the Light Rail Transit (LRT), stretching 18.3km from Bang Na to Suvarnabhumi Airport, and the Grey Line monorail (26.0km), which runs from Watcharaphon to Rama 9 Bridge. The BMA has already procured a consultant for the environmental impact assessment (EIA) and feasibility study for Phase I of the Grey Line and bidding for this line is expected to be within 2015. BTS Group retains an optimistic stance on both of these lines as the stations interchange with the existing Green Lines currently operated by BTSC.



Source: Traffic and Transportation Department, BMA



## Bangkok Traffic Conditions

Whilst customer choice on the mode of transport depends on a number of factors such as affordability (relative price), convenience (proximity as well as punctuality), total journey time and safety, it is expected that the change in market share of Bangkok's mass transit market will be primarily driven by congestion of road-based transit and new supply of rail-based transit (i.e. the aggressive expansion of the network mentioned earlier). Bangkok has been suffering from some of the most severe road-based traffic congestion in the world.

The Ministry of Transport reported that the average speed of private vehicles along the main streets of Bangkok in 2013 during rush hours was 16.3km/hour in the morning and 23.0km/hour in the evening, whilst the average number of newly registered cars per day in Bangkok stood at 1,954 in 2013. The combined effects of increase in number of newly registered cars, population growth and inefficient road networks lead us to believe that road-based traffic congestion will not improve anytime soon. The development of 10 mass rapid transit projects mentioned earlier is one of the longer term measures in which the government intends to address the traffic congestion issue.

## Comparable Markets Overview

In 2013, the Bangkok Metropolitan Region (Bangkok and 5 adjacent provinces consisting of Nakhon Pathom, Pathumthani, Nonthaburi, Samut Prakarn and Samut Sakhon) had an official population of more than 10.5mn compared to 13.3mn in Tokyo, 7.2mn in Hong Kong and 5.3mn in Singapore. The urban mass transit pervasion for Bangkok increased to 9.5km this year from 9.1km last year as a result of the new extension. Compared to regional peers, however, Bangkok is lagging behind Tokyo, Hong Kong and Singapore, with pervasion of 24.1km, 35.3km and 33.5km, respectively. Moreover, as of 2011, the rail market share was 6% for Bangkok, 36% for Tokyo, 46% for Hong Kong and 40% for Singapore. This demonstrates the development of Bangkok's mass transit system is much needed to cope with the rapid increase in population density and severe road-based traffic congestion.

**Rail Mass Transit Development in the Region in 2013**

	Population (mn)	Rail Mass Transit Length (km)	Urban Mass Transit Pervasion*
Bangkok Metropolitan Region	10.5	100.1	9.5
Tokyo	13.3	320.0	24.1
Hong Kong	7.2	254.4	35.3
Singapore**	5.3	177.7	33.5

Sources: Ministry of Interior, OTP, Tokyo Metropolitan Government, Tokyo Metro, Hong Kong's Census and Statistics Department, Hong Kong MTR Corporation, Singapore Land Transport Authority, SMRT Corporation Limited

\* Pervasion is defined as rail mass transit length per mn population

\*\* Data as of 2012

**Rail Market Share in Comparable Markets**



## Overview of Bangkok's Existing Mass Transit System

### BTS SkyTrain

The BTS SkyTrain is Thailand's first elevated electric railway system and is constructed above some of central Bangkok's major public roadways. It is operated by BTSC and opened for service on 5 December 1999. As of 31 March 2014, there were a total of 52 trains, with all trains in service comprising of 4 carriages. The network, which includes the Core Network and its subsequent extensions, comprises 34 stations across 2 separate lines with a combined track length of 36.3km. The Sukhumvit Line, or the Dark Green Line, currently consists of 22 stations and runs northwards and eastwards from central Bangkok, connecting Mo Chit and Bearing. The Silom Line, or the Light Green Line, currently consists of 13 stations and runs through one of Bangkok's central business districts, connecting National Stadium and Bang Wa. Both lines intersect at Siam station, which is the system's single shared interchange station. In 2013/14, BTS SkyTrain carried a total of 214.7mn passengers on the system. Ridership has grown at 10.5% CAGR since inception.

### MRT Subway

The MRT Subway is Bangkok's first underground mass transit railway system in Thailand and commenced operation on 3 July 2004. The network currently consists of only one line, the Metropolitan Rapid Transit System Chaloem Ratchamongkhon Line (Blue Line), which runs 20.0km through 18 stations from Hua Lamphong to Bang Sue; however, construction of a second line, which runs 22.0km and covers 16 stations from Khlong Bang Phai to Tao Poon (Purple Line), is already underway and expected to commence operation in 2016. The current system is connected to the BTS SkyTrain at three stations: Sala Daeng, Asok and Mo Chit stations. In 2013, the MRT Subway trains carried a total of 86.4 mn passengers on the system.

The MRT Subway is solely operated by Bangkok Metro Public Company Limited (BMCL) under a concession agreement with the Mass Rapid Transit Authority of Thailand (MRTA) to exclusively operate the existing network of the Blue Line. The concession includes the exclusive right to operate the current MRT Subway

system, as well as the right to manage commercial and advertising space in the system for 25 years until 2029. The MRTA was responsible for the civil works investment whilst BMCL was responsible for the electrical and mechanical works (E&M) and rolling stock investment. Under the concession agreement, BMCL is required to pay a certain percentage of fare and commercial revenue along with an annual remuneration to the MRTA.

In September 2013, BMCL was awarded the concession to operate the Purple Line for 30 years until 2043. Under the agreement, BMCL is responsible for implementing the E&M works as well as the procurement of rolling stock, which is funded by MRTA.

### Suvarnabhumi Airport Rail Link

The Suvarnabhumi Airport Rail Link (SARL) is a rapid transit line that connects Suvarnabhumi Airport to Phaya Thai station in central Bangkok. The line is 28.5km long and is elevated, running above the existing eastern railway, with an underground terminal at the airport. It is owned and operated by State Railway of Thailand (SRT). The SARL commenced its operations on 23 August 2010. There are a total of three lines: a 15-minute non-stop SA Express Line that runs from Makkasan station to the airport, an 18-minute non-stop SA Express Line that runs between Phaya Thai station and the airport, and the City Line, an approximate 30-minute commuter rail service with stops at eight stations from the airport to Phaya Thai station. The SARL connects directly with the existing BTS SkyTrain at concourse level at Phaya Thai station. From 14 April 2014 onwards, the SA Express Line to Phaya Thai station has been temporarily suspended until further notice.

## SRT Line

The SRT Line is part of the Light Red Line under the authority of SRT that runs between Bang Sue to Taling Chan and covers a total route length of 15.3km with 4 stations. This line commenced trial operations from 8 September to 30 November 2012 by diesel railcars and began providing temporary service on 5 December 2012.

## Bangkok Rapid Transit

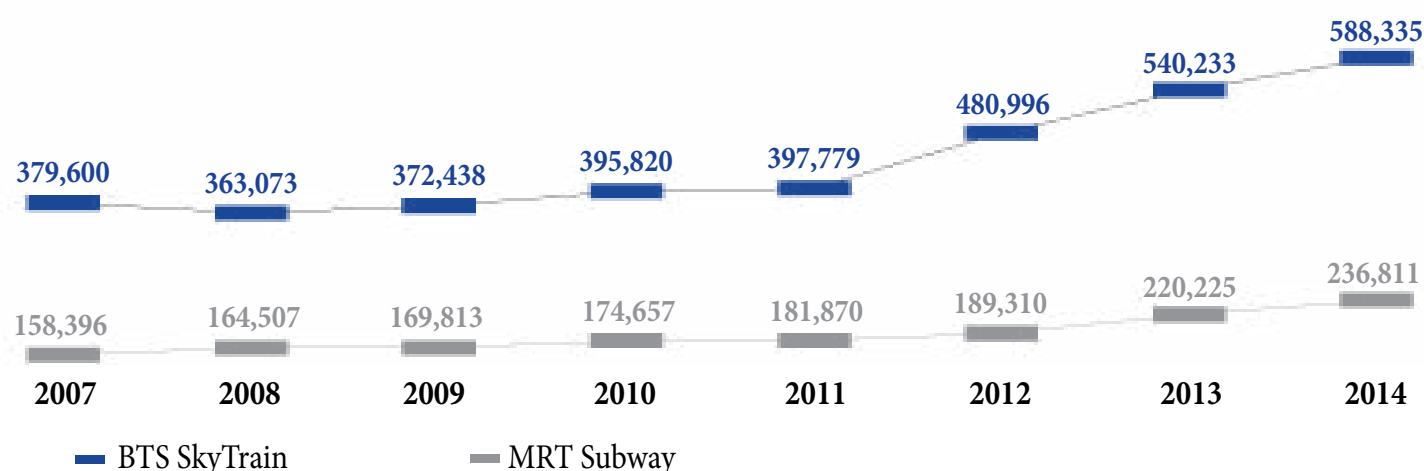
The Bangkok Rapid Transit (BRT) is a project pioneered by the BMA to link the various Bangkok mass transit systems and provide an integrated public service for the city and its suburbs. It operates a bus service that is faster than the general bus service using a special lane reserved for the BRT on existing roads. The BRT has 12 stations, covering 15.0km, running from Chong Nonsi on Narathiwat Ratchanakarin Road, crossing Rama III

Bridge to Ratchaphruek Road. The BRT Sathorn station is connected to the BTS Chong Nonsi station.

The BMA outsourced the management to BTSC via a Bus Operation Agreement as well as a Station Management Agreement. Under the Agreements, the BMA receives all the revenue from fares and BTSC receives pre-agreed annual fees. In return, BTSC bears the operating expenses, maintenance expenses and investment in the buses.

Whilst the expansion of the network will be of primary benefit to the public, ridership of the BTS SkyTrain, MRT Subway, Airport Rail Link, SRT Line and BRT can all expect to receive mutual benefit as each line acts as feeders to each other. However, as the Core Network of the BTS SkyTrain sits at the centre of the network expansion and covers the key commercial and residential routes, these should remain the ultimate destination for the majority of mass transit passengers.

