



Annual Report

**BTS Rail Mass Transit Growth Infrastructure Fund
(BTSGIF)**

For Period from 1 April 2016 to 31 March 2017

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Part 1

The Fund's Operation

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Policy, Overall Business and Seeking of Benefits

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Fund Information



1.1 Name, Type, Fund Capital and Term of Fund

| | |
|--|--|
| Fund Name | BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”) |
| Fund Type | Closed-end Infrastructure Fund |
| Fund Capital | |
| • Registration Date | THB 62,510,400,000 (Sixty-two billion, five hundred and ten million, four hundred thousand Baht) |
| • After the 1st Reduction of Capital | THB 62,064,724,000 (Sixty-two billion, sixty-four million, seven hundred and twenty-four thousand Baht) |
| • After the 2nd Reduction of Capital | THB 61,786,900,000 (Sixty-one billion, seven hundred and eighty-six million, nine hundred thousand Baht) |
| • After the 3rd Reduction of Capital | THB 61,416,468,000 (Sixty-one billion, four hundred and sixteen million, four hundred and sixty-eight thousand Baht) |
| Term of Fund | No specific term |

1.2 Name of Management Company and Fund Supervisor

| | |
|---------------------------|---|
| Management Company | BBL Asset Management Company Limited |
| Fund Supervisor | Standard Chartered Bank (Thai) Public Company Limited |

Policy, Overall Business and Seeking of Benefits

2

2.1 Vision, Objective, Goal and Operating Strategies

- **Vision, Objective and Goal**

The Fund has been established with the key objective of investing in Rail Mass Transit Infrastructure Business which has 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.

The Initial Assets to be invested by the Fund are the net 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.

- **Operating Strategies**

1. Growth in Initial Asset

Initial Asset growth opportunities lie in the increase in ridership and fare adjustment. With on-going development and expansion of Bangkok metropolitan, it is expected that demands for mass transit system continue to grow particularly those routes to downtown Bangkok where only a few rail mass transit systems are available, one of which is the Initial Asset. Therefore, the Fund stands directly benefit from such growth.

In addition, the Fund has a policy to create growth of distribution payments made to all Unitholders through increase in net revenue to be received by the Fund in investing in the Initial Asset. The Fund has a policy to create such growth by the following strategy:

- (1) Fare adjustment

Under the Concession Agreement, BTSC can adjust the effective fare provided that such effective fare is not in excess of the authorised fare. As of 1 April 2013, the authorised fare was adjusted to Baht 20.1-60.3 and on 1 June 2013, the effective fare was adjusted to Baht 15-42.

The effective fare can be adjusted not more frequently than once every 18 months and the last increase was made by BTSC in 2013. However, BTSC adjusted promotional prices for 30-Day trips for adults (increasing THB 3 per trip), 30-Day trips for students (increasing THB 2 per trip)

and One-Day pass (to THB 140) on 1 July 2015. Furthermore, on 2 January 2016, BTSC announced the expiration of promotional fares for stored-value card to normal fare THB 15-42.

Moreover the authorised fare can be increased according to terms and conditions set out in the Concession Agreement, including if the monthly consumer price index for Bangkok area is equal to or exceeds 5% of the reference index of any of the preceding 12 months where adjustment of up to 7% can be made. Adjustment can also be made upon other special events, such as significant change in electricity charges. Each fare adjustment must comply with the procedures set out in the Concession Agreement which may include obtaining an approval from the BMA or the advisory committee, or be subject to the government policy at the relevant time. In the past, fare increase resulted in an increase in revenue despite the drop in ridership.

(2) Additional investment to service expected ridership growth

To accommodate the potential growth in ridership, the Fund and BTSC plan for additional investment in new rolling stocks for the Initial Asset. The investment costs for the purchase of additional rolling stocks to be used for the Core BTS SkyTrain System each year will form a part of the O&M Costs which will be deducted from the Net Revenue to be delivered by BTSC to the Fund.

The Fund and BTSC plan to invest in 12 additional carriages (as allocated as costs of the Fund) which expects to require around Baht 800 million, the payment of which may be made during the account period for the year 2016/17 to 2019/20 at the rate of 35%, 25%, 35% and 5% respectively.

(3) Close and careful monitoring the business and operations of Infrastructure Assets

The Fund is entitled to monitor operations of BTSC or any other relevant persons in relation to the operation or management of the Infrastructure Business. The monitoring can be made in a number of ways, for the Initial Assets, the Fund's monitoring system includes the Fund's right to nominate directors of BTSC, the right to control significant matters of BTSC (i.e. Reserved Matters and the matters restricted as negative undertaking), the right to review documents and records related to BTS SkyTrain System operations and BTSC's obligation to report results of operations to the Fund on regular basis, etc.

Moreover, under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, undertaking of or entering into any Reserved Matter (e.g. incurring any new capital expenditure or indebtedness in the amount or type not permitted and undertaking of any new lines of business) requires an approval from a board of directors' meeting of BTSC having at least two affirmative votes from directors of BTSC nominated by the Fund. In addition, to the extent permissible by laws, the Reserved Matters shall be incorporated in BTSC's Articles of Association to the effect that the entering into any Reserved Matter by BTSC shall be approved by the board of directors of BTSC having affirmative vote from at least one BTSC's director who is nominated by the Fund; however, if BTSC's Articles of Association cannot be registered in such manner, BTSC and BTSG are still obligated to comply with the Reserved Matters

approval requirement of at least two affirmative votes from BTSC's directors who are nominated by the Fund, as agreed under the Net Revenue Purchase and Transfer Agreement or the Sponsor Support and Guarantee Agreement, as the case may be. In respect of the matters prohibited under the negative undertakings as set out under the Net Revenue Purchase and Transfer Agreement, BTSC must obtain consent of the Fund prior to the undertaking thereof pursuant to the Net Revenue Purchase and Transfer Agreement. Under the Net Revenue Purchase and Transfer Agreement, if at least two members of BTSC board of directors representing the Fund approve the Reserved Matters which are the same matters prohibited under the negative undertakings of BTSC, such approval shall deem to be the Fund's consent for BTSC to carry out such same matters prohibited under the relevant negative undertakings of BTSC.

The Fund has nominated persons whom the Fund deems appropriate as directors in BTSC board of directors which will allow the Fund to closely monitor the operations and performance of obligations under relevant agreements to ensure that the business plans and annual budgets approved by the Fund are met. So that any issues or events which may affect the Value of the Investment Units or proceeds receivable by Unitholders can be immediately identified and resolved.

2. Growth strategy for investment in other Infrastructure Assets

¹Rail Mass Transit Expansion Plan in Bangkok Metropolitan Region provides a number of expansion projects comprising more than 12 routes for a total of approximately 515.2 kilometres within 2029. Such expansion requires huge amount of investment to develop the system and procurement of the trains to provide the service. It offers good opportunities for the Fund to invest in these projects to generate the growth of the Fund and the payment of return to the Unitholders.

The Management Company intends to identify, evaluate and selectively pursue value-enhancing investment and acquisition opportunities with attractive cashflow generation characteristics and long-term distribution growth potential. The Management Company seeks to adhere to its investment mandate by only undertaking investments or acquisitions on a selective basis where it believes the investments or acquisitions will be value-enhancing to the Fund's portfolio. Where the Fund pursues investment and acquisition opportunities, the Management Company will consider the efficient financing structure to optimize risk-adjusted returns to Unitholders.

To achieve the growth strategy through investment in other projects, the Management Company will cooperate with BTSG and BTSC which agree to provide assistance to the Fund as follows:

(1) Right of First Refusal and Right to Purchase Revenues from BTSC and/or BTSG group

The BTS SkyTrain System in Bangkok is the core business of BTSC and/or BTSG. BTSC and BTSG plan to continue to expand and make additional investment in the business. BTSC agrees to grant the Fund the right to purchase in respect of BTSC's 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

¹ Source : www.mrta.co.th, www.otp.gp.th

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. In addition, under the Sponsor Support and Guarantee Agreement, BTSG 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.

Therefore if the Fund determines that any future projects to be developed by BTSC, BTSG, and/or any of BTSG's affiliates have potential, the Fund will have the right to invest in such projects. This offers growth opportunities for the Fund as well as for any future revenue stream payable to the Unitholders.

(2) Expertise of BTSC and/or BTSG in the development of rail mass transit system

BTSC and/or BTSG have long-term significant experience in operating the rail mass transit system and is the operator of the BTS SkyTrain System under the Concession Agreement. This provides BTSC and/or BTSG competitive advantage in the future development of any extensions to the BTS SkyTrain System or Green Line, such as the Mo Chit-Saphan Mai-Khu Khot extension and Bearing-Samut Prakan extension. This will provide convenience to passengers in using BTS SkyTrain System operating by BTSC, more than using the services provided by other operator. On 1 August 2016, BTSC entered into a train operation and maintenance service contract with Krungthep Thanakom Co., Ltd. for the Green Line from Mo Chit – Saphan Mai - Khu Khot and from Bearing - Samut Prakarn for the period from the date of the contract to 2 May 2042.

75% BTSG-held BSR Joint Venture (BSR JV) with STECONS (15%) and Ratchaburi (10%) were announced the best-bid for the Pink and Yellow Lines on 14 December 2017. BSR JV subsequently signed contracts with Mass Rapid Transit Authority of Thailand (MRTA) on 16 June 2017.

The Management Company believes that the expertise of BTSC and BTSG in the mass transit industry will offer advantages for BTSC and BTSG in their bidding for future projects for extensions of the Core BTS SkyTrain System. If BTSC and/or BTSG and/or BTSG's affiliates are selected to operate, manage or invest in future projects whether in form of concession, PPP Net Cost,

PPP Gross Cost, or management engagement, the Fund will be entitled to invest in such projects if it is determined to benefit the Fund as the Fund has the right to purchase and the right of first refusal under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, as the case may be.

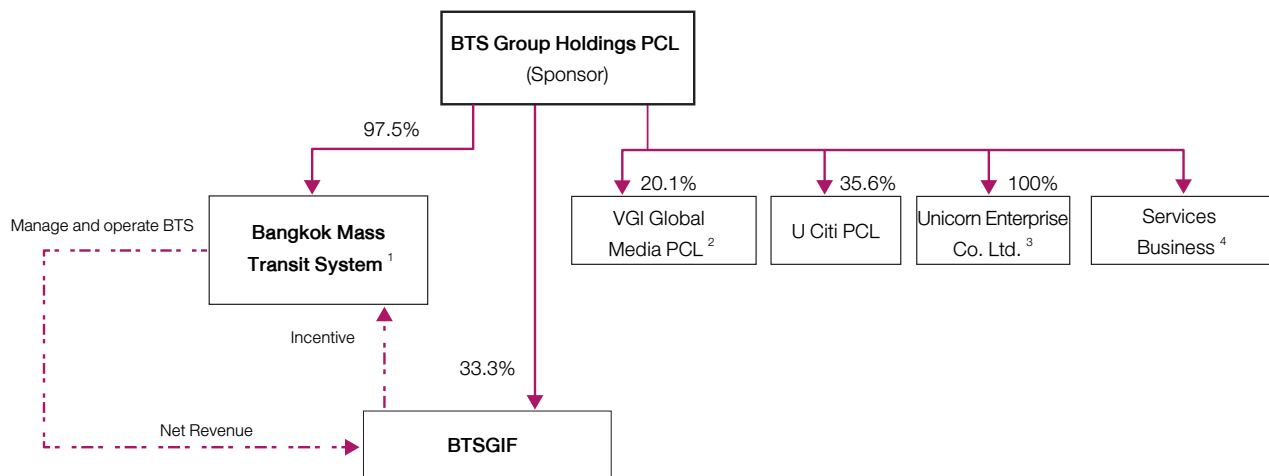
The Fund is entitled to consider the efficient management of the financing structure for any future projects by taking into account the suitable financing options, including borrowing or issuance of debt to finance investment in new assets or projects to generate more return to the Unitholders

2.2 Significant Changes and Developments

| Date | Details |
|-------------------|---|
| BTSC | |
| 1 June 2013 | BTSC adjusted effective fare to THB 15 – 42. |
| 5 December 2013 | BTSC commenced full operations of the 5.3km Green Line Silom extension from Wongwian Yai (S8) to Bang Wa (S12). |
| 15 September 2014 | BTSC signed 15-year maintenance agreement with Siemens from 1 January 2015 until 4 December 2029 (concession expiry date). BTSC has commitments in respect of the cost of maintenance and spares supply service fee in relation to the project (both core and extension line) for the whole period. |
| 1 July 2015 | BTSC adjusted promotional prices for 30-Day trips for adults (increasing THB 3 per trip), 30-Day trips for students (increasing THB 2 per trip) and One-Day pass (to THB 140). |
| 2 January 2016 | BTSC announced the expiration of promotional fares for stored-value card to normal fare THB 15 - 42. |
| 23 May 2016 | BTSC has entered into a sales contract to buy 46 trains (184 cars) from CRRC and Siemens to be used for the Green Line from Mor Chit - Saphan Mai - Khu Khot and from Bearing - Samut Prakarn. |
| 28 June 2016 | BTSC entered into a sale contract with Krungthep Thanakom Co., Ltd. to install the train system (electric and machines) for the Green Line from Mo Chit – Saphan Mai - Khu Khot and from Bearing to Samut Prakarn. |
| 1 August 2016 | BTSC entered into a train operation and maintenance service contract with Krungthep Thanakom Co., Ltd. for the Green Line from Mo Chit – Saphan Mai - Khu Khot and from Bearing - Samut Prakarn for the period from the date of the contract to 2 May 2042. |
| 10 November 2016 | BTSC issued THB 22,000mn senior unsecured debentures. The bonds have been issued in four tranches due in 2019, 2021, 2023, and 2026 with an average coupon rate of 3.31%. The proceeds are mainly used to purchase new rolling stocks and fund electrical and mechanical systems (E&M) for the Northern (Mo Chit to Khu Khot; 18.2km, 16 stations) and Southern (Bearing to Samut Prakarn; 12.6km, 9 stations) Green Line extensions. |

| Date | Details |
|-------------------------------------|---|
| The Fund | |
| 17 April 2013 | The fund initially invested in the future net farebox revenues from the BTS SkyTrain Core Network under the concession agreement from the date of purchase until the concession expiry date on 4 December 2029. |
| From 17 April 2013 to 31 March 2016 | The Fund paid dividends 12 times and paid returned capital 3 times to the Unitholders. Please see Section 7.3.2- “History of Dividend Payments and Reductions of Capital” |
| From 1 April 2016 to 31 March 2017 | The Fund paid dividends 4 times to the Unitholders. Please see Section 7.3.2- “History of Dividend Payments and Reductions of Capital” |
| 10 August 2016 | The Fund, BTSC and AIA Company Limited (“AIA”) signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than THB 650 million. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost. |

2.3 Relationship with the Business Groups of Infrastructure Asset Manager or Major Unitholders



¹ Bangkok Mass Transit System Plc. holds 51% shares in VGI Global Media Plc.