**BTS SkyTrain (Core Network)\* and MRT Subway Average Daily Ridership (passengers/day)**



\*Fiscal year ended 31 March

Source: BTSC and Bangkok Metro PCL

**Ridership of Key Mass Transit System in Bangkok (mn trips)**

System Type	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BTS SkyTrain (Core Network)*	79.3	96.5	105.1	118.5	131.9	138.6	132.9	135.9	144.5	145.2	176.0	197.2	214.7
Growth (%)	N.A.	21.8	8.9	12.7	11.3	5.1	-4.1	2.3	6.3	0.5	21.3	12.0	8.9
MRT Subway				26.8	57.2	57.8	60.0	62.2	63.7	64.9	69.1	80.6	86.4
Growth (%)				N.A.	113.1	1.0	3.9	3.5	2.6	1.8	6.4	16.6	7.2

\*Fiscal year ended 31 March

Source: BTSC and Bangkok Metro PCL



# 3.0 BTS Rail Mass Transit Growth Infrastructure Fund

- 3.1 Fund Overview
- 3.2 Name List of Infrastructure Asset Manager
- 3.3 Management Structure of the Fund
- 3.4 Details of Asset of the Fund
- 3.5 Details of Infrastructure Asset Invested by the Fund
- 3.6 Details of Investment in Infrastructure Asset
- 3.7 Details of Sale of Infrastructure Asset
- 3.8 Details of Loan of the Fund
- 3.9 Total Expenses as Collected from Infrastructure Fund
- 3.10 List of Related Persons Having Transactions with the Fund
- 3.11 List of Soft Commission





# 3.1

## Fund Overview

### **BTS Rail Mass Transit Growth Infrastructure Fund**

Abbreviation as “BTSGIF”

### **Management Company**

BBL Asset Management Co., Ltd.

### **Fund Type**

Closed-end Infrastructure Fund

### **Term of Fund**

No specific term

### **Fund Objective**

To raise funds from investors via both domestic and international offerings. The funds raised from these offerings will be used to invest mainly in Infrastructure Businesses which have capability to generate sustainable income for the Fund so that the Fund could make distributions to the Unitholders and achieve long-term growth in distributions per unit in order to provide Unitholders with a competitive rate of return for their investment, as well as in other assets, securities, and/ or other instruments as permitted by the Securities Law.

### **Amount of Fund Capital (Registered)**

THB 62,510,400,000  
(Sixty-two billion, five hundred and ten million, four hundred thousand Baht)

### **Number of Investment Units**

5,788,000,000 Investment Units  
(Five billion, seven hundred and eighty-eight million Investment Units)

### **Par Value**

THB 10.80 per unit

### **Type of Investment Units**

Name registered

### **Financial Year of the Fund**

Financial year of the Fund shall end on 31 March of each year.

### **Fund Supervisor**

Standard Chartered Bank (Thai) Public Co., Ltd.  
Tel. 0-2724-5047

### **Fund Registrar**

Thailand Securities Depository (Thailand) Co., Ltd.  
Tel 0-2229-2888

### **Infrastructure Fund Manager**

Ms. Siriphen Wangdumrongves  
Ms. Warisara Techakulwirote

### **Mutual Fund Manager (Liquidity Portion)**

Mrs. Voravan Tarapoom  
Mr. Peerapong Jirasevijinda  
Ms. Sudarat Tippayatordtana  
Ms. Dusadee Papatana  
Mrs. Atikarn Bhanijkasem  
Ms. Priyanuch Klongkumnuankarn  
Ms. Chanikarn Leelathammarat  
Ms. Arunee Silpkarnpradit  
Ms. Sirarat Arunjit

### Investment Advisory Committee

Dr. Sompong Paksarsawan  
Mr. Sran Bunyasiri  
Mrs. Voravan Tarapoom  
Mr. Wasin Wattanaworakijkul  
Mr. Sudhipongse Phuaphanprasert  
Ms. Siriphen Wangdumrongves

### Investment Policy

The Fund used the proceeds from the Offering to invest in the Sale Revenue to be generated from the operation of the Core BTS SkyTrain System (being the original lines of the BTS SkyTrain System covering 23.5 kilometres, consisting of the 17 kilometre Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometre Silom line from National Stadium to Taksin Bridge) pursuant to the Concession Agreement, from the Closing Date until the Concession Expiry Date, which is 4 December 2029, the term of the Concession Agreement of which is 30 years, whereby the Fund and BTSC entered into the Net Revenue Purchase and Transfer Agreement.

### Investment in Initial Assets

The Initial Assets to be invested by the Fund are the Sale Revenue being all farebox revenues to be generated from the operation of the Core BTS SkyTrain System from the Closing Date until the Concession Expiry Date, after deducting all costs, expenses, excised tax, value added tax, house and land tax, custom levies, stamp duties, any taxes, capital expenditures, and fees, including litigation costs and expenses properly incurred by BTSC in connection with the operation and maintenance of the Core BTS SkyTrain System (as well as damages in relation to litigation claims and suits resulting from the operation and maintenance of the Core BTS SkyTrain System) after the Closing Date, but excluding any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC (such as indebtedness of BTSC under the BTSC Debentures), (ii) BTSC's corporate income tax and other tax penalties resulting from BTSC's negligence or wilful misconduct, (iii) costs and expenses in connection with the operation and maintenance of the Excluded Assets (other than costs and expenses in connection with the operation and maintenance of BTSC's assets, equipment and associated facilities which are used and necessary for the operation

and maintenance of the Core BTS SkyTrain System which are shared by BTSC), and (iv) costs and expenses which BTSC is responsible to pay in accordance with or pursuant to the Transaction Documents (according to the definition of "O&M Costs" in the Offering Memorandum). The Sale Revenue also includes all cash relating to all claims, awards, judgments, suits, causes of action in favourable to BTSC and any other rights of BTSC arising out of or related to such revenue and the Concession Agreement in relation to the operation of the Core BTS SkyTrain System (except for BTSC's rights and claims under the Concession Agreement to which BTSC is or has been entitled prior to the Closing Date regardless of whether BTSC makes or has made a claim or receives payment from such rights and claims before or after the Closing Date). The Fund will benefit fully from the increase in farebox revenue or the reduction of cost or capital expenditure, while BTSC will remain the operator of the Core BTS SkyTrain System under the Concession Agreement.

The O&M Costs to be deducted from the revenue which the Fund is entitled to receive from BTSC are limited only to those in connection with the operation of the Core BTS SkyTrain System, and do not include any costs and expenses related to other businesses of BTSC. Please refer to examples of O&M Cost to be deducted from the revenue which the Fund is entitled to receive from BTSC as listed in "Examples of O&M Cost" in the Offering Memorandum. In respect of the assets shared by the Core BTS SkyTrain System, the Extension BTS SkyTrain System and other extension lines in the future, the Fund and BTSC agree that the O&M Costs in connection with the operation of the Core BTS SkyTrain System to be deducted from the revenue which the Fund is entitled to receive from BTSC and the costs and expenses in connection with the operation of the Extension BTS SkyTrain System or any other future extension lines to be borne by BTSC will be determined based on the actual usage, the car kilometres, route length of each system or such other method as the Fund and BTSC may agree.

The Sale Revenue to be invested by the Fund does not include revenues generated from other BTSC's business operations including revenues from the operation of the Extension BTS SkyTrain System, the Bus Rapid Transit (the "BRT") under the agreements with the BMA, revenues from advertising and merchandising space in the BTS SkyTrain stations and on the trains and revenues from other businesses of BTSC.



## Investment in Additional Assets

The Fund may make additional investment in other Bangkok and Vicinity Mass Transit Systems other than the Initial Assets by exercising its right to purchase or the right of first refusal to purchase as set out under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement. Under the Net Revenue Purchase and Transfer Agreement, BTSC agrees to grant the Fund the right to purchase in respect of BTSC or its subsidiaries' revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSC or any of its subsidiaries, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects and brownfield projects for any Bangkok and Vicinity Mass Transit Systems of BTSC or any of its subsidiaries, as the case may be, under the terms and conditions of the Net Revenue Purchase and Transfer Agreement. Under the Sponsor Support and Guarantee Agreement, BTSG also agrees to grant the Fund the right to purchase in respect of revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSG or any of its affiliates, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects, and brownfield projects, for any Bangkok and Vicinity Mass Transit Systems of BTSG or BTSG's affiliates, as the case may be. The Fund's right to purchase and right of first refusal shall lapse upon expiration of the period of time specified under the Net Revenue Purchase and Transfer Agreement or Sponsor Support and Guarantee Agreement, as the case may be.

## Dividend Payment Policy

The Fund has as its policy to pay dividends to Unitholders more than once a year if the Fund has sufficient retained earnings.

(1) Subject to the Securities Law, any proposed payment of dividend will be made to all Unitholders from the "adjusted net profit", in aggregate for each financial year, at a rate of no less than 90% of the "adjusted net profit" within 90 days from the end of relevant financial year or the relevant dividend period or in the case of interim dividend payment.

"Adjusted net profit" shall mean the net profit of the Fund in

the relevant financial year, adjusted by:

- (a) deduction of the unrealised gain from the Appraisal of Infrastructure Assets and other adjustment items in accordance with the guideline of the Office of the SEC, to be in line with the cash basis of the Fund;
- (b) deduction of provision for cash flow for repair, maintenance or improvement of the Infrastructure Business of the Fund according to the plan clearly prescribed in the Offering Memorandum or as informed by the Management Company to the Unitholders in advance;
- (c) deduction of provision for cash flow for repayment of loans or obligations under the borrowing policy set out under "Borrowing Policy" specified in the Offering Memorandum as informed by the Management Company to the Unitholders in advance.

In the event that there are non-cash expenses (such as expenses that are gradually amortised or unrealised loss), the Management Company shall make provision for the items set out under (b) and (c) above in the amount not exceeding the result of the amount of the provision made under (b) and (c) above for each financial period less the non-cash expenses.

- (2) In the case that the Fund has retained earnings, the Management Company may make a dividend payment to the Unitholders from such retained earnings.
- (3) In case that the Fund has accumulated loss, the Management Company shall not pay dividend neither out of the adjusted net profit under (1) nor the retained earning under (2) above.