² VGI Global Media Plc. holds 100% shares in VGI Advertising Media Co., Ltd.; 100% shares in 888 Media Co., Ltd.; 100% shares in Point of View (POV) Media Group Co., Ltd.; 100% shares in VGI Global Media (Malaysia) Sdn Bhd; 40% shares in Demo Power (Thailand) Co., Ltd.; 33.77% shares in Master Ad Plc.; 28% shares in Aero Media Group Co., Ltd.; 25% shares in The ICON VGI Co., Ltd.; 90% shares in BSS Holdings Co., Ltd.; and 90% shares in Bangkok Smartcard System Co., Ltd.

Master Ad Plc. holds 100% shares in Master & More Co., Ltd.; 100% shares in MACO Outdoor Sdn. Bhd.; 100% shares in Eye on Ads Co., Ltd.; 100% shares in Green Ad Co., Ltd.; 50% shares in Inkjet Images (Thailand) Co., Ltd.; 48.87% shares in Landy Development Co., Ltd.; and Master & More Co., Ltd. holds 80% shares in Open Plays Co., Ltd.; MACO Outdoor Sdn. Bhd. holds 40% shares in EyeBalls Channel Sdn. Bhd.; and Green Ad Co., Ltd. holds 70% shares in Multisign Co., Ltd.

BSS Holdings Co., Ltd. holds 80% shares in RabbitPay System Co., Ltd.; 51% shares in ATS Rabbit Special Purpose Vehicle Co., Ltd.; 51% shares in ASK Direct Group Co., Ltd.; 51% shares in Rabbit Insurance Broker Co., Ltd.; 25% shares in Rabbit Internet Co., Ltd.; RabbitPay System Co., Ltd. holds 50% shares in Rabbit-Line Pay Co., Ltd.; Rabbit Internet Co., Ltd. holds 49% shares in ASK Direct Group Co., Ltd.; and 49% shares in Rabbit Insurance Broker Co., Ltd.

- ³ Unicorn Enterprise Co., Ltd. holds 100% shares in PrannaKiri Assets Co., Ltd.; 100% shares in Siam Paging and Communication Co., Ltd.; 100% shares in DNAL Co., Ltd.; 100% shares in Muangthong Assets Co., Ltd.; 100% shares in BTS Land Co., Ltd.; 100% shares in Tanayong Food & Beverage Co., Ltd.; 100% shares in Tanayong Property Management Co., Ltd.; 100% shares in Yongsu Co., Ltd.; 100% shares in Thana City Golf & Sports Club Co., Ltd.; 100% shares in Mak8 Co., Ltd.; 100% shares in Ratburana Property Co., Ltd.; 100% shares in Kingkaew Assets Co., Ltd.; 100% shares in The Community One Co., Ltd.; 100% shares in The Community Two Co., Ltd.; 100% shares in Nine Square Property Co., Ltd.; 50% shares in Keystone Estate Co., Ltd.; 50% shares in Keystone Management Co., Ltd.; 50% shares in Bayswater Co., Ltd.; 50% shares in BTS Sansiri Holding One Ltd.; 50% shares in BTS Sansiri Holding Two Ltd.; 50% shares in BTS Sansiri Holding Three Ltd.; 50% shares in BTS Sansiri Holding Four Ltd.; 50% shares in BTS Sansiri Holding Five Ltd.; 50% shares in BTS Sansiri Holding Six Ltd.; 50% shares in BTS Sansiri Holding Seven Ltd.; 50% shares in BTS Sansiri Holding Eight Ltd.; 50% shares in BTS Sansiri Holding Nine Ltd.; 50% shares in Nuvo Line Agency Co., Ltd.; 50% shares in BTS Sansiri Holding Eleven Ltd.; 50% shares in BTS Sansiri Holding Twelve Ltd.; 50% shares in BTS Sansiri Holding Fourteen Ltd.; 50% shares in BTS Sansiri Holding Fifteen Ltd.; 50% shares in BTS Sansiri Holding Sixteen Ltd.; 50% shares in BTS Sansiri Holding Seventeen Ltd.; 50% shares in BTS Sansiri Holding Eighteen Ltd.; 50% shares in BTS Sansiri Holding Nineteen Ltd.; 50% shares in BTS Sansiri Holding Twenty Ltd.; 50% shares in BTS Sansiri Holding Twenty One Ltd.; 50% shares in BTS Sansiri Holding Twenty Two Ltd.; 51% shares in HHT Construction Co., Ltd.; and 50% shares in Absolute Hotel Services Co., Ltd.
- ⁴ BTS Group Holdings Plc. holds 100% shares in Tanayong Internatinal Ltd.; 100% shares in Tanayong Hong Kong Ltd.; 100% shares in Man Food Products Co., Ltd.; 100% shares in Primary Kitchen Co., Ltd.; 100% shares in RB Services Co., Ltd.; 70% shares in Man Kitchen Co., Ltd.; 51% shares in KMJ 2016 Co., Ltd.; and RB Services Co., Ltd. holds 100% shares in Rabbit Rewards Co., Ltd.; 60% shares in Bangkok Payment Solutions Co., Ltd.; Man Kitchen Co., Ltd. holds 69% shares in Little Corner Co., Ltd.; Tanayong Hong Kong Ltd. and Absolute Hotel Services Co., Ltd. hold 12.26% shares and 75.47% shares in Absolute Hotel Services Hong Kong Ltd., respectively.

The major Unitholders of the Fund are BTS Group Holdings Plc. (holding 33.3% of the total number of Units as of 6 June 2017) which BTS Group Holdings Plc holds 97.5% shares in Bangkok Mass Transit System Plc. Moreover, BTS Group Holdings Plc. has investments in advertising, property and service businesses.

Bangkok Mass Transit System Plc. is the operator of the Core BTS SkyTrain System for the Fund. In addition, it is also the operator of the Extension BTS SkyTrain Systems which both businesses are not competitors.

The Management Company does not manage any other infrastructure funds that invest in other rail mass transit systems which may be in competition with the Fund.

2.4 Assets of the Fund

2.4.1 Details of Assets of the Fund

As at 31 March 2017 and 31 March 2016

| Asset | 2017 | | 2016 | |
|---|---------------------------------------|----------------------------|---------------------------------------|----------------------------|
| | Fair Value / Market Value (THB) | % of Net Asset Value | Fair Value / Market Value (THB) | % of Net Asset Value |
| 1. Cash at banks | | | | |
| Saving account | 55,518,433 | 0.08 | 64,065,560 | 0.10 |
| Fixed deposit and certificate of deposit | - | 0.00 | 730,000,000 | 1.09 |
| 2. Investment in securities | | | | |
| Promissary note | - | 0.00 | 129,814,556 | 0.20 |
| Bond | 1,136,194,431 | 1.70 | 489,026,384 | 0.73 |
| Total | 1,191,712,864 | 1.78 | 1,412,906,500 | 2.12 |
| 3. Investment in infrastructure business | | | | |
| Investment in the net revenue purchase and transfer agreement | 65,800,000,000 | 98.17 | 65,400,000,000 | 97.93 |
| Total | 65,800,000,000 | 98.17 | 65,400,000,000 | 97.93 |
| 4. Other assets | | | | |
| Account receivable from the net revenue purchase and transfer agreement | 44,798,009 | 0.06 | - | 0.00 |
| Account receivable from interest | 58,851 | 0.00 | 1,528,587 | 0.00 |
| Deferred units issuance costs | - | 0.00 | 16,220,358 | 0.02 |
| Other assets | 5,103,794 | 0.01 | 5,254,620 | 0.01 |
| Total | 49,960,654 | 0.07 | 23,003,565 | 0.03 |
| Total assets | 67,041,673,518 | 100.02 | 66,835,910,065 | 100.08 |
| 5. Liabilities | | | | |
| Account payable from the net revenue purchase and transfer agreement | - | 0.00 | 24,430,149 | 0.04 |
| Other payables and accrued expenses | 7,020,512 | 0.01 | 21,769,411 | 0.03 |
| Special business tax payable | 6,827,525 | 0.01 | 5,588,618 | 0.01 |
| Other liabilities | 2,004,317 | 0.00 | 526,637 | 0.00 |
| Total liabilities | 15,852,354 | 0.02 | 52,314,815 | 0.08 |
| Net assets | 67,025,821,164 | 100.00 | 66,783,595,250 | 100.00 |
| Net asset value per unit | 11.5801 | | 11.5382 | |

No. of units 5,788,000,000.0000 units

2.4.2 Details of Infrastructure Asset Invested by the Fund

As at 31 March 2017

| | |
|-------------------------------|---|
| 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) Net farebox revenues mean all farebox revenues less the O&M Costs from the operation and maintainance of the Core BTS SkyTrain System. The Core BTS SkyTrain System commenced commercial operations in December 1999 (for a period of approximately 17 years) with the passengers in BKK as the target customers. |
| 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 |
| Date of Investment | 17 April 2013 |
| Term | From 17 April 2013 to 4 December 2029 |
| Investment Cost | THB 61,432,135,000 (Including investment in Suksa Wittaya station of THB 33,135,000) |
| Latest Appraisal Value | THB 65,800,000,000 (as at 31 March 2017; the appraisal date of 29 April 2016 and updated on 5 May 2017) By American Appraisal (Thailand) Ltd. for public purpose, using the income approach Key valuer is Mrs. Chompoonuch Chatmahakulchai and Mrs. Wanpen Thongwattana |
| Income per Year | Net farebox revenue from 1 April 2016 to 31 March 2017 was THB 4,576.048 million |
| Legal Obligation | None |

2.4.3 Details of Investment in Infrastructure Asset

For Period from 1 April 2016 to 31 March 2017

On 10 August 2016, the Fund, BTSC and AIA Company Limited ("AIA") signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than THB 650 million and this agreement has been approved by the trustee. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost. During the current year, the Fund has recorded the construction cost of THB 33.135 million as investment in the net revenue purchase and transfer agreement.

2.4.4 Details of Sale of Infrastructure Asset

For Period from 1 April 2016 to 31 March 2017

- None -

2.5 Seeking of Benefits from the Infrastructure Assets

The Fund invests in the Net Revenue to be generated from the operation of the Core BTS SkyTrain System which BTSC has the right to receive. The Fund's income, thus, comes from the farebox revenues to be received from the customers deducted by the related costs and expenses (the Fund does not lease its assets to any particular tenants and there is no concentration of tenants). BTSC remains the operator of the Core BTS SkyTrain System as per the Concession Agreement.

The Fund will pay BTSC the Incentive Fee for its operation of the Core BTS SkyTrain System on annual basis at the following rates:

- (a) If the Net Farebox Revenues for any year is more than 100 per cent but not exceeding 125 per cent of the Annual Net Farebox Revenues Target for that year, BTSC shall be entitled to the Incentive Fee at the rate of 10 per cent of the Net Farebox Revenues in respect of the amount exceeding 100 per cent but not exceeding 125 per cent of the Annual Net Farebox Revenues Target.
- (b) If the Net Farebox Revenues for any year is more than 125 per cent of the Annual Net Farebox Revenues Target for that year, BTSC shall be entitled to the Incentive Fee at the rate of 15 per cent of the Net Farebox Revenues in respect of the amount exceeding 125 per cent of the Annual Net Farebox Revenues Target.

Infrastructure Asset Manager

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

BTS Building, 1000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900

Telephone 0-2617-7300

BTS Group Holdings Public Company Limited ("BTSG"), a major shareholder in BTSC holding 97.46% of the total issued shares in BTSC, is the Sponsor of the Fund holding 33.33% of total Investment Units sold.

Management Experience on the Infrastructure Project

BTSC was founded in 1992 and was granted concession from the Bangkok Metropolitan Administration (BMA) on the same year which was a sole concession to BTSC for operating the Core BTS SkyTrain System for a period of 30 years from the first day of operation. BTSC completed the civil works for the Core BTS SkyTrain System and transferred the rights to the civil works to the BMA in 1999 as specified in the Concession Agreement. BTSC commenced commercial operation of the Core BTS SkyTrain System on 2 December 1999 and in May 2009 Krungthep Thanakom Co., Ltd. contracted BTSC to operate the Silom Line Extension Phase 1 which commenced its service on 15 May 2009. In November 2011, Krungthep Thanakom contracted BTSC to operate the Sukhumvit Line Extension which commenced its service on 15 August 2011. Moreover, on 3 May 2012, BTSC also signed a Long-Term O&M Agreement to operate the train and be responsible for the train repair and maintenance for the extension line of Silom Line and Sukhumvit Line which is under supervision of BMA for a period of 30 years from 2012 to 2042. This agreement also covers the Core BTS SkyTrain System after the Concession Expiry Date (4 December 2029) until 2 May 2042. On 1 August 2016, BTSC entered into a train operation and maintenance service contract with

Krungthep Thanakom Co., Ltd. for the Green Line from Mo Chit – Saphan Mai - Khu Khot and from Bearing - Samut Prakarn for the period from the date of the contract to 2 May 2042. BTSC commenced its service for the first phase of Bearing - Samut Prakarn on Samrong Station (E15) on 3 April 2017.

The expertise of BTSC and/or BTSG in developing the rail mass transit; BTSC and/or BTSG have long-term experience in operating rail mass transit with the rights to operate the Core BTS SkyTrain System under the concession granted by the BMA and BTSC has been contracted to operate the train system for the Sukhumvit Line, Silom Line and Green Line extensions. Thus, BTSC and/or BTSG have advantage in developing various projects continuously from the Core BTS SkyTrain System since it provides more convenient services than other operators which required the passengers to change trains when entering the Core BTS SkyTrain System. On 7 November 2016, the BSR Joint Venture, which consists of BTSG, Sino-Thai Engineering & Construction PCL and Ratchaburi Electricity Generating Holding PCL, tendered its offer to join in the Public Private Partnership in the Pink Line from Khae Rai to Min Buri and the Yellow Line from Lat Phrao to Samrong. Consequently, the BSR Joint Venture passed the selection with the highest score. At present, the Joint Venture is in the process of finalizing the terms and conditions and the details of the joint venture contract to be proposed to the Cabinet for approval of the winning bidder.

2.6 Borrowing

-None-

Business and Industry Overview: Mass Transit

Key Developments in FY 2016/17

- Green Line Core Network ridership increased 2.4% YoY to 238.0mn trips - Highest recorded
- Average fare increased 1.3% YoY to THB 27.9 per trip.
- BTSC and KT entered into a 30-year agreement on 31 March 2017 for provision of O&M services of the 30.8km Northern and Southern Green Line extensions. On 3 April 2017, BTS Samrong station, comprising a 1.8km stretch of the Southern Green Line extensions officially began operation.
- The subsidiaries of BTS Group Holdings PCL (BTSG) namely Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd., between BTSG, STEC and RATCH, subsequently signed contracts for the Pink and Yellow Lines with MRTA on 16 June 2017.

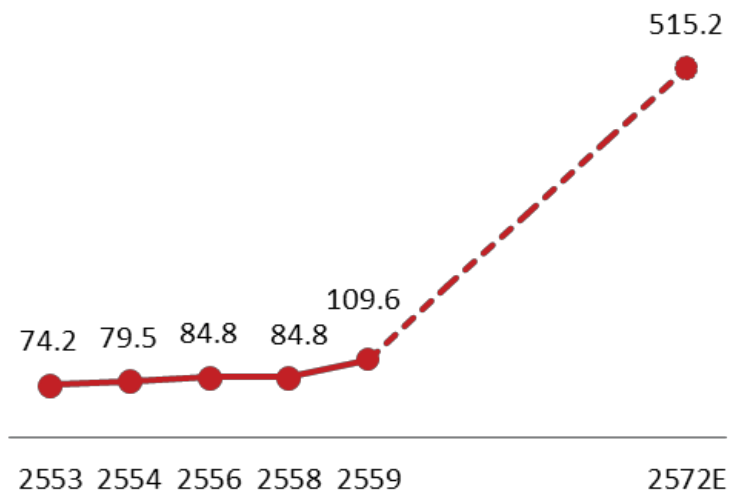
Bangkok Mass Transit System Public Company Limited (BTSC) reported another year of growth in FY 2016/17. Total annual ridership grew to 238.0mn trips on the Green Line Core Network - highest recorded since inception. This translates to a growth of 2.4% YoY. Average weekday ridership for FY 2016/17 stood at 735,081 trips, representing an increase of 2.1% YoY. Modest economic growth and the passing of His Majesty King Bhumibol - leading to subsequent cancellations of celebratory, entertainment and corporate events - had a deleterious effect on ridership growth. Average fare for FY 2016/17 increased by 1.3% YoY to THB 27.9 per trip.

On 17 April 2013, BTSC sold the rights to future Net Farebox Revenues from the Core BTS SkyTrain Network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF) with a combined track length of 23.5km under the Concession Agreement. The Concession Agreement expires on 4 December 2029. The transaction enabled BTS Group to secure funding for the upcoming expansion of the mass transit network, which is forecasted to increase from 109.6km¹ currently to 515.2 km² by 2029. BTS Group expects to be a lead participant in this expansion and is now strongly positioned with the operational and financial wherewithal to do so. Following the creation of the Fund, BTSC remains the operator of the BTS SkyTrain. BTS Group continues to be a significant stakeholder in the Core BTS SkyTrain Network, holding the maximum permitted 33.3% of investment units of the Fund.

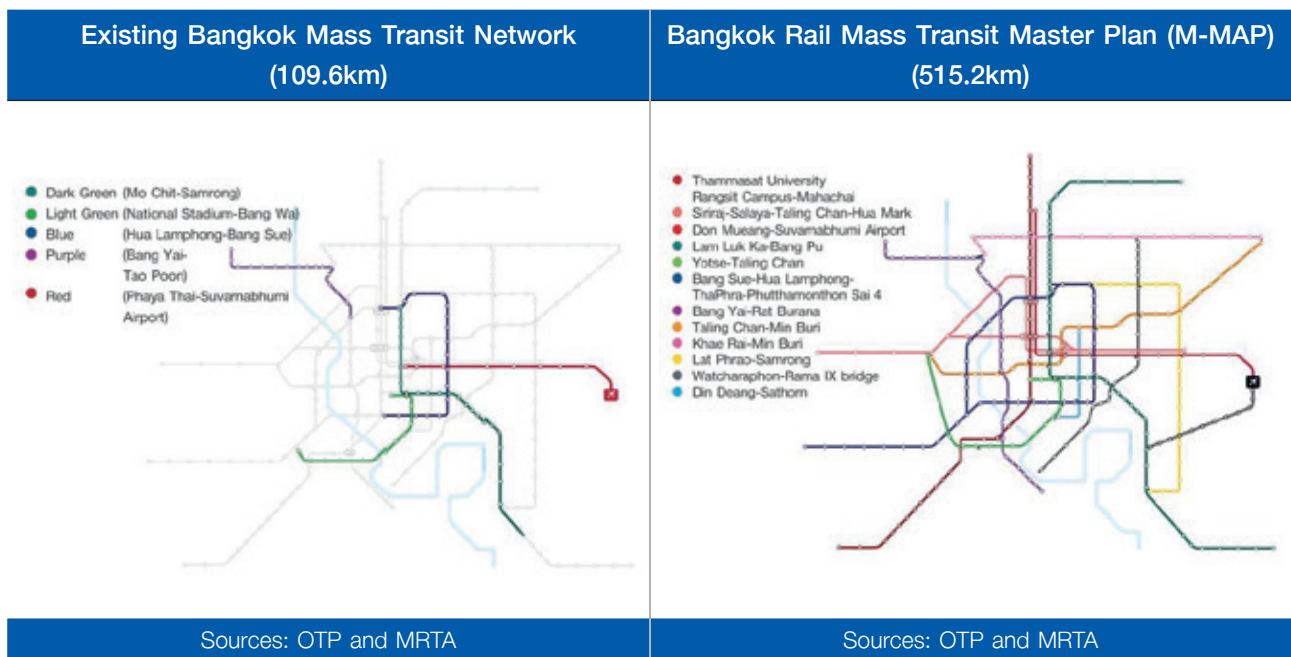
¹ A total of 109.6km comprises BTS current network of 38.1km (included Samrong station of 1.8km which began operation on 3 April 2017), MRT network of 43km and SRT network (Airport Rail Link) of 28.5km

² Sources: Office of Transport and Traffic Policy and Planning (OTP), Mass Rapid Transit Authority of Thailand (MRTA)

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



Sources: Office of Transport and Traffic Policy and Planning (OTP), Mass Rapid Transit Authority of Thailand (MRTA)



12 Mass Rapid Transit Projects under the Government's Policy

| Project | Route | Distance (km) |
|-------------------|---|---------------|
| Dark Red | Thammasat University Rangsit Campus - Mahachai | 80.5 |
| Dark Green | Lam Luk Ka - Bang Pu | 67.1 |
| Blue | Bang Sue - Hua Lamphong - Tha Phra - Phutthamonthon Sai 4 | 55.0 |
| Light Red | Siriraj - Salaya - Taling Chan - Hua Mark | 58.5 |
| Airport Rail Link | Don Mueang - Suvarnabhumi Airport | 50.3 |
| Purple | Bang Yai - Rat Burana | 42.8 |
| Orange | Taling Chan - Min Buri | 39.6 |
| Pink | Khae Rai - Min Buri | 34.5 |
| Yellow | Lat Phrao - Samrong | 30.4 |
| Grey | Watcharaphon - Rama IX bridge | 26.0 |
| Light Green | Yotse - Taling Chan | 21.0 |
| Light Blue | Din Deang - Sathorn | 9.5 |
| Total | | 515.2 |

Sources: OTP and MRTA

Operations Performance in FY 2016/17

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 passenger journey (Passenger Journey on Time: PJOT), with the target is set at not less than 99.5 percent per delay of 5 minutes or greater. The results achieved for FY 2016/17 were an average of 99.86 percent (well above target). 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 89,076 car-kilometres per fault in FY 2016/17, an increase from last year and at a level well above 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 is set at not less than 15,000 transactions before a failure, and ticket reliability in FY 2016/17 was recorded at 37,905 transactions per fault - a higher level than last year and considerably above target.

Operations Performance Against Target

| Performance Indicators | Target | FY 2016/17 | FY 2015/16 |
|--|--|------------|------------|
| Service Reliability (Passenger Journey On Time) | Not less than 99.5 percent per delay of 5 minutes or greater | 99.86% | 99.84% |
| Train Reliability (car-kms.) | Not less than 35,000 car-km. per fault | 89,076 | 71,949 |
| Ticket Reliability (transactions) | Not less than 15,000 times before a failure | 37,905 | 22,168 |

Thailand Mass Transit Market Overview

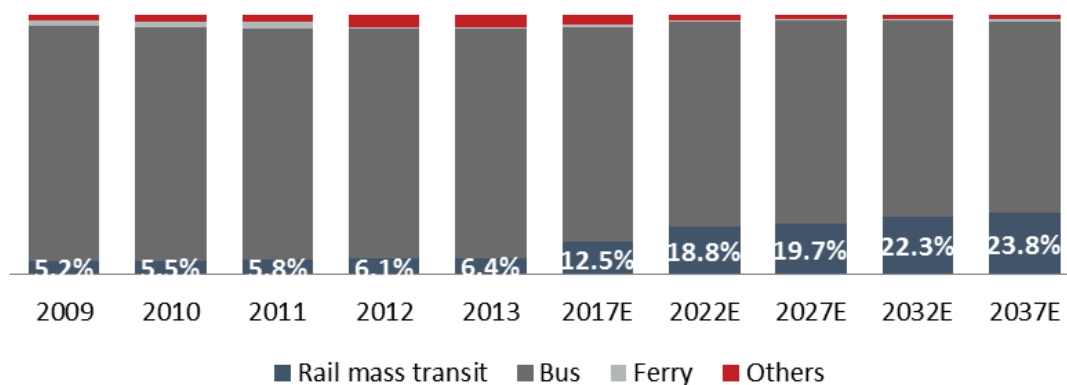
Immature Rail Mass Transit Network

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 been gradually rising and in 2013, accounted for 6.4% (1.02mn trips per day) of the total mass transit usage in Bangkok (15.82mn trips per day)³.

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, MRT Line and Airport Rail Link), 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) in 2013 was composed of bus mass transit at 88.1%, rail mass transit at 6.4%, ferry at 0.7% and others at 4.7%. The OTP forecasts that rail mass transit market share will progressively take market share of bus mass transit as demand for rail mass transit in Bangkok increases and the network becomes more extensive in the next few years.

³ Source: OTP

Bangkok Mass Transit Market Share (Forecast 2017-2037)



Source: Transport data and model integrated with multimodal transport and logistics (TDML II) of OTP

In 2016, the mass transit network in Bangkok expanded by 24.8km with the addition of the Purple Line, which officially opened on 6 August 2016 and the opening of one station at Samrong or 1.8km of the BTS Southern Green Line extension on 3 April 2017. The Purple Line has a total route length of 23km and with 16 stations, running from Klong Bang Pai station to Tao Poon station. The current rail mass transit network (consisting of BTS SkyTrain, MRT and Airport Rail Link) now stands at 109.6km, up from 84.8km in the previous year. As such, pervasion (defined as rail mass transit length per million population) in Bangkok increased to 10.2km per million people in 2016, but still lagging far behind those of regional peers (for more details, please refer to *Comparable Markets Overview*).