Where there is any amendment, addition or modification of the Securities Law relating to the dividend distribution of the Fund, the Management Company shall proceed in accordance with such amendments, additions or modifications.

## Dividend payment condition:

In considering the dividend payment, the Management Company reserves its rights not to make a dividend payment if such dividend in the relevant dividend payment period is THB 0.10 or less per Investment Unit. However, such dividend will be accumulated to the dividend payment at the end of the relevant financial year.

# 3.2

## Name List of Infrastructure Asset Manager

### Infrastructure Asset Manager

Bangkok Mass Transit System Public Company Limited  
("BTSC")

BTS Building, 1000 Phahonyothin Road,  
Chomphon, Chatuchak, Bangkok 10900  
Tel. 0-2617-7300

### Incentive Fees

(a) If the Net Farebox Revenues for any year is more than 100 percent but not exceeding 125 percent of the Annual Net Farebox Revenues Target for that year, BTSC shall be entitled to the Incentive Fees at

the rate of 10 percent of the Net Farebox Revenues in respect of the amount exceeding 100 percent but not exceeding 125 percent of the Annual Net Farebox Revenues Target.

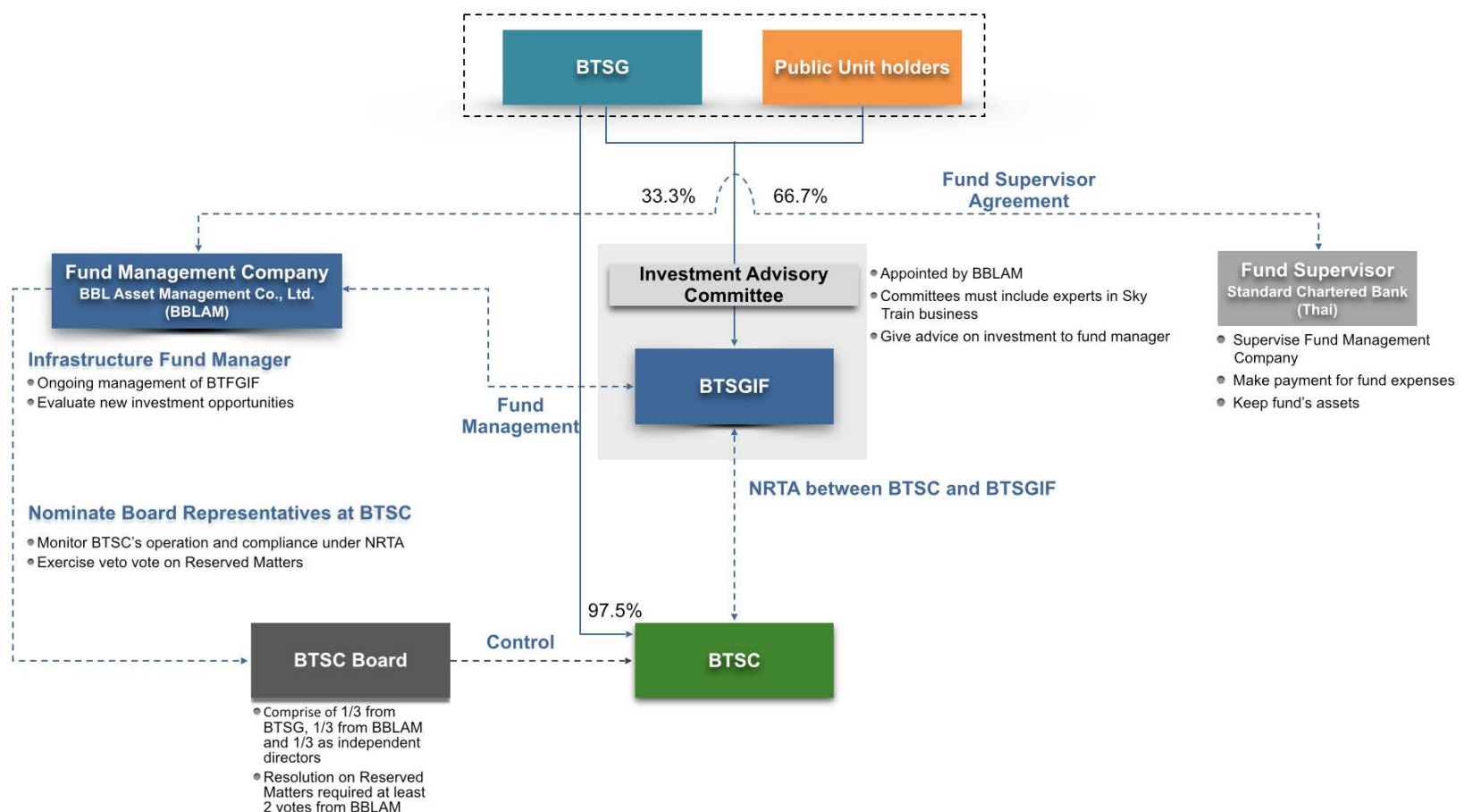
(b) If the Net Farebox Revenues for any year is more than 125 percent of the Annual Net Farebox Revenues Target for that year, BTSC shall be entitled to the Incentive Fees at the rate of 15 percent of the Net Farebox Revenues in respect of the amount exceeding 125 percent of the Annual Net Farebox Revenues Target.





# 3.3

## Management Structure of the Fund



The above diagram illustrates the structure of the Fund and the relationships among the Management Company, the Fund Supervisor, BTSC, the Sponsor (BTSG as a major shareholder in BTSC and a Unitholder of one-third of total number of the Investment Units of the Fund after the Offering), and other Unitholders upon the registration of the establishment of the Fund, and upon the completion under the Net Revenue Purchase and Transfer Agreement and relevant agreements.



# 3.4

## Details of Asset of the Fund

As at 31 March 2014

Asset	Fair Value / Market Value	
	THB	% of Net Asset Value
<b>1. Cash at banks</b>	77,557,850	0.12
<b>2. Investment in securities</b>		
Bonds	1,245,437,613	1.91
<b>Total</b>	<b>1,322,995,463</b>	<b>2.03</b>
<b>3. Investment in infrastructure business</b>		
Investment in net revenue purchase and transfer agreement	63,100,000,000	96.92
<b>Total</b>	<b>63,100,000,000</b>	<b>96.92</b>
<b>4. Other assets</b>		
Account receivable from interest	61,553	0.00
Deferred units issuance costs	757,287,953	1.16
Other assets	4,057,497	0.01
<b>Total</b>	<b>761,407,003</b>	<b>1.17</b>
<b>Total assets</b>	<b>65,184,402,466</b>	<b>100.12</b>
<b>5. Liabilities</b>		
Accounts payable from net revenue purchase and transfer agreement	47,127,254	0.07
Other payables and accrued expenses	27,825,862	0.04
Special business tax payable	4,622,963	0.01
Other liabilities	320,693	0.00
<b>Total liabilities</b>	<b>79,896,772</b>	<b>0.12</b>
<b>Net assets</b>	<b>65,104,505,694</b>	<b>100.00</b>
<b>No. of units</b>		<b>5,788,000,000 Units</b>
<b>Net assets value per unit</b>		<b>11.2481 Baht</b>

# 3.5

## Details of Infrastructure Asset Invested by the Fund

As at 31 March 2014

Details of Asset	Net farebox revenues to be generated from the operation of the Core BTS SkyTrain System covering 23.5 kilometres, consisting of the 17 kilometre Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometre Silom line from National Stadium to Taksin Bridge pursuant to the Concession Agreement. (The concession will expire on 4 December 2029)
Type of Asset	Right to receive benefit from future revenue from Rail Mass Transit Infrastructure Project
Operator	Bangkok Mass Transit System Public Company Limited 1000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok
Term	From 17 April 2013 to 4 December 2029
Investment Cost	THB 61,399,000,000
Latest Appraisal Value	THB 63,100,000,000 (as at 31 March 2014) by American Appraisal (Thailand) Ltd. using the income approach
Income per Year	Net farebox revenue from the date the Fund invested in infrastructure asset (17 April 2013) to 31 March 2014 is THB 3,773.817 million
Legal Obligation	None

# 3.6

## Details of Investment in Infrastructure Asset

### For Period from 17 April 2013 (Fund Registration Date) to 31 March 2014

Infrastructure Asset Invested	Net farebox revenues to be generated from the operation of the Core BTS SkyTrain System covering 23.5 kilometres, consisting of the 17 kilometre Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometre Silom line from National Stadium to Taksin Bridge pursuant to the Concession Agreement. (The concession will expire on 4 December 2029)
Seller	Bangkok Mass Transit System Public Company Limited
Term	From 17 April 2013 to 4 December 2029
Date of Investment	17 April 2013
Investment Cost	THB 61,399,000,000
Appraisal Value	<ul style="list-style-type: none"><li>• THB 61,000,000,000 as at 1 January 2013 by American Appraisal (Thailand) Ltd. using the income approach</li><li>• THB 59,400,000,000 as at 1 January 2013 by fnAsia Advisory Company Limited using the income approach</li></ul>
Expenses relating to the Investment	None
Reason for the Investment	Seek benefits from infrastructure asset in return for income and yield for the Fund and its unitholders



# 3.7

## Details of Sale of Infrastructure Asset

For Period from 17 April 2013 (Fund Registration Date) to 31 March 2014

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- None -

# 3.8

## Details of Loan of the Fund

**For Period from 17 April 2013 (Fund Registration Date) to 31 March 2014**

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- None -

# 3.9

## Total Expenses as Collected from Infrastructure Fund

For Period from 17 April 2013 (Fund Registration Date) to 31 March 2014

Fund's Direct Expenses	THB (thousand)	% of Net Assets Value
Management Fee	49,289.69	0.08
Trustee Fee	13,143.92	0.02
Registrar Fee	5,599.18	0.01
Amortisation of Deferred Units Issuance Costs	353,807.33	0.55
Professional Fees	6,294.68	0.01
Other Expenses	27,434.80	0.04
<b>Total Expenses</b>	<b>455,569.59</b>	<b>0.71</b>