Government Policy on Rail Mass Transit Network Expansion

Expansion of public transportation infrastructure has always been a top priority on the national agenda. The original version of the Mass Rapid Transit Master Plan in Bangkok Metropolitan Region (M-MAP), on which the current master plan is based, was approved by the Cabinet on 9 March 2010. The M-MAP was drafted to develop mass rapid transit systems in Bangkok Metropolitan Region (Bangkok and 5 adjacent provinces consisting of Nakhon Pathom, Pathumthani, Nonthaburi, Samut Prakarn and Samut Sakhon) within a 20-year timespan (from 2010-2029). Subsequently, there have been modifications to the M-MAP under different governments, the current M-MAP sets forth 12 mass transit lines covering a total route length of 515.2km to be completed by 2029. Of those, 104.9km are currently under construction, including the Northern Green Line Extension (Mo Chit - Saphan Mai - Khu Khot, 18.2km) and the remaining length of the Southern Green Line Extension (Samrong - Samut Prakarn, 10.8km), following the opening of Samrong station on 3 April 2017 or 1.8km out of the 12.6km in total. These are direct extensions to BTS Core Network.

On 31 March 2017, BTSC finalised the Operating & Maintenance (O&M) contract with Krungthep Thanakom Co., Ltd. (KT) - a company established by the BMA. The contract covers 30.8km of Northern (Mo Chit - Saphan Mai - Khu Khot) and Southern Green Line extensions (Bearing - Samut Prakarn). BTSC will operate and maintain the services of both extensions which expires on 2 May 2042.

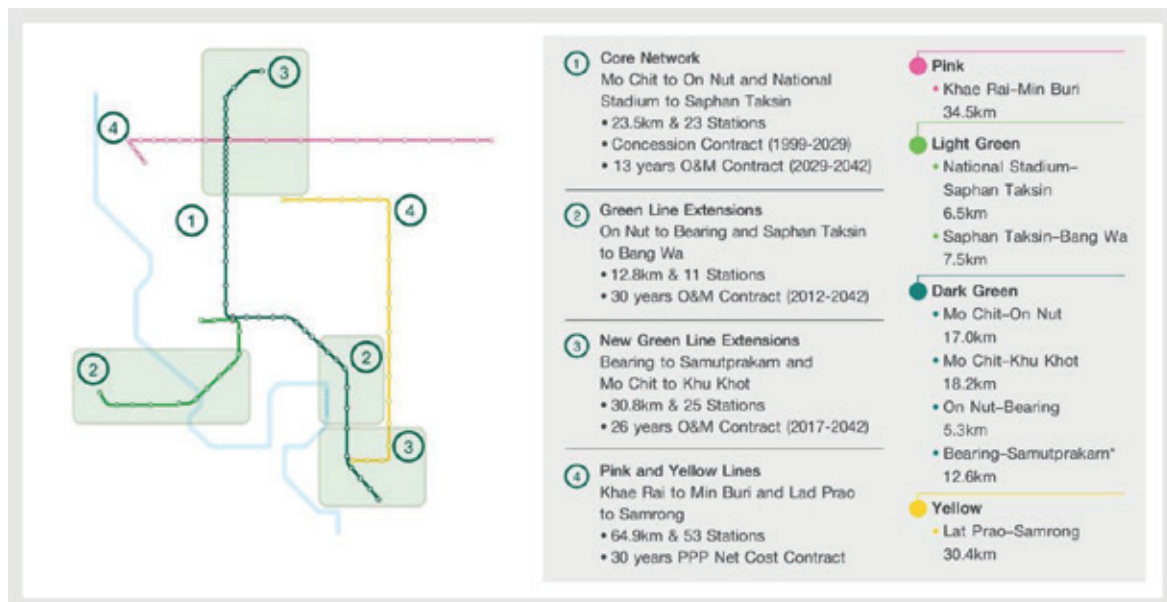
As of May 2017, the civil works for Northern Green Line extension was 33.7% complete and Southern Green Line extension was 100% complete (source: MRTA). On 23 May 2016, BTSC signed Thailand's largest single purchase agreement for trains thus far for 46; 4-carriage trains and related equipment for a total purchase value of approximately EUR 270mn (excluding VAT). The trains will address growing capacity requirements of the existing lines and the full launch of Northern and Southern Green Line extensions. The first batch of trains are expected to be delivered within March 2018, with the final delivery expected within March 2020.

The government has shown progress in expediting mass rapid transit network development and the public-private partnership (PPP) concession approval process. On 7 November 2016, BSR JV (a Joint Venture between 75% BTS Group Holdings PCL (BTSG), 15% Sino-Thai Engineering & Construction PCL (STEC) and 10% Ratchaburi Electricity Generating Holding PCL (RATCH)), submitted their tender offer for the bidding of the Pink Line (Khae Rai to Min Buri; 34.5km, 30 stations) and the Yellow Line (Lad Prao to Sam Rong; 30.4km, 23 stations). On 14 December 2016, MRTA officially declared BSR JV as the best bid for both lines and began negotiations over contractual terms. By 30 May 2017, the Cabinet approved both lines, thereby successfully clearing the final regulatory hurdles. On 16 June 2017, contracts for both lines were signed between MRTA and BTSG's subsidiaries (between BTSG, STEC and RATCH, namely Northern Bangkok Monorail Co., Ltd. and Eastern Bangkok Monorail Co., Ltd.). Following this, we await the transfer of land to begin construction of both lines. We estimate that full operation for both lines to be in 2020.

The 'third envelope' proposed extensions for Pink and Yellow Lines that are out of scope of the Terms of Reference of the bidding process. On the Pink Line the proposed extension included 2 additional stations of an additional 2.8km from Si Rat station (PK10) which would bolster connectivity into Muang Thong Thani and the Impact Challenger Arena exhibition centre. On the Yellow Line the proposed extension included 2

additional stations of an additional 2.6km from Ratchada station (YL01) to a new terminal station to be connected with a walkway to Northern Green Line Phahon Yothin 24 station (N10). These extensions are expected to enhance connectivity between lines and feed additional ridership. However, these extensions will require further legal processes such as EIA and Cabinet approvals.

BTS Network Lines - Expanding from 36.3km (34 Stations) to 132km (112 Stations)



* The first station (E15, Samrong, 1.8km) of the Southern Green Line Extension from Bearing to Samutprakam began operation on 3 April 2017. Full operation of the Southern part is targeted in 2018.

New Lines BTS Group is Targeting

BTS Group is targeting an additional 82.9km to be signed under contract. These additional kilometres are a combination of new lines and extensions and under a variety of operating models.

Western Green Line

An additional 7km extension (Bang Wa - Taling Chan) to BTS existing Light Green Line is on the horizon. As this will be direct extension, BTS Group will be negotiating directly with the BMA on terms for O&M contracts to these direct extensions per the government's "one regulator, one operator" approach. The government is responsible for investing in the civil and E&M works, but BTS Group may avail itself to a financing structure similar to its facilitating the provisioning of E&M works on behalf of the BMA.

Gold Line

The Gold Line (Krung Thon Buri - Klong San, 1.7km) that interchanges with Western Green Line extension at Krung Thon Buri station (S07) and connects to ICONSIAM mixed-use development. Planned with an Automated People Mover (APM) system, the Gold Line will be operated by KT, who will subsequently sub-contract the line to BTSC under an O&M contract. Construction of the Gold Line is slated to begin within 2017.

Light Rail Transit (LRT)

The Light Rail Transit or LRT, is a light rail line (Bang Na - Suvarnabhumi, 18.3km) that interchanges with Sukhumvit Line extension at Bang Na station (E13). Negotiations are expected to begin within 2017. As a BMA project, past projects suggest that BMA will be responsible for civil and E&M works. BTS Group has offered land in front of Thana City without charge to the BMA for a train depot and station. As a result, BTS Group benefits from a higher likelihood of being awarded an O&M contract.

Grey Line (Phase 1)

The Grey Line monorail is split into two phases owing to changes being made to the route and the necessary regulatory approval process required. Phase 1 (Watcharaphon - Thong Lor, 16.3km) interchanges with Core Network Sukhumvit Line at Thonglor station (E6), future Pink Line at Phra Si Mahathat Temple station and future Yellow Line at Chalong Rat station. BMA is the authorising body for this line, with past experience suggesting that BMA will be responsible for civil and E&M works. As this is an entirely new line, a bidding process is expected for O&M services. We believe BTS Group is now in a stronger position to win this contract, after the signing of contracts for the Pink and Yellow Lines as a result of the increased number of linkages to this line.

Orange Line (Eastern & Western)

Bidding for civil works construction of the Orange Line has been split into Eastern and Western. The route is a mixture of underground and above ground. 6 civil works construction contracts for Eastern have already been bid and awarded to CKST Joint Venture (CH Karnchang PCL. and Sino-Thai Engineering & Construction PCL.), Italian-Thai Development PCL. and Unique Engineering & Construction PCL. Construction of the Orange (Eastern) Line has begun since June 2017 (first stage) and is expected to be complete by 2023. We expect the bidding process for civil works of Orange (Western) Line to start in August 2017. BTS Group intends to participate in the bidding for the turnkey concession (E&M works and O&M services) for the entire line (39.6km), which is expected to be within the end of this year.

Comparable Markets Overview

In 2016, the Bangkok Metropolitan Region had an official population of more than 10.8mn compared to 13.6mn in Tokyo, 7.4mn in Hong Kong and 5.6mn in Singapore. The urban mass transit pervasion for Bangkok increased from last year (7.9km) to 10.2km as there were the addition of the MRT Purple Line (23.0km), which officially opened on 6 August 2016 and the opening of one station at Samrong or 1.8km of the BTS Southern Green Line extension on 3 April 2017.

Compared to regional peers, Bangkok is lagging behind Tokyo, Hong Kong and Singapore, with pervasion of 42.0km, 35.0km and 35.6km per million population, respectively. Moreover, in 2013, the rail market share was 6% for Bangkok, 36% for Tokyo, 46% for Hong Kong and 40% for Singapore. It is clear that the development of Bangkok's mass transit system is urgently needed to cope with the rapid increase in population density and severe road traffic congestion.

Rail Mass Transit Development in the Region in 2016

| | Population (mn) | Rail Mass Transit Length (km) | Urban Mass Transit Pervasion* |
|-----------------------------|-----------------|-------------------------------|-------------------------------|
| Bangkok Metropolitan Region | 10.8 | 109.6 | 10.2 |
| Tokyo | 13.6 | 573.8 | 42.0 |
| Hong Kong | 7.4 | 258.4 | 35.0 |
| Singapore | 5.6 | 199.6 | 35.6 |

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

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

Overview of Bangkok's Existing Rail Mass Transit System

BTS Skytrain System (BTS)

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 2017, there were a total of 52-4 car trains (208 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 southwards and westwards 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. On 3 April 2017, there was the opening of one station at Samrong or 1.8km of the Southern Green Line extension (totaling of 35 stations and 38.1km). In FY 2016/17, BTS SkyTrain carried a total of 238.0mn passengers on the Core Mass Transit Network. Ridership has grown at 9.1% CAGR since inception.

Metropolitan Rapid Transit System (MRT)

The MRT began as Bangkok's first underground mass transit railway system in Thailand and commenced operation on 3 July 2004. It was operated by Bangkok Expressway and Metro PCL (BEM). It now comprises of two lines totaling 43.0km in length: the MRT Chaloem Ratchamongkhon Line (Blue Line), which runs 20.0km through 18 stations from Hua Lamphong to Bang Sue and MRT Chalong Ratchadham Line (Purple Line), which runs 23.0km through 16 stations from Bang Yai to Tao Poon. The current system is connected to the BTS SkyTrain at three stations: Sala Daeng, Asok and Mo Chit stations. In 2016, the MRT carried a total of 99.9mn passengers on the system⁴.

⁴Source : BEM (data from January to December)

Suvarnabhumi Airport Rail Link (SARL)

The SARL is a rapid transit line that connects Suvarnabhumi Airport to Phaya Thai station in central Bangkok. The line is 28.5km through 8 stations long. It is owned and operated by State Railway of Thailand (SRT). The SARL commenced its operations on 23 August 2010. The SART station is connected to the BTS at Phaya Thai station.