Remark: Included VAT  
Average Net Asset THB 64,231,056,785



# 3.10

## List of Related Persons Having Transactions with the Fund

As at 31 March 2014

No.	List of Related Persons
1	Bangkok Mass Transit System Public Company Limited
2	Bangkok Bank Public Company Limited
3	Standard Chartered Bank (Thai) Public Company Limited

“The investor can inspect the transactions entered into with the related persons of the mutual fund at the Management Company directly or at the website of the management company ([www.bblam.co.th](http://www.bblam.co.th)) and the Office of SEC ([www.sec.or.th](http://www.sec.or.th))”

# 3.11

## List of Soft Commission

As at 31 March 2014

Company	Benefit	Reason
Bank of America, National Association	Research paper	For fund benefit
Bank of Ayudhya Public Company Limited	Research paper and Indicative Yield	For fund benefit
Bangkok Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit
BNP Paribas	Research paper and Indicative Yield	For fund benefit
CIMB Thai Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit
Citibank, N.A.	Research paper and Indicative Yield	For fund benefit
Deutsche Bank AG.	Research paper and Indicative Yield	For fund benefit
JPMorgan Chase Bank, National Association	Research paper and Indicative Yield	For fund benefit
Kasikornbank Public Company Limited	Research paper and Indicative Yield	For fund benefit
Krung Thai Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit
Thanachart Bank Public Company Limited	Indicative Yield	For fund benefit
Tisco Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit

**As at 31 March 2014**

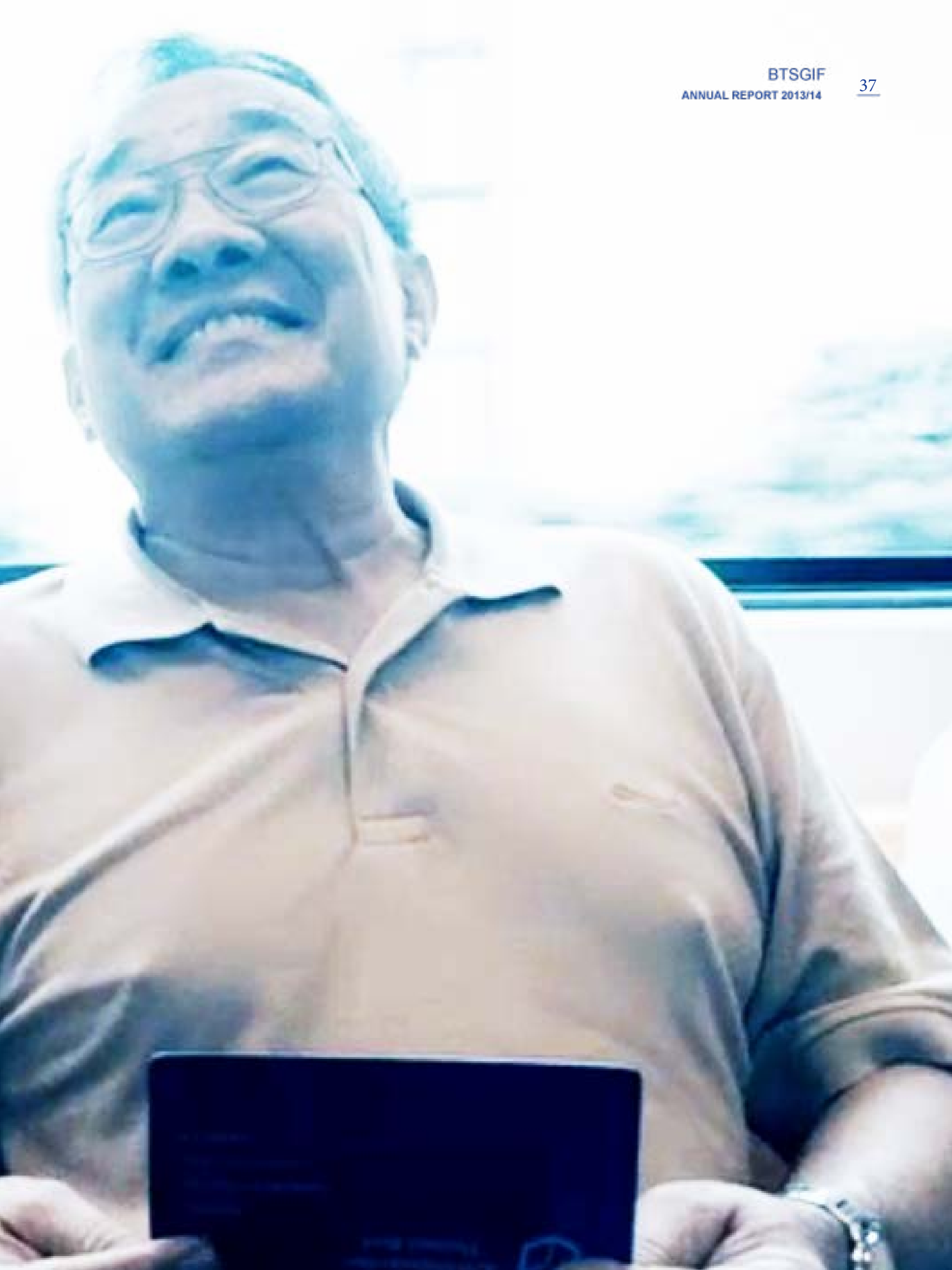
<b>Company</b>	<b>Benefit</b>	<b>Reason</b>
United Overseas Bank (Thai) Public Company Limited	Research paper and Indicative Yield	For fund benefit
Standard Chartered Bank (Thai) Public Company Limited	Research paper and Indicative Yield	For fund benefit
TMB Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit
The Hongkong And Shanghai Banking Corporation Limited	Research paper and Indicative Yield	For fund benefit
Siam Commercial Bank Public Company Limited	Research paper and Indicative Yield	For fund benefit
Asia Plus Securities Public Company Limited	Indicative Yield	For fund benefit
KGI Securities (Thailand) Public Company Limited	Indicative Yield	For fund benefit



# 4.0 Financial Information and Others

- 4.1 Management Discussion and Analysis
- 4.2 Dividend Payment History
- 4.3 List of Major Unitholders





# 4.1

## Management Discussion and Analysis

### Financial Performance

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#### Total Income

For FY2013/2014, total income was THB 3,808.58 mn and income from investment in net farebox revenue from Core BTS SkyTrain network under the concession agreement (NRTA) was THB 3,773.82 mn. For FY2013/2014, farebox revenue was THB 5,469.61 mn and operating and maintenance costs were THB 1,695.79 mn. Operating and maintenance cost comprised of cost of farebox of THB 1,229.51 mn, selling expenses of THB 83.72 mn, administrative expenses of THB 307.27 mn and CAPEX of THB 75.28 mn.

#### Total Expenses

Total expenses for FY2013/2014 were THB 455.57 mn. Total expenses for FY2013/2014 consisted of amortisation of deferred unit issuance costs of THB 353.81 mn, fund management fee and expenses of THB 74.33 mn and other expenses of THB 27.43 mn.

#### Net Investment Income

BTSGIF recorded net investment income for FY2013/2014 of THB 3,353.01 mn.

#### Unrealised Gain on Investments

For FY2013/2014, BTSGIF recognised an increase to the fair value of its investment in the net revenue purchase and transfer agreement (NRTA) by THB 1,701.00 mn (from THB 61,399.00 mn to THB 63,100.00 mn) thus recognising an unrealised gain on investment of THB 1,701.00 mn.

### Balance Sheet

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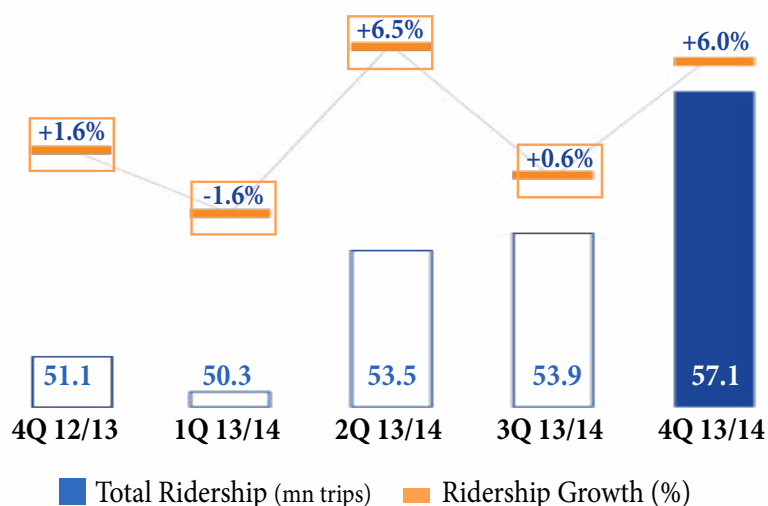
Total assets of BTSGIF as of 31 March 2014 stood at THB 65,184.40 mn. The main component was Investment in the NRTA of THB 63,100.00 mn, Investment in securities at fair value and Cash at bank of THB 1,322.99 mn and other assets of THB 761.41 mn (primarily deferred units issuance cost of THB 757.29 mn). Total liabilities stood at THB 79.89 mn. Net Asset Value (NAV) as of 31 March 2014 was THB 65,104.51 mn, equivalent to THB 11.2481 per unit.