State Railway of Thailand (SRT)

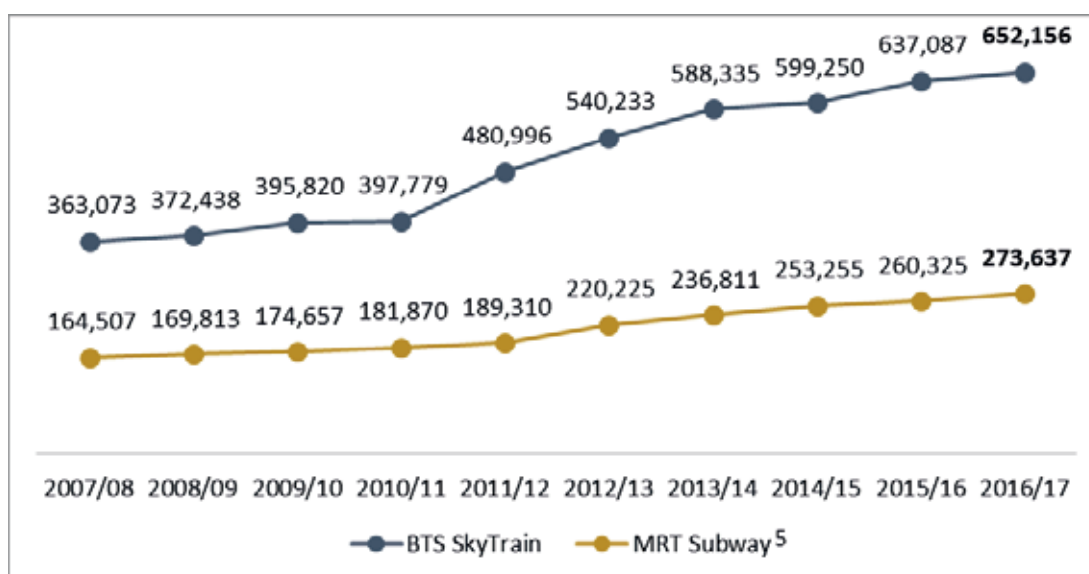
The SRT Line is part of the Light Red Line under the authority of SRT that runs between Bang Sue to Taling Chan and covers a total route length of 15.3km with 4 stations. This line commenced trial operations from 8 September to 30 November 2012 by diesel rail cars and began providing temporary services on 5 December 2012. The line will commence full operations between Bang Sue and Rangsit station in 2020.

Bangkok Rapid Transit (BRT)

The 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 and more reliable than conventional buses, using a special lane reserved for the BRT on existing roads. The BRT has 12 stations, covering 15.0km, running from Chong Nonsi to Talad Pu. The BRT Sathorn station is connected to the BTS at Chong Nonsi station.

Whilst the expansion of the network will be of primary benefit to the public, ridership growth of the BTS, MRT, ARL, SRT 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, this should remain the ultimate destination for the majority of mass transit passengers.

Average Daily Ridership (Passengers/Day) of BTS Skytrain (Core Network) and MRT Subway



Sources : BTSC and BEM

⁵ Data from January – December

Ridership of Key Mass Transit Systems in Bangkok (MN Trips)

| System Type | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|
| BTS SkyTrain (Core Network) | 96.5 | 105.1 | 118.5 | 131.9 | 138.6 | 132.9 | 135.9 | 144.5 | 145.2 | 176.0 | 197.2 | 214.7 | 218.7 | 232.5 | 238.0 |
| Growth | 21.8% | 8.9% | 12.7% | 11.3% | 5.1% | -4.1% | 2.3% | 6.3% | 0.5% | 21.3% | 12.0% | 8.9% | 1.9% | 6.3% | 2.4% |
| MRT Subway ⁵ | - | - | 26.8 | 57.2 | 57.8 | 60.0 | 62.2 | 63.7 | 64.9 | 69.1 | 80.6 | 86.4 | 92.4 | 95.0 | 99.9 |
| Growth | | | | 113.1% | 1.0% | 3.9% | 3.5% | 2.6% | 1.8% | 6.4% | 16.6% | 7.2% | 6.9% | 2.8% | 5.1% |

Sources : BTSC and BEM

Risk Factors

4

Important risks are as follows;

1. Risks from investment in net revenue to be generated from the operation of the Core BTS SkyTrain System pursuant to the Concession Agreement

The Fund invests in net revenue to be generated from the operation of the Core BTS SkyTrain System pursuant to the Concession Agreement, including all cash arising out of or related to such revenues, from the Closing Date until the Concession Expiry Date, which is 4 December 2029. Therefore, the value of the investment in infrastructure assets may decrease according to the remaining period of rights to receive the revenues. The value may not decrease equally in each year but is subject to the valuation of such investment. In this regard, the unitholders will receive the return in terms of dividend and capital reduction. At the end of the terms to receive the net revenue from the assets the Fund has invested, NAV per unit may reduce to zero.

2. Operating risks inherent in the mass transit industry and increases in cost of farebox, capital expenditures and other expenses relating to the BTS SkyTrain System would have an adverse effect on business, financial condition, results of operations and prospects of the Fund

The Net Revenue that the Fund expects to receive and its ability to make distribution payments to Unitholders could be affected if the cost of farebox, capital expenditures and other expenses of the BTS SkyTrain Business increase without a corresponding increase in farebox revenues.

BTSC's cost of farebox may increase due to factors beyond its control, including the following:

- any increase in the cost of electricity, which is determined by the Government, and which may fluctuate due to various factors, including Thai natural gas prices and overall demand for electricity;
- any increase in mandatory employee benefits; or
- any change in Government fiscal or other policies that affect transportation operations or demand.

The Fund cannot assure that BTSC will be able to charge higher levels of fares to offset any such increased costs. BTSC's future expenses could therefore increase at a higher rate than its revenues from future fare increases, which would result in a decrease in Net Revenue and, consequently, adversely affect business, financial position, performance and prospects of the Fund.

Additionally, capital expenditures and other expenses may be irregular since continuing repairs and maintenance could involve significant and potentially unpredictable expenditures. Both the amount and timing of expenditures will have an impact on the cash flow of the Fund. If the BTS SkyTrain Business

does not generate farebox revenues sufficient to meet cost of farebox, capital expenditures and other expenses related to the BTS SkyTrain Business, Net Revenue and ability to make distribution payments will be materially and adversely affected.

3. BTSC's ability to raise fares is limited

BTSC's ability to raise fares to adjust to changes in market conditions, trends and other events to compensate for increases in operating and other costs is limited by the terms of the Concession Agreement and the competitive dynamics in the mass transit industry and commuter preferences. The adjustment of passenger fares is subject to the terms and conditions set out in the Concession Agreement. Pursuant to the Concession Agreement, BTSC may increase the actual fare charged (the "Effective Fare") only once every 18 months, provided that such charged fares are not in excess of a maximum chargeable fare (the "Authorised Fare").

BTSC may request for an adjustment of the Authorised Fare of up to 7% from the existing fare if the Bangkok consumer price index published by the Ministry of Commerce of Thailand (the "MOC") in any month increases by 5% or more compared to a period of at least 12 months prior. The ceiling applicable to the Authorised Fares may also be adjusted higher at BTSC's request, or lower at the BMA's request, in certain situations, including variations in the Baht/U.S. Dollar exchange rate, variations in local or overseas interest rates, fluctuations in BTSC's electricity costs, or if certain exceptional risks transpire.

Even though BTSC is allowed to increase the Effective Fare under the Concession Agreement and it intends to implement fare increases in the future, it may not be able or may choose not to do so due to political, social and other reasons relating to competitive dynamics in the mass transit industry, commuter preferences or otherwise. Such other reasons may include factors such as ridership trends. An increase in fares may lead to a decrease in ridership, which may materially and adversely affect Net Revenue. BTSC cannot predict or estimate the impact any proposed fare increase might have in the future. The last increase in Effective Fare was made by BTSC in June 2013. However, BTSC adjusted promotional prices for 30-Day trips for adults (increasing THB 3 per trip), 30-Day trips for students (increasing THB 2 per trip) and One-Day pass (to THB 140) on 1 July 2015. Furthermore, on 2 January 2016, BTSC announced the expiration of promotional fares for stored-value card to normal fare THB 15-42.

4. The Management Company and BTS Group may not be able to successfully implement the growth strategy in the public transportation business, which is dependent upon various factors, including government approval

The Management Company and BTS Group' ability to successfully implement the investment strategies will depend on, among other factors, the ability to identify suitable investment opportunities that meet investment criteria and to obtain financing on favorable terms. There can be no assurance that the Fund will be able to successfully implement the investment strategies or that it will be able to do so in a timely and cost-effective manner.

BTS Group's growth strategies in the public transportation business include, among others, bidding for operations with respect to BTS SkyTrain extensions, participating in new mass transit system projects, or linking with new mass transit projects. The success in implementing these strategies will depend on, among other things, the government's decision and execution with regard to such expansion plans, BTS Group's ability to identify and assess potential partners and investments, obtain finance support and finalize such investments, obtain the necessary approvals and concession rights, and maintain sufficient operational and financial controls. These growth strategies will place demands on BTS Group's management and require other significant resources of BTS Group, and other factors beyond BTS Group's control, including political factors. There is no guarantee that the government will implement the expansion plan of the mass transit system in Bangkok and its vicinities. Or if the government decides to implement so, there is no guarantee that BTS Group will be awarded with a concession. BTS Group's future growth may be adversely affected if BTS Group is unable to make investment or operate these projects; or if these investments or operations prove unsuccessful or do not prove successful as expected.

5

Legal Dispute

The Fund does not have any legal disputes.

However, BTSC has legal disputes as of 31 March 2017 which are ongoing cases or disputes that could significantly affect the operations of BTSC or are cases that did not arise from the normal business conducts of BTSC as follows:

1. BTSC was sued jointly with the BMA by the Plaintiffs, all handicapped/disabled persons, to install elevators and provide facilities for the disabled at the BTS stations to be in accordance with the related laws in which the Central Administrative Court dismissed the case since at the time of the Concession Agreement signing there was no ministerial decree or regulation specifying elevators and facilities to be installed for the disabled. The Plaintiffs then took the case to the Supreme Administrative Court, on 21 January 2015 the Supreme Administrative Court overturned the decision of the Central Administrative Court and ordered the BMA to install elevators and facilities for the disabled at 23 BTS stations and to provide facilities to the handicapped by providing a place to store the wheelchairs, railings going up and down the ramps and to post the handicapped/disabled signs in the interior and on the exterior of the carriages designated for the disabled. The facilities shall be completed within 1 year from the date of the court ruling and for BTSC to cooperate with the BMA to install such facilities and post the handicapped/disabled signs. At present, the BMA is in the process of installing elevators and facilities for the disabled at all 23 BTS stations, which have been partially completed for 8 stations at Ratchathewi, Sanam Pao, Ari, Phrom Phong, Thong Lo, On Nut, Ratchadamri and National Stadium stations and expect to be fully completed for all 23 stations within 2017.
2. The BMA submitted a request for the debt payment of THB 306.5 million from the BTSC rehabilitation case in which the Receiver Official ruled that the BMA be paid a fee for the use of the land of the State Property in the amount of approximately THB 8.3 million plus guarantee letter fee of approximately THB 12.3 million and to dismiss the request for debt payment from the building and property tax of approximately THB 72.4 million and the unpaid rent of buildings of approximately THB 201.4 million. The BMA submitted a dispute on the decision of the Receiver Official to the Central Bankruptcy Court in which the Central Bankruptcy Court dismissed the request of the BMA and the BMA appealed the case to the Central Bankruptcy Court. On 3 May 2017, the Supreme Court overturned the decision and ordered that the BMA was to receive the rehabilitation debt together with the property and land taxes in the amount of THB 63.01 million, a fee for the use of the land of the State Property in the amount of THB 8.3 million, interest on the fee for the use of such land of THB 3.56 million, building rental of THB 30.44 million and fee for the letter of guarantee of THB 12.3 million altogether totaling THB 117.61 million.

3. The BMA submitted a petition against BTSC to the Thailand Arbitration Center claiming remuneration for the use of State Property land of approximately THB 132 million (principal of THB 64.7 million and penalty of THB 67.3 million) and a guarantee letter fee for building construction agreement of THB 8.2 million. BTSC submitted a dispute claiming that according to the Concession Agreement such property could be used for BTS SkyTrain project without BTSC having to pay for any expenses, rent, fees and other incurred expenses. At the moment, Thailand Arbitration Center has temporarily dismissed the case from the directory in order to wait for the ruling of the Supreme Court on the rehabilitation case in which the BMA filed to the Supreme Court's bankruptcy division according to No. 3 above since this is the same debt. On 3 May 2017, the Supreme Court overturned the decision and ordered that the BMA was to receive the rehabilitation debt as per No. 2 in the amount of approximately THB 117.61 million which the Thailand Arbitration Center has set the date to determine the arbitration process on 15 June 2017.