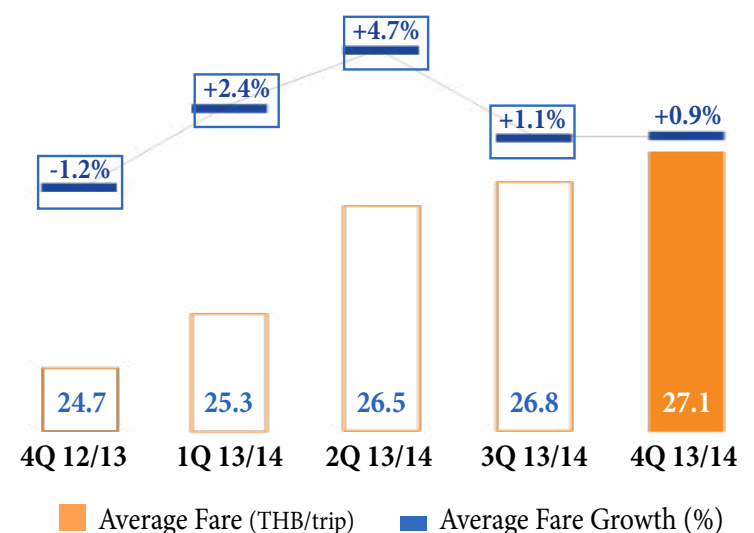
## BTS Operational Performance for FY2013/2014

Total ridership for FY2013/2014 (1 April 2013 – 31 March 2014) was 214.7mn trips, increasing 8.9% YoY. Average fare was THB 26.4 per trip, increasing 6.5% YoY. Key ridership growth factors included organic growth, the commencement of 4 stations (from Wongwian Yai - Bangwa) of the Silom line extension, which fed more passengers to the Core Network. To accommodate the increasing patronage, BTSC introduced additional carriages into service (all trains on the Sukhumvit line were extended from 3-car trains to 4-car trains since May 2013 and all of the new five 4-car trains which became available for service in February 2014). An increase in average fare resulted from the recent fare hike on 1 June 2013.

### BTS's HISTORICAL QUARTERLY RIDERSHIP



### BTS's HISTORICAL QUARTERLY AVERAGE FARE



# 4.2

## Dividend Payment History

**For Period from 17 April 2013 (Fund Registration Date) to 31 March 2014**

No.	Performance Period	Dividend Rate (THB/Unit)	Book Closing Date	Payment Date
1	17 Apr 2013 – 30 Jun 2013	0.117	3 Sep 2013	17 Sep 2013
2	1 Jul 2013 – 30 Sep 2013	0.158	29 Nov 2013	13 Dec 2013
3	1 Oct 2013 – 31 Dec 2013	0.150	28 Feb 2014	14 Mar 2014
4	1 Jan 2014 – 31 Mar 2014	0.154	9 Jun 2014	20 Jun 2014
Total		0.579		

Remark: The fund had amortization of issuance costs of THB 353.81 mn or equaled to THB 0.061 per unit which BBLAM will pay aforementioned amount in the form of capital reduction.

# 4.3

## List of Major Unitholders

As at 3 April 2014

No.	Name	No. of Units Held	% of Total Outstanding Units
1	BTS Group Holdings Public Company Limited	1,929,000,000	33.33
2	Littledown Nominees Limited	367,453,100	6.35
3	HSBC (Singapore) Nominees Pte Limited	238,650,218	4.12
4	Bangkok Life Assurance Public Company Limited	171,528,700	2.96
5	Chase Nominees Limited	170,423,200	2.94
6	Krungthai-AXA Life Insurance Public Company Limited	150,111,200	2.59
7	The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department	141,434,400	2.44
8	State Street Bank Europe Limited	136,499,740	2.36
9	State Street Bank and Trust Company	106,381,761	1.84
10	Social Security Office	91,568,700	1.58



# 5.0 Third Party Report

- 5.1 Auditor Report and Financial Statement
- 5.2 Fund Supervisor Report



# 5.1

## Auditor Report and Financial Statement



Building a better  
working world

EY Office Limited  
33rd Floor, Lake Rajada Office Complex  
193/136-137 Rajadapisek Road  
Klongtoey, Bangkok 10110  
G.P.O.Box 1047, Bangkok 10501, Thailand  
Tel: +66 2264 9090  
Fax: +66 2264 0789-90  
ey.com

บริษัท อัยการงาน จำกัด  
ชั้น 33 อาคารเลกเรจาดา  
193/136-137 ถนนรัชดาภิเษก  
คลองเตย กรุงเทพฯ 10110  
กล่องไปรษณีย์ 1047  
กรุงเทพฯ 10501  
โทรศัพท์: +66 2264 9090  
โทรสาร: +66 2264 0789-90  
ey.com

### Independent Auditor's Report

To the Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

I have audited the accompanying financial statements of BTS Rail Mass Transit Growth Infrastructure Fund, which comprise the balance sheet, including the details of investments as at 31 March 2014, and the related statements of income, changes in net assets, cash flows and significant financial information for the period from 17 April 2013 (date of registration) to 31 March 2014, and a summary of significant accounting policies and other explanatory information.

### Responsibility of Fund's Management for the Financial Statements

Fund's management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as Fund's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Fund's management, as well as evaluating the overall presentation of the financial statements.





I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Rail Mass Transit Growth Infrastructure Fund as at 31 March 2014, and its financial performance, cash flows, and significant financial information for the period from 17 April 2013 (date of registration) to 31 March 2014, in accordance with Thai Financial Reporting Standards.

Siraporn Ouuanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

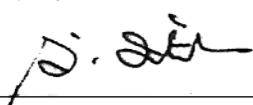
Bangkok: 23 May 2014



**BTS Rail Mass Transit Growth Infrastructure Fund**  
**Balance Sheet**

		(Unit: Baht)
	Note	31 March 2014
<b>Asset</b>		
Investment in the net revenue purchase and transfer agreement at fair value (at cost: Baht 61,399 million)	7	63,100,000,000
Investments in securities at fair value (at cost: Baht 1,242 million)		1,245,437,613
Cash at bank	9	77,557,850
Accounts receivable from interest		61,553
Deferred units issuance costs	10	757,287,953
Other assets		4,057,497
<b>Total assets</b>		<b>65,184,402,466</b>
<b>Liabilities</b>		
Accounts payable from the net revenue purchase and transfer agreement	11	47,127,254
Other payables and accrued expenses		27,825,862
Special business tax payable		4,622,963
Other liabilities		320,693
<b>Total liabilities</b>		<b>79,896,772</b>
<b>Net assets</b>		<b>65,104,505,694</b>
<b>Net assets</b>		
Registered capital		
5,788,000,000 units of Baht 10.80 each	12	62,510,400,000
Paid-in capital from unitholders	12	62,510,400,000
Retained earnings	13	2,594,105,694
<b>Net assets</b>		<b>65,104,505,694</b>
		-
Net asset value per unit		11.2481
Number of units issued - end of period (units)		5,788,000,000

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



(Mr. Winai Hirunpinyopard)  
Deputy Managing Director

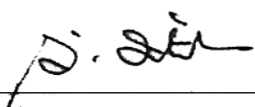
**BTS Rail Mass Transit Growth Infrastructure Fund****Details of investments****As at 31 March 2014**

Details of investments classified by asset classes

Type of investment	Cost (Baht)	Fair Value (Baht)	Percentage of Investment (Percent)
<b>Investment in the infrastructure business (Note 7)</b>			
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)	61,399,000,000	63,100,000,000	98.06
<b>Total investment in the infrastructure business</b>	<b>61,399,000,000</b>	<b>63,100,000,000</b>	<b>98.06</b>

Type of investment	Maturity date	Yield rate (Percent per annum)	Par Value (Baht)	Fair Value (Baht)	Percentage of Investment (Percent)	
<b>Investments in securities</b>						
<b>Bond</b>						
Bank of Thailand	CB14508A	8 May 2014	2.1900	45,000,000	44,898,295	0.07
Bank of Thailand	CB14515A	15 May 2014	2.1800	20,000,000	19,946,380	0.03
Bank of Thailand	CB14529B	29 May 2014	2.2050	190,000,000	189,335,097	0.29
Bank of Thailand	CB14605A	5 June 2014	2.0200 - 2.2200	825,000,000	821,902,493	1.29
Bank of Thailand	CB14605B	5 June 2014	2.1375	170,000,000	169,355,348	0.26
<b>Total investments in securities</b>				<b>1,250,000,000</b>	<b>1,245,437,613</b>	<b>1.94</b>
<b>Total investment</b>				<b>62,649,000,000</b>	<b>64,345,437,613</b>	<b>100.00</b>

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

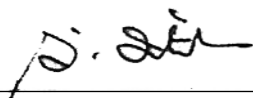


(Mr. Winai Hirunpinyopard)  
Deputy Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Income statement****For the period from 17 April 2013 (date of registration) to 31 March 2014**

	Note	Unit : Baht
<b>Investment income</b>		
Income from the investment in the net revenue purchase and transfer agreement	8, 11	3,773,816,796
Interest income		34,763,213
<b>Total income</b>		<b>3,808,580,009</b>
<b>Expenses</b>		
Management fee	11, 15	49,289,690
Trustee fee	15	13,143,917
Registrar fee	15	5,599,179
Professional fees		6,294,675
Amortisation of deferred unit issuance costs	10	353,807,333
Other expenses		27,434,798
<b>Total expenses</b>		<b>455,569,592</b>
<b>Net investment income</b>		<b>3,353,010,417</b>
<b>Unrealised gains on investments</b>		
Net unrealised gains on investments		1,700,995,277
<b>Total unrealised gains on investments</b>		<b>1,700,995,277</b>
<b>Increase in net assets resulting from operations</b>		<b>5,054,005,694</b>

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



(Mr. Winai Hirunpinyopard)

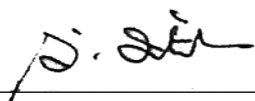
Deputy Managing Director



**BTS Rail Mass Transit Growth Infrastructure Fund****Statement of changes in net assets****For the period from 17 April 2013 (date of registration) to 31 March 2014**

	Note	Unit : Baht
<b>Increase in net assets resulting from operations during period</b>		
Net investment income		3,353,010,417
Net unrealised gains on investments		1,700,995,277
<b>Increase in net assets resulting from operations</b>		<b>5,054,005,694</b>
<b>Increase in paid-in capital from unitholders</b>	12	<b>62,510,400,000</b>
<b>Distributions to unitholders during period</b>	6, 14	<b>(2,459,900,000)</b>
<b>Increase in net assets during period</b>		<b>65,104,505,694</b>
<b>Net assets - beginning of period</b>		<b>-</b>
<b>Net assets - end of period</b>		<b>65,104,505,694</b>

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



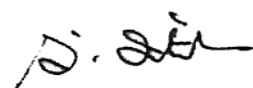
(Mr. Winai Hirunpinyopard)

Deputy Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Statement of cash flows****For the period from 17 April 2013 (date of registration) to 31 March 2014**