6

Other Significant Information

Please see Section 14.2 - “Factors or Occurrences which may Have Impact in the Future”

7

Details of Investment Units

8

Management Structure

Part 2

Management and Good Governance

9

Corporate Governance

10

Responsibility on the Society, Community and Environment

11

Internal Control and Risk Management

12

Prevention of Conflict of Interest



7

Details of Investment Units

7.1 Investment Units

7.1.1 Details of Investment Units

| | |
|--|--|
| Amount of Fund Capital | THB 61,416,468,000 (Sixty-one billion, four hundred and sixteen million, four hundred and sixty-eight thousand Baht) |
| • Amount of Fund Capital during IPO | THB 62,510,400,000 (Sixty-two billion, five hundred and ten million, four hundred thousand Baht) |
| • Amount of the 1st Reduction of Capital | THB 445,676,000 (Four hundred and forty-five million, six hundred and seventy-six thousand Baht) |
| • Amount of the 2nd Reduction of Capital | THB 277,824,000 (Two hundred and seventy-seven million, eight hundred and twenty-four thousand Baht) |
| • Amount of the 3rd Reduction of Capital | THB 370,432,000 (Three hundred and seventy million, four hundred and thirty-two thousand Baht) |
| Par Value | |
| Registration Date | THB 10.8000 per unit |
| • After the 1st Reduction of Capital | THB 10.7230 per unit |
| • After the 2nd Reduction of Capital | THB 10.6750 per unit |
| • After the 3rd Reduction of Capital | THB 10.6110 per unit |
| Number of Investment Units | 5,788,000,000 Units (Five billion, seven hundred and eighty-eight million Units) |
| Type of Investment Units | Name registered |
| Initial Offering Price | THB 10.8000 per unit |
| Net Asset Value (as at 31 March 2017) | THB 11.5801 per unit |

7.1.2 Security Price

| FY2016/2017 | Local Board | Foreign Board |
|-------------------------------|------------------|------------------|
| Closing Price | THB 11.30 | THB 11.10 |
| Maximum Price | THB 12.90 | THB 12.50 |
| Minimum Price | THB 10.70 | THB 10.30 |
| Market Capitalization | THB 65,404.40 mn | THB 65,404.40 mn |
| Total Trading Value | THB 14,140.70 mn | THB 390.36 mn |
| Average Trading Value per Day | THB 58.19 mn | THB 1.61 mn |
| Net Asset Value per Unit | | |
| - as at 31 March 2016 | THB 11.5382 | |
| - as at 31 March 2017 | THB 11.5801 | |

7.1.3 Details of the Reduction of Capital or Unit Value

| No. | Book Closing Date | Payment Date | Capital before Reduction of Unit Value | | Reduction of Capital | | Capital after Reduction of Unit Value | |
|-----|-------------------|--------------|--|----------------------|----------------------|----------------------|---------------------------------------|----------------------|
| | | | Per unit (Baht) | Total (Million Baht) | Per unit (Baht) | Total (Million Baht) | Per unit (Baht) | Total (Million Baht) |
| 1. | 29 Aug 14 | 12 Sep 14 | 10.800 | 62,510.400 | 0.077 | 445.676 | 10.723 | 62,064.724 |
| 2. | 8 Jun 15 | 19 Jun 15 | 10.723 | 62,064.724 | 0.048 | 277.824 | 10.675 | 61,786.900 |
| 3. | 30 May 16 | 13 Jun 16 | 10.675 | 61,786.900 | 0.064 | 370.432 | 10.611 | 61,416.468 |
| | | | Total | | 0.189 | 1,093.932 | | |

Reason of the Reductions of Capital : The Fund had excess cash from amortization of issuance cost which was non-cash expense;

- The 1st Reduction of Capital for period from 17 April 2013 to 30 June 2014
- The 2nd Reduction of Capital for period from 1 July 2014 to 31 March 2015, including the remaining amount of the 1st Reduction of Capital
- The 3rd Reduction of Capital for period from 1 Apr 2015 to 31 March 2016

7.2 Details of the Unitholders

7.2.1 List of Top 10 Unitholders

As at 6 June 2017

| No. | Name | No. of Units Held | % of Total Outstanding Units |
|-----|---|-------------------|------------------------------|
| 1 | BTS Group Holdings Public Company Limited | 1,929,000,000 | 33.33 |
| 2 | Bangkok Life Assurance Public Company Limited | 397,813,100 | 6.87 |
| 3 | Social Security Office | 200,230,000 | 3.46 |
| 4 | Littledown Nominees Limited | 200,000,000 | 3.46 |
| 5 | The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department | 175,725,800 | 3.04 |
| 6 | Land and Houses Bank Public Company Limited | 166,280,500 | 2.87 |
| 7 | Krungthai-AXA Life Insurance Public Company Limited | 160,837,000 | 2.78 |
| 8 | Chase Nominees Limited | 144,127,324 | 2.49 |
| 9 | Kiatnakin Bank Public Company Limited | 125,098,600 | 2.16 |
| 10 | AIA TH-EQ3-P | 105,400,000 | 1.82 |

7.2.2 List of Major Unitholder (including the Same Group holding 10% or more of Total Outstanding Units)

| No. | Name | No. of Units Held | % of Total Outstanding Units |
|-----|---|-------------------|------------------------------|
| 1 | BTS Group Holdings Public Company Limited | 1,929,000,000 | 33.33 |

7.2.3 Major Unitholder who, according to the circumstances, has a significant influence over the establishment of management policies, or operations of the Management Company

- None -

7.3 Distributions of the Fund

7.3.1 Distribution Policy: Dividend Payments and Reductions of Capital

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 paid to all Unitholders, 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 each financial period/year for that relevant dividend payment.

"Adjusted net profit" shall mean the net profit of the Fund in the relevant period/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 of cash flow for repair, maintenance or improvement of the Infrastructure Business of the Fund according to the plan clearly prescribed in the Prospectus or as informed by the Management Company to the Unitholders in advance;
- (c) deduction of provision of cash flow for repayment of loans or obligations under the borrowing policy set out in the Prospectus, Section 7.1 - "Borrowing Policy" or 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/year less the non-cash expenses.

- (2) In 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.

Additional 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 Baht 0.10 or less per Investment Unit. However, such dividend will be accumulated to the next dividend payment.

Reduction of Capital Policy

The Fund may reduce its capital in the followings cases:

- (1) the reduction of capital according to plans which may be determined by the Fund;
- (2) there is excess liquidity after sales of Infrastructure Assets and payment of dividends 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.

If the Fund fails to invest pursuant to its additional capital increase for potential investment in Infrastructure Assets, the Management Company must reduce such capital accordingly without delay.

Capital reduction may be made either by way of reducing unit value or unit number. After reduction of capital, the Management Company shall proportionately return the capital to the Unitholders whose names appear on the Unitholders register as at the book-closing date, without any deduction from the Fund's retained earnings.

7.3.2 History of Dividend Payments and Reductions of Capital

History of Dividend Payments

For Period from 17 April 2013 (Fund Registration Date) to 31 March 2017

| 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 |
| 5. | 1 Apr 2014 - 30 Jun 2014 | 0.151 | 29 Aug 2014 | 12 Sep 2014 |
| 6. | 1 Jul 2014 - 30 Sep 2014 | 0.156 | 28 Nov 2014 | 12 Dec 2014 |
| 7. | 1 Oct 2014 - 31 Dec 2014 | 0.161 | 27 Feb 2015 | 13 Mar 2015 |
| 8. | 1 Jan 2015 - 31 Mar 2015 | 0.138 | 8 Jun 2015 | 19 Jun 2015 |
| 9. | 1 Apr 2015 - 30 Jun 2015 | 0.168 | 24 Aug 2015 | 4 Sep 2015 |
| 10. | 1 Jul 2015 - 30 Sep 2015 | 0.179 | 23 Nov 2015 | 4 Dec 2015 |
| 11. | 1 Oct 2015 - 31 Dec 2015 | 0.178 | 25 Feb 2016 | 10 Mar 2016 |
| 12. | 1 Jan 2016 - 31 Mar 2016 | 0.167 | 30 May 2016 | 13 Jun 2016 |
| 13. | 1 Apr 2016 - 30 Jun 2016 | 0.189 | 22 Aug 2016 | 5 Sep 2016 |
| 14. | 1 Jul 2016 - 30 Sep 2016 | 0.188 | 21 Nov 2016 | 6 Dec 2016 |
| 15. | 1 Oct 2016 - 31 Dec 2016 | 0.188 | 24 Feb 2017 | 10 Mar 2017 |
| 16. | 1 Jan 2017 - 31 Mar 2017 | 0.207 | 6 Jun 2017 | 20 Jun 2017 |
| Total | | 2.649 | | |

History of Reductions of Capital

| No. | Book Closing Date | Payment Date | Capital before Reduction of Unit Value | | Reduction of Capital | | Capital after Reduction of Unit Value | |
|-----|-------------------|--------------|--|----------------------|----------------------|----------------------|---------------------------------------|----------------------|
| | | | Per unit (Baht) | Total (Million Baht) | Per unit (Baht) | Total (Million Baht) | Per unit (Baht) | Total (Million Baht) |
| 1. | 29 Aug 14 | 12 Sep 14 | 10.800 | 62,510.400 | 0.077 | 445.676 | 10.723 | 62,064.724 |
| 2. | 8 Jun 15 | 19 Jun 15 | 10.723 | 62,064.724 | 0.048 | 277.824 | 10.675 | 61,786.900 |
| 3. | 30 May 16 | 13 Jun 16 | 10.675 | 61,786.900 | 0.064 | 370.432 | 10.611 | 61,416.468 |
| | | | | Total | 0.189 | 1,093.932 | | |

Reason of the Reductions of Capital : The Fund had excess cash from amortization of issuance cost which was non-cash expense;

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- The 2nd Reduction of Capital for period from 1 July 2014 to 31 March 2015, including the remaining amount of the 1st Reduction of Capital
- The 3rd Reduction of Capital for period from 1 Apr 2015 to 31 March 2016

8

Management Structure



8.1 Management Company

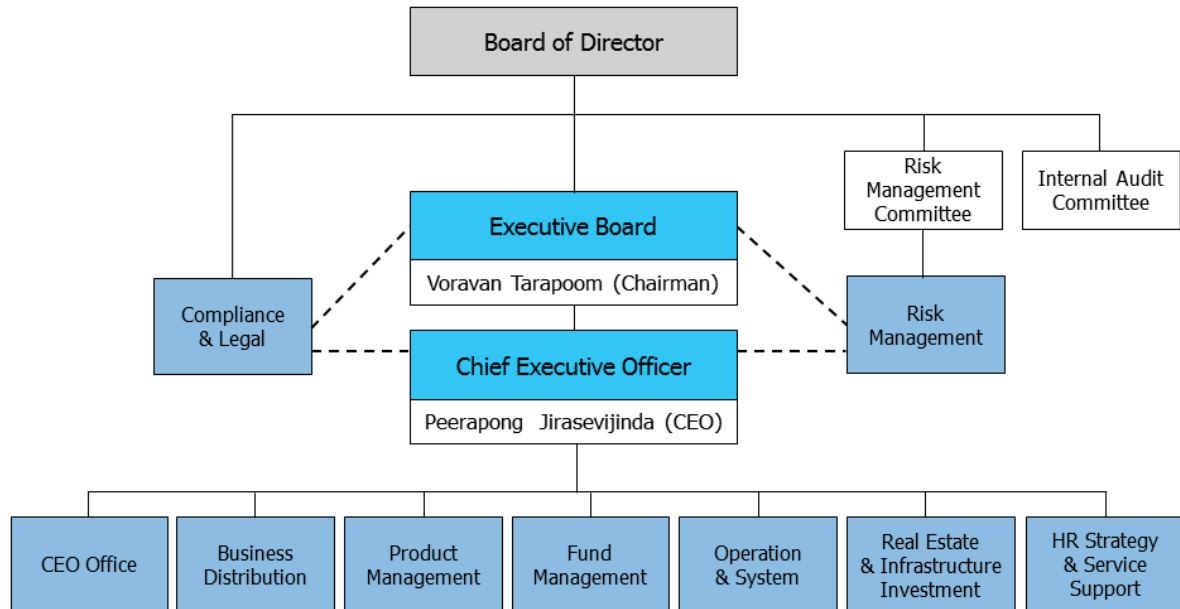
8.1.1 Name, Address, Corporate ID, Telephone and Fax Number, Website

| | |
|---------------------|---|
| Name | BBL Asset Management Company Limited |
| Address | 175 Sathorn City Tower, 7 th , 21 st and 26 th Floor, South Sathorn Road, Thung Mahamek Sub-district, Sathorn District, Bangkok 10120, Thailand |
| Corporate ID | 0105535049700 |
| Telephone | 0-2674-6488 |
| Fax | 0-2679-5996 |
| Website | www.bblam.co.th |

8.1.2 Organization Chart, Shareholders, Board of Director, Management and Fund Manager

Organization Chart

(as at 22 February 2017)



Shareholding Structure

| Shareholder | % of holding |
|--|--------------|
| 1. Bangkok Bank Public Company Limited | 75.0 |
| 2. Bangkok Life Assurance Public Company Limited | 10.0 |
| 3. Asia Financial Holdings Limited | 10.0 |
| 4. Bangkok Insurance Public Company Limited | 5.0 |

Board of Committee (as at 22 February 2017)

Board of Director

| Name | Position |
|--------------------------------|-----------------------------|
| 1. Mr. Stephen Tan | Director |
| 2. Mr. Narin Opamurathawong | Director |
| 3. Ms. Suyanee Puripanyawanich | Director |
| 4. Mr. Paisarn Lertkowitz | Director |
| 5. Ms. Piyamart Kumsaikaew | Director |
| 6. Mrs. Voravan Tarapoom | Chairman of Executive Board |
| 7. Mr. Peerapong Jirasevijinda | Chief Executive Officer |
| 8. Mr. Wasin Wattanaworakijkul | Director |

Executive Board

| Name | Position |
|--------------------------------|-----------------------------|
| 1. Mrs. Voravan Tarapoom | Chairman of Executive Board |
| 2. Ms. Suyanee Puripanyawanich | Director |
| 3. Mr. Paisarn Lertkowitz | Director |
| 4. Mr. Peerapong Jirasevijinda | Chief Executive Officer |
| 5. Mr. Wasin Wattanaworakijkul | Director |

Management

(as at 22 February 2017)

| Name | Position |
|------------------------------------|---|
| 1. Mrs. Voravan Tarapoom | Chairman of Executive Board |
| 2. Mr. Peerapong Jirasevijinda | Chief Executive Officer, Chief Investment Officer |
| 3. Mr. Wasin Wattanaworakijkul | Managing Director, Head of Business Distribution, Head of Corporate & High Net Worth Business |
| 4. Mr. Winai Hirunpinyopard | Managing Director, Head of Operation & System |
| 5. Mr. Sudhipongse Phuaphanprasert | Deputy Managing Director, Head of Real Estate & Infrastructure Investment |
| 6. Mr. Sutee Khantaruangsaku | Deputy Managing Director, Head of Compliance & Legal |
| 7. Ms. Wipharat Setkit | Deputy Managing Director, Head of Product Management |
| 8. Mrs. Ubolrat Busyakanistha | Deputy Managing Director, Head of Organization Management |
| 9. Dr. Adisorn Rotjanapan | Assistant Managing Director, Head of Risk Management |

Infrastructure Fund Managers

| Name | Education | Working Experience relating to Fund Management |
|--------------------------------|--|--|
| 1. Ms. Siriphen Wangdumrongves | <ul style="list-style-type: none"> Master of Business Administration California State University, Los Angeles Bachelor of Accounting Thammasat University CFA Level 3 | <p>2012-Present Senior Vice President, Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd.</p> <p>2003-2012 Senior Vice President, Property Fund Department ING Funds (Thailand) Co., Ltd.</p> <p>1998-2003 Vice President, Fund Management Department BBL Asset Management Co., Ltd.</p> |
| 2. Mrs. Noppawan Swaengkij | <ul style="list-style-type: none"> Master of Arts in Economics University of the Philippines Bachelor of Arts in Economics Thammasat University CISA Level 2 | <p>2014-Present Vice President, Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd.</p> <p>2011-2014 Assistant Vice President, Business Development Department Thanachart Asset Management Co., Ltd.</p> |

8.1.3 Duties and Responsibilities of the Management Company and Fund Manager

The Management Company and Fund Manager's primary duty and responsibility is to administer and manage the Fund and its assets and liabilities with accountability, prudence and loyalty for the benefit of Unitholders and to administer and manage the Fund in accordance with the Fund Scheme, the Commitment between the Unitholders and the Management Company, the Unitholders' resolutions, the Prospectus, the Securities Law and other agreements to which the Fund or the Management Company (for the purpose of management of the Fund) or both is or will be a party.