	Unit : Baht
<b>Cash flows from operating activities</b>	
Increase in net assets resulting from operations	5,054,005,694
Adjustments to reconcile the increase in net assets resulting from operations to net cash used in operating activities	
Purchases of investment in the net revenue purchase and transfer agreement	(61,399,000,000)
Purchases of investments in securities	(4,930,862,865)
Sales of investments in securities	3,708,000,000
Net purchases and sales of investments in securities	(1,222,862,865)
Increase in accounts receivable from interest	(61,553)
Increase in other assets	(4,057,497)
Increase in account payable from the net revenue purchase and transfer agreement	47,127,254
Increase in other payables and accrued expenses	27,825,862
Increase in special business tax payable	4,622,963
Increase in other liabilities	320,693
Amortisation of deferred units issuance cost	353,807,333
Amortisation of discounts on investments	(22,579,471)
Net unrealised gains on investments	(1,700,995,277)
<b>Net cash used in operating activities</b>	<b>(58,861,846,864)</b>
<b>Cash flows from financing activities</b>	
Proceed from paid-in capital from unitholders	62,510,400,000
Payment of the issuance costs	(1,111,095,286)
Distributions to unitholders	(2,459,900,000)
<b>Net cash from financing activities</b>	<b>58,939,404,714</b>
<b>Net increase in cash at bank</b>	<b>77,557,850</b>
Cash at bank at beginning of period	-
<b>Cash at bank at end of period</b>	<b>77,557,850</b>

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



(Mr. Winai Hirunpinyopard)  
Deputy Managing Director

**BTS Rail Mass Transit Growth Infrastructure Fund****Significant financial information****For the period from 17 April 2013 (date of registration) to 31 March 2014**

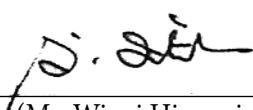
	Unit : Baht
<b>Operating performance (per unit)</b>	
Net asset value - beginning of period	-
Add: Paid-in capital from unitholders	10.8000
Income from investment operations	
Net investment income	0.5793
Net unrealised gains on investments	0.2938
Total income from investment operations	0.8731
Less: Distributions to unitholders during period	(0.4250)
Net asset value - end of period	11.2481
<b>Ratio of the increase in net assets resulting from operations to average net assets during the period (%)</b>	<b>7.87</b>

**Significant financial ratios and additional information**

Net assets - end of period (Baht)	65,104,505,694
Ratio of total expenses to average net assets during period (%)	0.71
Ratio of total investment income to average net assets during period (%)	5.93
Ratio of weighted average investment purchases and sales to average net assets during period (%)*	94.00
Average net assets during period (Baht)	64,231,056,785

\* 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 financial statements.



(Mr. Winai Hirunpinyopard)

Deputy Managing Director



**BTS Rail Mass Transit Growth Infrastructure Fund****Notes to financial statements****For the period from 17 April 2013 (date of registration) to 31 March 2014****1. Description of BTS Rail Mass Transit Growth Infrastructure Fund**

BTS Rail Mass Transit Growth Infrastructure Fund (“the Fund”) is a closed-end and infrastructure business fund. The Fund was established and registered as a 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 kilometre 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 31 March 2014, the Fund’s major unitholder is BTS Group Holdings Public Company Limited holding 33.33% of the Fund units issued.

**2. Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in Accounting Standard No. 106 “Accounting for Investment Business”.

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

**3. New accounting standards**

Below is a summary of accounting standards that became effective in the current accounting period and those that will become effective in the future.

**(a) Accounting standards that became effective in the current accounting period****Accounting standards:**

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

**Financial Reporting Standard:**

TFRS 8                      Operating Segments

**Accounting Standard Interpretations:**

TSIC 10                      Government Assistance - No Specific Relation to Operating Activities  
 TSIC 21                      Income Taxes - Recovery of Revalued Non-Depreciable Assets  
 TSIC 25                      Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Management Company has assessed the effect of these accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that they do not have any impact on these financial statements because those accounting and financial reporting standards, including accounting treatment guidance and various standard interpretations, are not relevant to the business of the Fund and the Fund's financial statements are prepared in accordance with the regulations and format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

**(b) Accounting standards that will become effective in the future**

<b>Accounting Standards:</b>		<b><u>Effective date</u></b>
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
<b>Financial Reporting Standards:</b>		<b><u>Effective date</u></b>
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
<b>Accounting Standard Interpretations:</b>		<b><u>Effective date</u></b>
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

<b>Financial Reporting Standard Interpretations:</b>		<b><u>Effective date</u></b>
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach <i>under TAS 29 Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Management Company has assessed the effect of these accounting standard, financial reporting standard and accounting and financial reporting standard interpretations that they will not have any significant impact on the financial statements for the years in which they are initially applied because those accounting and financial reporting standards, including various standard interpretations, are not relevant to the business of the Fund and the Fund's financial statements are prepared in accordance with the regulations and format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

#### **4. Significant accounting policies**

##### **4.1 Revenue and expense recognition**

Income from the investment in the net revenue purchase and transfer agreement is recognised as revenue on an accrual basis, at the amounts stipulated under the agreement.

Interest income is recognised as interest accrues, based on the effective rate method.

Premiums or discounts on debt instruments are amortised evenly throughout the remaining term of the debt instruments, using the effective rate method, and included as part of interest income.

Expenses are recorded on an accrual basis.

##### **4.2 Measurement of investment value**

Investment is recognised at cost, on the date on which the Fund receives the rights in the investment. The cost of investment comprises the purchase price and all direct expenses incurred by the Fund in their acquisition.

##### **Investment in the net revenue purchase and transfer agreement**

Investment in the net revenue purchase and transfer agreement is stated at fair value. The Management Company measured its fair value as at the balance sheet date using the latest appraisal value from the

appraisal report or the review report by an independent appraiser approved by the Securities and Exchange Commission. An appraisal will be made when economic conditions change, but at least every three years after the latest valuation date and to be reviewed every year after the latest valuation.

Gains or losses on valuation of investment (if any) are presented as net unrealised gains or losses in the statement of income.

### **Investments in securities**

Investments in marketable debt securities which can be freely traded on an open market are presented at their fair value, based on the latest yield rate quoted by the Thai Bond Market Association as of the date on which the investments are valued. The fair value of investments which cannot be freely traded on an open market is based on the yield rate as quoted by a market maker which the Management Company considers to be the nearest equivalent to fair value. Gains or losses from the valuation of investments are recorded as net unrealised gains or losses in the statement of income. To determine the cost of investments which are disposed of, the average method is used.

Investments in cash at banks, bills of exchange and non-transferable promissory notes are presented using the sum of principal and accrued interest as of the date on which the investment is valued to determine fair value. Accrued interest is separately presented in the balance sheet as “Accounts receivable from interest”.

### **4.3 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Fund, whether directly or indirectly, or which are under common control with the Fund.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Fund that gives them significant influence over the Fund, the Management Company, the Property Manager, key management personnel, directors, and officers of the Management Company with authority in the planning and direction of the Fund’s operations.

### **4.4 Accounts receivable from the net revenue purchase and transfer agreement**

Account receivable from the net revenue purchase and transfer agreement is stated at the net realisable value.

### **4.5 Issuance costs/ amortisation**

Amortisation is calculated using the straight-line basis over a period of 3 years.

### **4.6 Distribution to unitholders**

Decreases in retained earnings are recognised as at the date a dividend is declared.

### **4.7 Income tax**

The Fund has no corporate income tax liability since it is exempted from corporate income tax in Thailand.



#### 4.8 Provision

Provisions are recognised when the Fund has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### 5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires the Management Company to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follow:

##### **Fair value of investment**

The fair value of the investment in the net revenue purchase and transfer agreement is determined by reference to the appraise value from the appraisal report or the review report by an independent appraiser who uses income approach method. The determination of the fair value of the investment requires the use of estimates for the future cash flows from the Core BTS SkyTrain Business, comprising projected farebox revenues less projected operating and maintenance costs for the remaining period of the concession agreement. An appropriate discount rate is used to discount the series of the projected cash flows to present value of which the aggregate amount equals the fair value of the investment. The main assumptions used in the valuation are ridership, effective fare, repair and maintenance expenses, operation expense, capital expenditures and discount rates.

#### 6. Dividend policy and capital reduction

##### Dividend policy

The Fund has a policy to pay dividends to unitholders more than once a year if the Fund has sufficient retained earnings.

- 1) The Management Company is to pay dividend, in aggregate, not less than 90% of its adjusted net profit for the year. The Management Company will calculate the adjusted net profit by deducting from the net profit of the Fund the following items; unrealised gains from the appraisals or review of the value of the investments, and capital reserve for the repair, maintenance and improvement of the infrastructure business or repayment of any loan or commitment, in according to the plan specified in the prospectus or notified in advance by the Management Company to unitholders.
- 2) In case that the Fund has retained earnings, the Management Company may pay dividend distributions to unitholders out of such retained earnings.
- 3) In case that the Fund has accumulated losses, the Management Company will not pay the dividend neither from adjusted profit as mentioned in 1) nor from retained earnings as mentioned in 2).

The Management Company is to make the dividend payments under 1) within 90 days from the end of the accounting period to which the dividend payment relates, and no more than 90 days from the day following the date of closing the unitholders' register for the interim dividend purposes, unless necessary circumstances in which the Fund is unable to make the dividend payment within such timeframe. In such cases, the Management Company is to notify the unitholders in writing.

In considering the payment of dividends, if the value of interim dividends per unit to be paid is less than or equal to Baht 0.10, the Management Company reserves the right not to pay dividends at that time and to bring such dividends forward for payment together with the next dividend payment.

#### Capital reduction

The Management Company may reduce the Fund's capital in the followings cases:

- 1) the reduction of capital according to plans which may be determined by the Fund.
- 2) the Fund has excess liquidity after disposal of infrastructure assets and payment of dividend to the unitholders, provided that no retained earnings remain.
- 3) the Fund incurs non-cash expenses and such expenses need not be included for the calculation of the adjusted net profit of the Fund.
- 4) other cases as resolved by the unitholders.

The capital reduction pursuant to 2) or 3) above must be passed by a resolution from the unitholders.

### **7. Investment in the net revenue purchase and transfer agreement**

The Fund entered into a net revenue purchase and transfer agreement ("NRTA") with BTSC 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 ("BMA") and BTSC ("the Concession Agreement"), starting from the effectiveness of the net revenue purchase and transfer agreement (17 April 2013) until the expiration of the Concession Agreement (4 December 2029). The net revenue purchased by the Fund includes, without limitation, farebox revenues, and any rights and claims under or in connection with or pursuant to the Concession Agreement, after deducting all costs, expenses, capital expenditures, and fees incurred by BTSC in connection with the operating and maintenance of the Core BTS SkyTrain System (other than any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC) and selling and administrative expenses. All net revenue and other rights and claims to be purchased by the Fund pursuant to the NRTA does not include revenues generated from BTSC's other business operations, including revenues from the operation of the Extension BTS SkyTrain System, and the Bus Rapid Transit System under agreements with the BMA, and revenues from advertising and merchandising space on the BTS SkyTrain stations and on the trains.

As stipulated in the NRTA, BTSC agreed to fully reimburse the Fund for any special 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 fees 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

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.

The Fund paid Baht 61,399 million on 17 April 2013 for the investment in the NRTA and has recorded the fair value adjustment during the period from 17 April 2013 to 31 March 2014 as summarised below.

	Unit: Thousand Baht
Investment in the net revenue purchase and transfer agreement - at cost	61,399,000
Add: Unrealised gain during period	1,701,000
Investment in the net revenue purchase and transfer agreement - fair value	63,100,000

## 8. Income from the investment in the net revenue purchase and transfer agreement

For the period from 17 April 2013 to 31 March 2014

	Unit: Thousand Baht
Farebox revenue	5,469,612
Less: Operating expenses	(1,289,877)
Repair and maintenance expenses	(330,633)
Capital expenditures	(75,285)
Net revenue from investment	3,773,817

## 9. Cash at bank

Bank/account type	Principal (Thousand Baht)	Interest rate (% per annum)
Bangkok Bank Public Company Limited		
Saving account	67,693	0.50
Standard Chartered Bank (Thai) Public Company Limited		
Saving account	9,865	1.00
Total	77,558	

**10. Deferred unit issuance costs**

As at 31 March 2014

	Unit: Thousand Baht
Unit issuance costs	1,111,095
Less: Accumulated amortisation	(353,807)
Net book value	757,288
Amortisation expenses included in the statement of income for the period from 17 April 2013 to 31 March 2014	353,807

**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 period from 17 April 2013 to 31 March 2014

	Unit: Thousand Baht	Pricing policy
<b>BBL Asset Management Company Limited</b> (the Management Company)		
Management fee	49,290	The basis stated in the prospectus
<b>Bangkok Mass Transit System Public Company Limited</b> (a subsidiary of the major unitholder)		
Acquire the investment in the net revenue purchase and transfer agreement	61,399,000	The basis stated in the agreement
Income from the investment in the net revenue purchase and transfer agreement	3,773,817	The basis stated in the agreement
Reserve for incentive fee expense	20,935	The basis stated in the agreement
Reimbursement of the special business tax	54,757	The basis stated in the agreement, as incurred

As at 31 March 2014, the Fund has the following significant outstanding balances with its related companies.

	Unit: Thousand Baht
<b>BBL Asset Management Company Limited</b>	
Accrued management fee	4,438
<b>Bangkok Mass Transit System Public Company Limited</b>	
Account payable from the net revenue purchase and transfer agreement	47,127
Accrued incentive fee	20,935



## 12. Registered Capital

Movements of the investment units and capital from unitholders during the period from 17 April 2013 to 31 March 2014 are as follow.

	Units (Thousand units)	Capital (Thousand Baht)
Beginning of period	-	-
Paid in capital from unitholders	5,788,000	62,510,400
End of period	5,788,000	62,510,400

## 13. Retained earnings

For the period from 17 April 2013 to 31 March 2014

	Unit: Thousand Baht
Retained earnings - beginning of period	-
Add: Net investment income	3,353,011
Unrealised gains on investments	1,700,995
Less: Distributions to unitholders during period	(2,459,900)
Retained earnings - end of period	2,594,106

## 14. Distributions to unitholders

Dividend declared during the period from 17 April 2013 to 31 March 2014 consisted of the following.

Declared date	For the operations period	Per unit (Baht)	Total (Thousand Baht)
20 August 2013	17 April 2013 to 30 June 2013	0.117	677,196
12 November 2013	1 July 2013 to 30 September 2013	0.158	914,504
11 February 2014	1 October 2013 to 31 December 2013	0.150	868,200
Total dividends for the period from 17 April 2013 to 31 March 2014		0.425	2,459,900

## 15. Expenses

The Management Company calculates the management fee, trustee fee and registrar fee as follows:

### Management fee

A management fee is calculated and charged to the Fund's account on a monthly basis at a rate of 0.075% per annum of the Fund's net assets. The minimum charge is Baht 10 million per annum (excludes value added tax or any other similar tax).

**Trustee fee**

A trustee fee is calculated and charged to the Fund's account on a monthly basis at a rate of 0.02% per annum of the Fund's net assets. The minimum charge is Baht 350,000 per month (excludes value added tax or any other similar tax) and the foregoing does not include other expense as actually incurred such as fund transfer fee, bank charges, the expenses for the inspection of assets of the Fund.

**Registrar fee**

A registrar fee is calculated at a rate of 0.023% per annum of the Fund's registered capital. The maximum charge is Baht 5 million per annum (excludes value added tax or any other similar tax).

**16. Commitments**

- (a) The Fund is committed to pay fees to counterparties as described in the note 15 to the financial statements.
- (b) The Fund is committed to pay the incentive fee as described in the note 7 to the financial statements.
- (c) The Fund has commitments with contingent expenses as stipulated in the net revenue purchase and transfer agreement on behalf of BTSC as follows.

**Capital commitments**

The Fund had capital commitments in respect of changes and improvements to the signaling system for the elevated train operation and the acquisition of equipment for the Automatic Fare Collection System.

**Lease and service commitments**

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

**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.

**Guarantees**

The Fund had outstanding bank guarantees amounting to Baht 42 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.

**17. 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 it was 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.

## 18. Financial instruments

### 18.1 Financial risk management

The Fund's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise investments in securities, cash at bank and account receivable and account payable from the net revenue purchase and transfer agreement. The financial risks associated with these financial instruments and how they are managed is described below.

#### *Credit risk*

The Fund is exposed to credit risk primarily with respect to account receivable from the net revenue purchase and transfer agreement. The Management Company manages the risk by collection of cash receipts of fare box revenues from BTSC daily, and therefore the Fund does not expect to incur material financial losses.

#### *Interest rate risk*

The Fund's exposure to interest rate risk relates primarily to its investments in securities and cash at bank. However, since most of the Fund's financial assets bear fixed interest rates which are close to the market rate or floating interest rates, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 March 2014 classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

As at 31 March 2014

(Unit: Million Baht)

	Fixed interest rates within 1 year	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>					
Investments in securities	1,245	-	-	1,245	2.02 - 2.22
Cash at bank	-	78	-	78	0.50 - 1.00
<b>Financial liabilities</b>					
Account payable from the net revenue purchase and transfer agreement	-	-	47	47	-
Other payable and accrued expenses	-	-	28	28	-
Special business tax payable	-	-	5	5	-

***Foreign currency risk***

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund considers itself no foreign currency risk because it has no foreign currency transactions, and no financial assets and liabilities denominated in foreign currencies outstanding at the balance sheet date.

**18.2 Fair values of financial instruments**

Since the majority of the Fund's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

**19. Capital management**

The primary objectives of the Fund's financial management are to maintain its ability to continue as a going concern and to maintain an appropriate capital structure in order to provide returns for unitholders in accordance with the Fund's establishment objective.

**20. Approval of financial statements**

These financial statements were authorised for issue by an authorised person of the Management Company on 23 May 2014.





### Mutual Fund Supervisor Report

To: Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

Whereas Standard Chartered Bank (Thai) Public Company Limited, the Mutual Fund Supervisor of BTS Rail Mass Transit Growth Infrastructure Fund which is managed by BBL Asset Management Co., Ltd. has performed duties as the Mutual Fund Supervisor of the Fund during the fiscal year commencing from 17 April 2013 and ending on 31 March 2014

During that period BBL Asset Management Co., Ltd. has, in our view, managed the Fund, in accordance with the fund investment scheme approved by the Office of the Securities and Exchange Commission, and the commitment to the unitholders under the Securities Exchange Act B.E. 2535 in all material respects.

Standard Chartered Bank (Thai) Public Company Limited

(Setsit Keinwichitr)  
Mutual Fund Supervisor

Standard Chartered Bank (Thai) Public Company Limited  
1 April 2014

# 6.0 Fund Manager: BBL Asset Management Company Limited

- 6.1 Company Profile
- 6.2 Achievements and Awards





# 6.1

## Company Profile

### **BBL Asset Management Company Limited**

BBL Asset Management Co., Ltd. was registered on 19 March 1992 with a fully paid-up registered capital of THB 100 mn, the registered number 0105535049700. It was granted a license to operate asset management business from the Ministry of Finance under the license number LorKor-0005-02 dated on 15 January 2010.