The Management Company and Fund Manager shall perform the following duties and responsibilities:

(1) Fund Administration and Management

In connection with administering and managing the Fund, the Management Company and Fund Manager shall be required:

- (a) to strictly manage the Fund as stipulated in the Fund Scheme which has been approved by the Office of the SEC, the Commitment between the Unitholders and the Management Company, Unitholders' resolutions, the Prospectus, Securities Law and other agreements into which the Fund will enter, as well as to comply with the duties as stipulated under Section

125 of the Securities and Exchange Act B.E. 2535 (1992) of Thailand (“the Securities and Exchange Act”);

- (b) to procure that the Commitment between the Unitholders and the Management Company, the Fund Supervisor Appointment Agreement, and the Prospectus, which their contents of each shall not be different from the draft Commitment, draft agreement, and draft Prospectus submitted to the Office of the SEC;
- (c) to keep the features and characteristics of the Fund not different from the material essence last shown to the Office of the SEC at all times during the life of the Fund, and in case of any change in the features or characteristics of the Fund, to ensure that the Fund is still in compliance with the Fund’s requirements under the Notification of the Capital Market Supervisory Board No. Thor Nor.1/2554 Re: Rules, Conditions and Procedures of Establishment and Management of Infrastructure Fund dated 10 January 2011, and the amendments thereto;
- (d) to alter or modify the Fund Scheme or the management procedures in accordance with the terms, conditions, and criteria as specified in the Fund Scheme and to ensure that any alteration or modification of the Fund Scheme or management procedures complies with Section 129 of the Securities and Exchange Act;
- (e) to deliver, distribute and make available the Prospectus and the Fund Scheme and the Commitment between the Unitholders and the Management Company (which form parts of the Prospectus) according to the following criteria and procedures:
 - (I) prior to the offering of the Investment Units, the Management Company shall make available to investors through an accessible channel, the draft Prospectus submitted to the Office of the SEC which contains information that is complete, accurate and sufficient and not misleading;
 - (II) prior to the offering of the Investment Units, the Management Company shall deliver the Prospectus, which its contents shall not be different from that draft, to the Office of the SEC not less than one Business Day prior to the delivery or distribution of the Prospectus to the investors and submit such Prospectus through the Mutual Fund Report and Prospectus System (MRAP);
 - (III) deliver or distribute the Prospectus to interested investors allowing a reasonable period of time for the investors to review and study the information contained in the Prospectus before making an investment decision, the period of which in aggregation with the period required for the disclosure of the draft Prospectus as stipulated in (I) above shall not be less than 14 days;
- (f) in case of distributing information in relation to the offering of the Investment Units by means of advertisement, to ensure that the information provided through the advertisement is accurate and not misleading and that the advertisement complies with requirements as prescribed by the Office of the SEC;

- (g) if the Management Company appoints an underwriter to underwrite the Investment Units, the underwriter shall not be a Person within the Same Group of any person who agrees to sell, dispose of, transfer, lease or grant the right in relation to the Infrastructure Assets in which the Fund will invest;
- (h) to undertake extensive public relations in relation to the offering of the Investment Units so that the information in relation thereto is dispersed to the public;
- (i) to manage Infrastructure Assets in accordance with and monitor the management thereof to be in compliance with the material terms of the Fund Scheme and to ensure that the agreements or documents entered or to be entered into in relation to the management of Infrastructure Assets contain the terms requiring that upon occurrence of any event or change which may affect the value of the Infrastructure Assets, the lessee, the grantee or the contractor who seeks benefit from the Infrastructure Assets shall report the fact and reasons thereof to the Management Company without delay;
- (j) to acquire and dispose of Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- (k) in seeking benefits from Infrastructure Assets, to ensure that the Fund shall not operate the Infrastructure Business itself but shall seek benefits from such assets only by means of lease, conveyance of rights or third party operation, and to manage the Fund to obtain benefits from Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- (l) to proceed according to the relevant notifications of the SEC or the Office of the SEC in the case of any person, and its Persons within the Same Group, holding Investment Units, at any moment, in aggregate of more than one-third of the total number of Investment Units sold;
- (m) to take necessary actions to monitor and ensure that the holding of Investment Units by Foreign Investors at any moment after the offering of Investment Units does not exceed the applicable limit;
- (n) to increase or decrease the capital of the Fund in accordance with the Fund Scheme and with the rules and procedures prescribed under Thor Nor. 1/2554 and other applicable rules prescribed by the Securities and Exchange Commission of Thailand ("the SEC"), the Office of the SEC or the Stock Exchange of Thailand ("the SET");
- (o) to pay the Fund's distributable income to Unitholders in accordance with the criteria and procedures prescribed in the Fund Scheme and the Commitment between the Unitholders and the Management Company and in compliance with the Securities Law;
- (p) to arrange for the Appraisal of Infrastructure Assets to be acquired by the Fund and subsequent appraisals of those assets in accordance with the Fund Scheme and as required by the Securities Law;

- (q) to proceed with the dissolution of the Fund as specified in the Fund Scheme and the Securities Law;
- (r) to set up and maintain appropriate work process for the administration and management of the Fund, at least with regard to the following matters:
 - (I) the election or appointment of relevant persons who have appropriate knowledge and competency for the administration and management of the Fund;
 - (II) the conduct of an analysis and feasibility study for the Fund establishment and due diligence in respect of Infrastructure Assets to be invested in, as well as the disclosure of information relating to the Fund establishment and Infrastructure Assets which is accurate and sufficient for the investors' investment decision-making; and
 - (III) the supervision, administration and management of risks relating Infrastructure Assets in order to be in accordance with the Fund Scheme and to protect the Unitholders' interests;
- (s) to administer and manage the Fund by itself and not to delegate its power to anyone except that the Management Company may delegate its power to other persons only in respect of the investment and seeking benefit out of the non-infrastructure assets and the back office tasks and such delegation (if any) must comply with the requirements under the Securities Law;
- (t) in managing the Infrastructure Asset which is the right to receive benefit from future revenues (including the Net Revenue) or right under revenue sharing agreement, to regularly monitor and review the accuracy and completeness of the revenues received or sharing. If the Management Company finds any error or discrepancy which may cause the Fund not to receive revenues accurately or completely according to the agreed arrangement, the Management Company shall proceed or appoint an expert to proceed to have the operator of the Infrastructure Asset to make good of such error or discrepancy.
- (u) in the event that the Management Company has entered into an obligation or agreement with a foreign state or the government of a foreign state or if it is required to comply with a law or a regulation of a foreign state regardless of the effective date of such obligation (e.g. the United States Foreign Account Tax Compliance Act (FATCA)), the Unitholders acknowledge and agree that the Management Company may act or perform its obligation according to the relevant law or regulation to which the Management Company is subject, including but not limited to disclosing information of the Unitholders or withholding any withholdable payment payable to the Unitholders, as well as may act or perform any other action necessary for complying with such relevant law or regulation to which the Management Company is subject.
- (v) to perform other acts to accomplish the objectives of the Fund and to maintain the benefits of Unitholders under the scope of duties and responsibilities of the Management Company, provided that such acts are not contrary to the Securities Law and/or any other relevant law;

(2) Investment Making

- (a) to enter into an agreement to acquire Infrastructure Assets on behalf of the Fund within six months from the Fund Registration Date, the value of which shall not be less than Baht 1,500,000,000 and no less than 75% of the value of the Fund's total assets;
- (b) to maintain the Fund's total investment value in Infrastructure Assets as at the end of each financial year of no less than 75% of the value of the Fund's total assets (except for the last financial year of the Fund's term, or as approved by the SEC);
- (c) to maintain the Fund's total investment value in Infrastructure Assets of not less than Baht 1,500,000,000 and no less than 75% of the value of the Fund's total assets within one year after the disposition of Infrastructure Assets;
- (d) to ensure that the Fund has no investment in non-infrastructure assets other than assets permitted for the Fund's investment by the SEC and that the Fund's investment in such assets complies with the required investment limit;

(3) Receipt and Payment of Money of the Fund

- (a) to arrange for the receipt and payment of fees and expenses and/or any other remuneration as stipulated in the Fund Scheme;

(4) Appointment of Relevant Persons for the Management of the Fund

- (a) to establish the Investment Advisory Committee in accordance with Thor Nor. 1/2554 and replace members by appointing new members who meets the requirements under the Securities Law and in accordance with the conditions as specified in the Fund Scheme;
- (b) to appoint persons who have the qualifications as prescribed under the relevant notifications issued pursuant to the Securities and Exchange Act and are approved by the SEC or Office of the SEC to be the Fund Managers who shall perform and act in accordance with the law and regulations issued in relation to the establishment and management of an infrastructure fund to which the Management Company is subject and in accordance with the code of conduct and professional standards approved by the Office of the SEC. The Management Company shall report to the Office of the SEC on the appointment and termination of the Fund Manager in accordance with the relevant notification issued by the Office of the SEC and shall disclose the list of Fund Managers in a report or document to be submitted to the Unitholders at least once a year and on the website of the Management Company which must be updated within 14 days should there be any change in the list;
- (c) to appoint Fund Supervisor and, upon a Unitholders' resolution, replace the Fund Supervisor by appointing another fund supervisor whose qualifications comply with the Securities Law and is in accordance with the conditions as specified in the Fund Scheme;
- (d) to appoint a Registrar, and replace the Registrar by appointing another Registrar, whose qualifications comply with the Securities Law, and to notify the relevant authorities of such

appointment and to monitor that the Registrar performs in accordance with the Unitholder register requirements under the notification of the Office of the SEC regarding the rules and procedures for preparing a unitholder register and the terms and conditions of the Registrar Appointment Agreement;

- (e) to appoint a juristic person having experience and expertise in Infrastructure Assets appraisal as an appraisal firm who shall appraise the value of the Fund's Infrastructure Assets in accordance with the Securities Law;
- (f) to appoint advisors (if any) to perform the duties of advisors of the Management Company and/or the Fund, or any other relevant and necessary persons to perform duties concerning the Fund, such as financial advisor and legal advisor;
- (g) to appoint an Auditor of the Fund, provided that the Auditor must be a person on the approved list of the Office of the SEC, and to replace the Auditor and appoint another Auditor meeting such requirements;
- (h) to appoint a liquidator of the Fund, with the approval of the Office of the SEC, in order to aggregate and distribute assets to the Unitholders and perform other duties as required under the Securities Law and as necessary for the completion of the liquidation, upon termination or dissolution of the Fund;
- (i) to appoint marketing personnel approved by the Office of the SEC to sell the Investment Units or provide advice to the retail investors;

(5) Other Responsibilities

- (a) to submit an application to register the pool of assets, which will be the proceeds from the sale of Investment Units, with the Office of the SEC within 15 Business Days from the last date of the Investment Unit offering period in accordance with Section 124 of Securities and Exchange Act and the notifications issued thereunder;
- (b) to submit an application to the SET to approve the securities listing of the Investment Units within 30 days from the Fund Registration Date or from the last date on which the newly issued Investment Units are offered, as the case may be;
- (c) to ensure that the Commitment between the Unitholders and the Management Company and the Fund Scheme at all times comply with the Securities Law and the notifications, rules and orders issued by virtue of thereof and to arrange for the Commitment between the Unitholders and the Management Company and/or the Fund Scheme to be amended without delay in case that any term contradicts the Securities Law and/or its notifications, rules and/or orders;
- (d) to convene a Unitholder's meeting and request for a resolution from the Unitholders in accordance with the Commitment between the Unitholders and the Management Company, the Fund Scheme and the Securities Law;