### **Location of the Office**

BBL Asset Management  
Company Limited  
175 Sathorn City Tower,  
7th, 21st and 26th floor  
South Sathorn Road,  
Sathorn, Bangkok  
10120  
Tel: 0-2674-6488  
Fax: 0-2679-5996  
[www.bblam.co.th](http://www.bblam.co.th)



# MONEY AWARDS

# ม.ร.ว. ม.ร.ว.





# RETAIL & BANKING AWARDS 2014

## รางวัลธนาคาร

### RETAIL & BANKING MAGAZINE



# 6.2

## Achievements and Awards

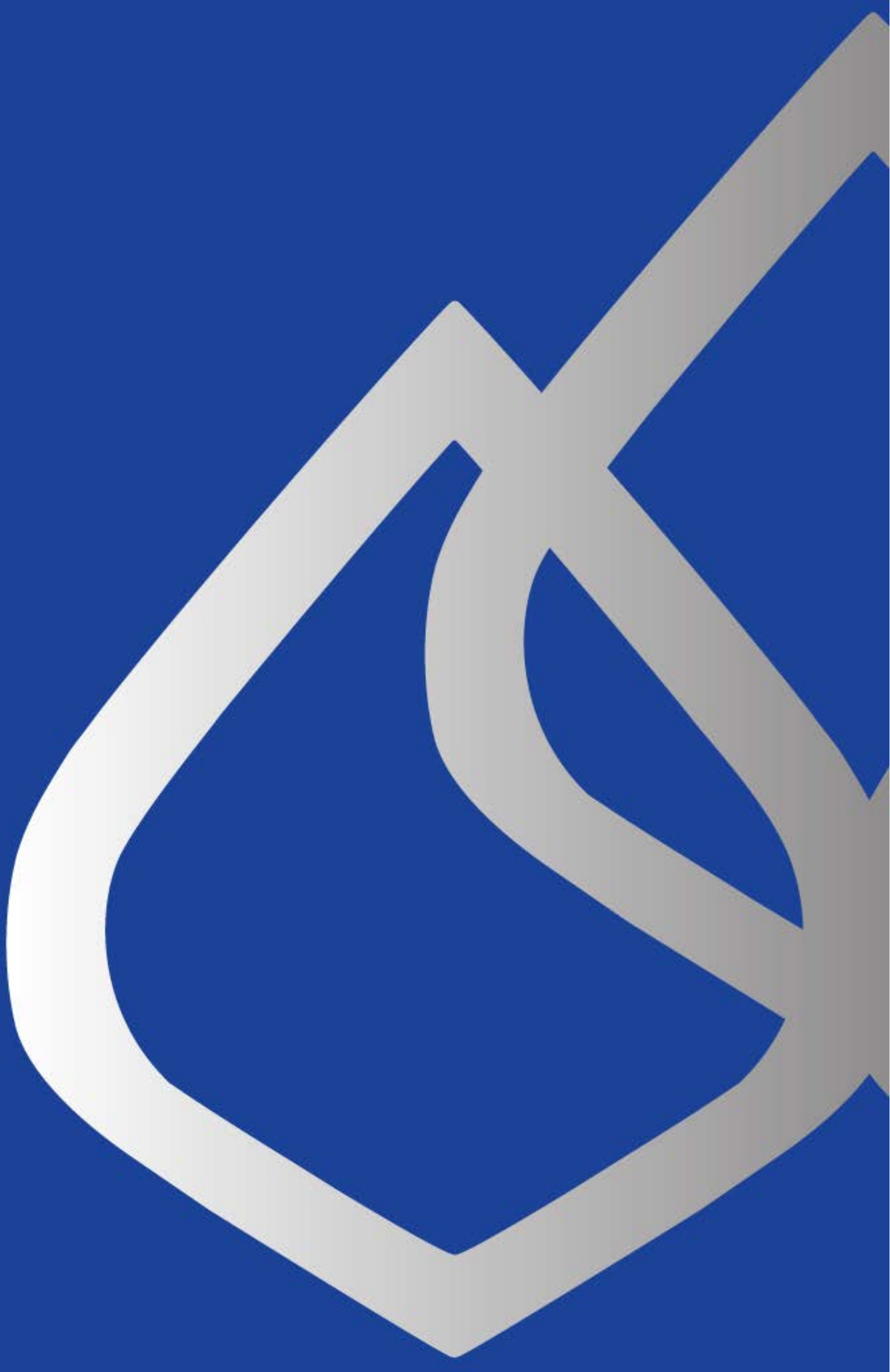
### Achievements and Awards

- |      |   |
|------|---|
| 2014 | <ul style="list-style-type: none"><li>• BEST MUTUAL FUND OF THE YEAR 2014 (MONEY &amp; BANKING AWARDS)<ul style="list-style-type: none"><li>- Best Mutual Fund - Equity Large Cap : Buakaew Fund</li><li>- Best Mutual Fund - Equity General : Buakaew 2 Fund</li><li>- Best Mutual Fund - Equity Retirement Mutual Fund : Bualuang Equity RMF</li><li>- Best Mutual Fund - Long Term Equity (LTF 70/30) : Bualuang LTF 75/25</li><li>- Best Mutual Fund - Long Term Equity (LTF 100) : Bualuang LTF</li></ul></li><li>• Asian Legal Business SE Asia Law Awards<ul style="list-style-type: none"><li>- The Equity Market Deal of the Year : BTS Rail Mass Transit Growth Infrastructure Fund</li></ul></li><li>• SET &amp; Morningstar Thailand Fund Awards 2014<ul style="list-style-type: none"><li>- Best Mutual Fund - Fixed Income Retirement Mutual Fund : Bualuang Fixed-Income RMF</li></ul></li><li>• International Financing Review (IFR) Asia Awards 2013<ul style="list-style-type: none"><li>- The Regional Equity Issue of the Year and Thailand Equity Issue of the Year : BTS Rail Mass Transit Growth Infrastructure Fund</li></ul></li><li>• Asiamoney Awards 2013 : BTSGIF<ul style="list-style-type: none"><li>- The Country Deals of the Year : Thailand : BTS Rail Mass Transit Growth Infrastructure Fund</li></ul></li></ul>   |
| 2013 | <ul style="list-style-type: none"><li>• The Asset Triple A Regional House and Deal Awards 2013<ul style="list-style-type: none"><li>- The Best Equity Deal in 2013 : BTS Rail Mass Transit Growth Infrastructure Fund</li></ul></li><li>• Finance Asia Achievement Awards 2013<ul style="list-style-type: none"><li>- The Best IPO in Asia in 2013 : BTS Rail Mass Transit Growth Infrastructure Fund</li></ul></li><li>• Awards of SET Awards 2013<ul style="list-style-type: none"><li>- Best Asset Management Company Awards : BBL Asset Management Co., Ltd.</li></ul></li><li>• Reader's Digest Trusted Brands Gold Award™ 2013<ul style="list-style-type: none"><li>- Trusted Brand Gold Award, Investment Fund Company : BBL Asset Management Co., Ltd.</li></ul></li><li>• BEST MUTUAL FUND OF THE YEAR 2013 (MONEY &amp; BANKING AWARDS)<ul style="list-style-type: none"><li>- Best Mutual Fund - Equity Large Cap : Bualuang Top-Ten Fund</li><li>- Best Mutual Fund - Equity Retirement Mutual Fund : Bualuang Equity RMF</li><li>- Best Mutual Fund - Long Term Equity (LTF 70/30) : Bualuang LTF 75/25</li><li>- Best Mutual Fund - Long Term Equity (LTF 100) : Bualuang LTF</li></ul></li><li>• Morningstar Thailand Fund Awards 2013<ul style="list-style-type: none"><li>- Best Mutual Fund - Equity Large Cap : Bualuang Top-Ten Fund</li><li>- Best Mutual Fund - Long Term Equity : Bualuang LTF</li></ul></li></ul> |

### Achievements and Awards

2012	<ul style="list-style-type: none"> <li>• SET Awards 2012 <ul style="list-style-type: none"> <li>- Best Asset Management Company Awards : BBL Asset Management Co., Ltd.</li> </ul> </li> <li>• Best Provident Fund Awards 2012 <ul style="list-style-type: none"> <li>- Best Provident Fund (Pooled Fund Type) by Ministry of Finance : Sinsathaporn Registered Provident Fund</li> </ul> </li> </ul>
2009	<ul style="list-style-type: none"> <li>• SET Awards 2009 <ul style="list-style-type: none"> <li>- Best Asset Management Company Awards : BBL Asset Management Co., Ltd.</li> </ul> </li> <li>• The Post Lipper Thailand Fund Awards 2009 <ul style="list-style-type: none"> <li>- Best Equity Fund over 3 years and 5 years : Bualuang Top-Ten Fund</li> <li>- Best Flexible Fund over 3 years and 5 years : Bualuang Flexible RMF</li> <li>- Best Equity Assets Group over 3 years : BBL Asset Management Co., Ltd.</li> </ul> </li> </ul>
2008	<ul style="list-style-type: none"> <li>• The Post Lipper Thailand Fund Awards 2008 <ul style="list-style-type: none"> <li>- Best Equity Fund over 5 years : Bualuang Infrastructure Fund</li> <li>- Best Equity Fund over 3 years : Bualuang Top-Ten Fund</li> <li>- Best Flexible Fund over 3 years and 5 years : Bualuang Flexible RMF</li> </ul> </li> </ul>
2007	<ul style="list-style-type: none"> <li>• The Post Lipper Thailand Fund Awards 2007 <ul style="list-style-type: none"> <li>- Best Equity Assets Group over 3 years : BBL Asset Management Co., Ltd.</li> </ul> </li> </ul>
2006	<ul style="list-style-type: none"> <li>• The Post Lipper Thailand Fund Awards 2006 <ul style="list-style-type: none"> <li>- Best Equity Fund over 3 years : Bualuang Infrastructure Fund</li> </ul> </li> </ul>
2005	<ul style="list-style-type: none"> <li>• SET Awards 2005 <ul style="list-style-type: none"> <li>- Best Asset Management Company Awards - Equity Fund : BBL Asset Management Co., Ltd.</li> <li>- Best Asset Management Company Awards - Flexible Portfolio Fund : BBL Asset Management Co., Ltd.</li> </ul> </li> </ul>
2004	<ul style="list-style-type: none"> <li>• SET Awards 2004 <ul style="list-style-type: none"> <li>- Best Asset Management Company Awards - General Fixed Income Fund : BBL Asset Management Co., Ltd.</li> </ul> </li> </ul>

Remark: Past performance of the mutual fund cannot be guaranteed of its future performance. Investors are advised to study the relevant information, including the investment policy, risk and fund performance before deciding to invest.







At BBLAM, we grow your money, prudently

175 Sathorn City Tower, 7th, 21st and 26th Floor,  
South Sathorn Road, Sathorn, Bangkok 10120  
[www.bblam.co.th](http://www.bblam.co.th)