- (e) in requesting for a Unitholders' resolution, to provide sufficient information for the Unitholders to make a decision, which shall include the opinion of the Management Company and the Fund Supervisor on the matters to be decided and the potential impact on the Unitholders as a result of the resolution in such matters;
- (f) to give an opinion on matters required by the Securities Law which include, but not be limited to, the reasonableness of Infrastructure Assets appraisal and the matters for which a resolution from the Unitholders is required;
- (g) upon request by a Unitholder and in accordance with the terms of Commitment between the Unitholders and the Management Company, to issue or arrange for an issuance of updated investment unit certificates or other evidentiary documents containing necessary and sufficient information which can be used by the Unitholder as evidence of the Unitholder's right against the Management Company and any other person;
- (h) to monitor and ensure that its personnel performs in accordance with the Securities Law and any rules issued by virtue thereof as well as the code of conduct or applicable standards which were approved by the Office of the SEC;
- (i) to facilitate the Fund Supervisor or the Fund Supervisor's representatives such that they can perform their duties in connection with the Fund efficiently;
- (j) to separate accounts and keep Fund Assets separate from the Management Company assets, and to deposit the Fund assets and returns on investments of the Fund Assets into the custody of the Fund Supervisor;
- (k) to prepare investment book of the Fund in accordance with the Securities Law;
- (l) to cause a register of Unitholders to be prepared in accordance with the rules and procedures prescribed under the Securities Law;
- (m) to prepare the investment report of the Fund for the acknowledgment of the Fund Supervisor in accordance with the rules and procedures prescribed under the Securities Law;
- (n) to calculate the assets value, NAV and Value of Investment Units of the Fund and make a disclosure thereof in accordance with the rules, conditions, and procedures prescribed under the Securities Law;
- (o) to prepare financial statements of the Fund in accordance with the requirements as prescribed under the Securities Law and submit such to the Office of the SEC and the SET;
- (p) to prepare an annual report of the Fund which contains the particulars required under the Securities Law and deliver such annual report to the Unitholders, the Office of the SEC and the SET within four months from the end of each financial year;
- (q) to report to the Office of the SEC and the SET without delay of any circumstance or change which may materially affect the value of Infrastructure Assets of the Fund in accordance with the relevant notifications;

- (r) to prepare, or arrange for the preparation of, submit, report and disclose information in relation to the Fund in accordance with the Securities Law;
- (s) to follow up, proceed and order to the persons in charge under various appointment agreements such as the appraisal firm, the Fund Managers, advisors and marketing personnel in accordance with the relevant appointment agreements and to monitor the compliance of their duties and responsibilities under the relevant appointment agreements and the Securities Law, and to perform acts as specified in the appointment agreements and/or as requested by the Unitholders; and
- (t) to perform other duties which are prescribed by the Securities Law as duties of management companies.

8.1.4 Number of Employees Involving in Fund Management

| Name | Education | Working Experience relating to Fund Management | Duties and Responsibilities |
|------------------------------------|--|---|--|
| 1. Ms. Voravan Tarapoom | <ul style="list-style-type: none"> Master of Business Administration University of North Texas Bachelor of Architecture Silapakorn University | <p>Feb 2017-Present Chairman of Executive Board BBL Asset Management Co., Ltd.</p> <p>2010-2017 Chief Executive Officer BBL Asset Management Co., Ltd.</p> <p>2002-2010 Managing Director BBL Asset Management Co., Ltd.</p> | <ul style="list-style-type: none"> Be the member of Investment Advisory Committee |
| 2. Mr. Wasin Wattanaworakijkul | <ul style="list-style-type: none"> Master of Business Administration Chulalongkorn University Bachelor of Business Administration Chulalongkorn University | <p>2010-Present Managing Director, Head of Business Distribution, Head of Corporate & High Net Worth Business BBL Asset Management Co., Ltd.</p> <p>2007-2010 Deputy Managing Director, Mutual Fund Business Group BBL Asset Management Co., Ltd.</p> | <ul style="list-style-type: none"> Be the member of Investment Advisory Committee |
| 3. Mr. Sudhipongse Phuaphanprasert | <ul style="list-style-type: none"> Master of Business Administration Georgia State University Bachelor of Civil Engineering Chulalongkorn University | <p>2008-Present Deputy Managing Director, Head of Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd.</p> <p>2001-2008 Senior Manager, Property Fund Department MFC Asset Management Plc.</p> | <ul style="list-style-type: none"> Be the member of Investment Advisory Committee |

| Name | Education | Working Experience relating to Fund Management | Duties and Responsibilities |
|--------------------------------|---|--|--|
| 4. Ms. Siriphen Wangdumrongves | <ul style="list-style-type: none"> Master of Business Administration California State University, Los Angeles Bachelor of Accounting Thammasat University CFA Level 3 | 2012-Present Senior Vice President, Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd. 2003-2012 Senior Vice President, Property Fund Department ING Funds (Thailand) Co., Ltd. 1998-2003 Vice President, Fund Management Department BBL Asset Management Co., Ltd. | <ul style="list-style-type: none"> Oversee overall operation of the fund Oversee overall performance of the fund Oversee the operation of Asset Manager and coordinate with the Asset Manager to manage the Fund Coordinate with related parties to manage the Fund e.g. Fund Supervisor, Appraiser, Auditor |
| 5. Ms. Tapanee Namniraspai | <ul style="list-style-type: none"> Master of Business Administration Thammasat University Bachelor of Accounting Thammasat University | 2014-Present Senior Manager, Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd. | <ul style="list-style-type: none"> Review revenues and operating expenses Coordinate with related parties to manage the Fund e.g. Fund Supervisor, Appraiser, Auditor |
| 6. Ms. Anchalee Onnom | <ul style="list-style-type: none"> Bachelor of Business Administration (Management) Phranakhon Rajabhat University | 2013-Present Senior Officer, Real Estate & Infrastructure Investment BBL Asset Management Co., Ltd. 2009-2013 Officer, Property Fund Department ING Funds (Thailand) Co., Ltd. | <ul style="list-style-type: none"> Review revenues and operating expenses Coordinate with related parties to manage the Fund e.g. Fund Supervisor, Auditor Submit report of the Fund to SET and related parties |
| 7. Mr. Chukiet Viriyakorkitkul | <ul style="list-style-type: none"> Bachelor of Accounting University of the Thai Chamber of Commerce | 2008-Present Senior Vice President, Operation & System BBL Asset Management Co., Ltd. | <ul style="list-style-type: none"> Operate accounting, finance and registrar duties for property funds & infrastructure funds |
| 8. Mr. Apichart Torung | <ul style="list-style-type: none"> Master of Accounting Program Thammasat University Bachelor of Accounting Rajamangala University of Technology Rattanakosin Borpitpimuk Chakkrawat Campus | 2013-Present Assistant Vice President, Operation & System BBL Asset Management Co., Ltd. 2012-2013 Senior Officer Fund Accounting and Operation SCB Asset Management Co., Ltd. | <ul style="list-style-type: none"> Operate accounting, finance and registrar duties for property funds & infrastructure funds |

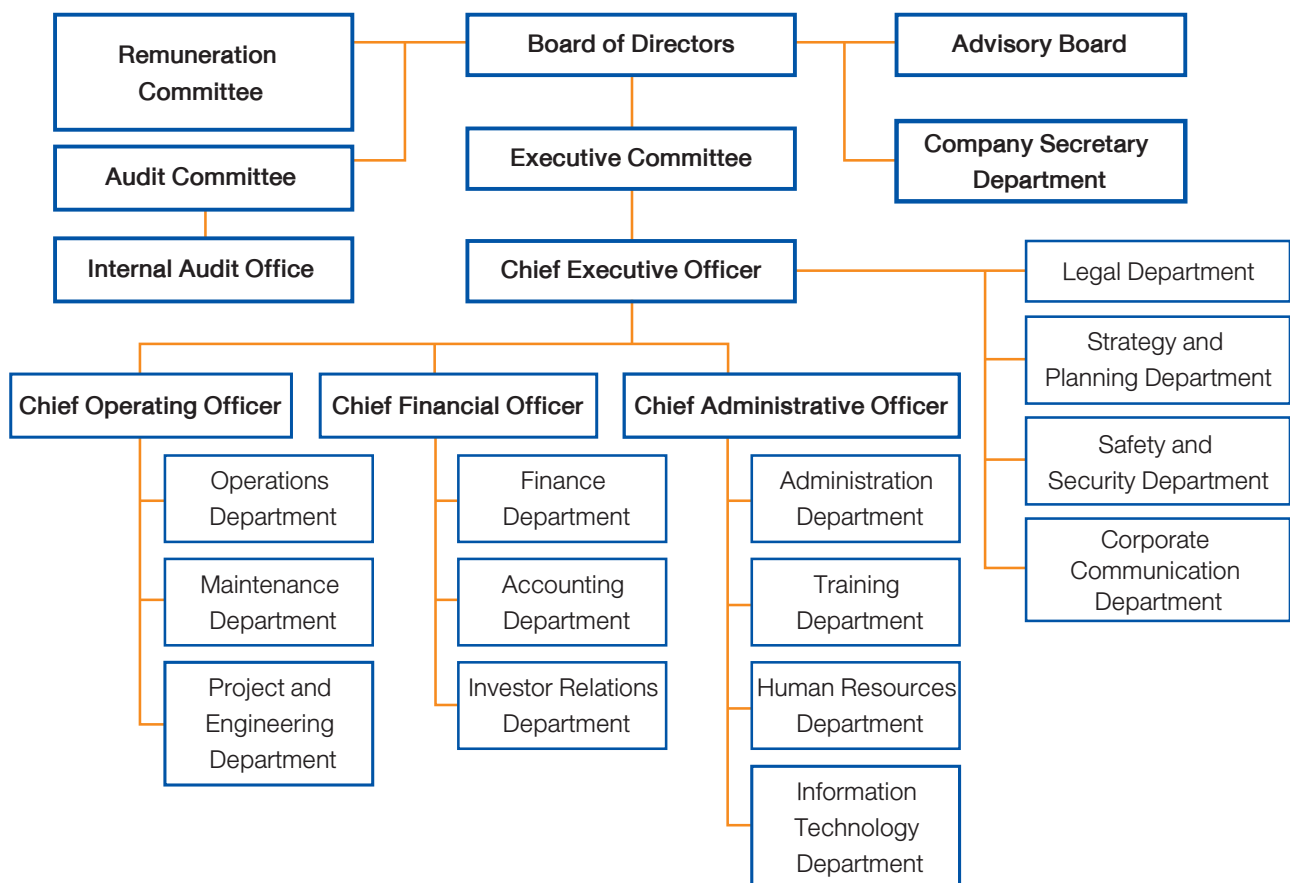
8.2 Infrastructure Asset Manager

8.2.1 Name, Address, Corporate ID, Telephone and Fax Number

| | |
|---------------------|---|
| Name | Bangkok Mass Transit System Public Company Limited (“BTSC”) |
| Address | BTS Building, 1000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900 |
| Corporate ID | 0107539000243 |
| Telephone | 0-2617-7300 |
| Fax | 0-2617-7133 |

8.2.2 Management Structure, Directors and Management

BTSC’s management structure consists of 5 sets of committees, namely the Board of Directors, the Executives Committee, the Advisory Committee, the Remuneration Committee and the Audit Committee. The organizational structure of BTSC is as follows.



8.2.2.1 Board of Directors

As of 31 March 2017, the Board of Directors consists of 9 members.

Executive Directors 2 members.

Non-Executive Directors 7 members.

Directors are as follows:

| Name | Position |
|------------------------------------|----------------------|
| 1. Mr. Keeree Kanjanapas | Chairman |
| 2. Mr. Chitchanok Kemavuthanon | Independent Director |
| 3. Mr. Anan Santichewasatien | Independent Director |
| 4. Mr. Manoo Ordeedolchest | Independent Director |
| 5. Mr. Surapong Laoha-Unya | Director |
| 6. Mr. Kavin Kanjanapas | Director |
| 7. Ms. Voravan Tarapoom | Director |
| 8. Mr. Wasin Wattanaworakijkul | Director |
| 9. Mr. Sudhipongse Phuaphanprasert | Director |

8.2.2.2 Executives Committee

As of 31 March 2017, the Executives Committee consists of 6 members:-

| Name | Position |
|----------------------------|---|
| 1. Mr. Keeree Kanjanapas | Executive Chairman |
| 2. Mr. Surapong Laoha-Unya | Executive Director & Chief Executive Officer |
| 3. Mr. Surapong Laoha-Unya | Executive Director & (Acting) Chief Operating Officer |
| 4. Mr. Surapong Laoha-Unya | Executive Director & (Acting) Chief Administrative Officer |
| 5. Mr. Kong Chi Keung | Executive Committee Member & Chief Financial Officer |
| 6. Dr. Anat Arbhabhira | Executive Committee Member & Chairman of Advisory Committee |

8.2.2.3 Advisory Committee

As of 31 March 2017, the Advisory Committee consists of 4 members:-

| Name | Position |
|------------------------------------|--------------------------------|
| 1. Dr. Anat Arbhabhira | Chairman of Advisory Committee |
| 2. Pot. Maj. Gen. Vara leammongkol | Advisory Committee |
| 3. Mr. Kom Panomreongsak | Advisory Committee |
| 4. Mr. Prajak Manothum | Advisory Committee |

8.2.2.4 Remuneration Committee

As of 31 March 2017, the Remuneration Committee consists of 5 members:-

| Name | Position |
|--------------------------------|------------------------------------|
| 1. Mr. Anan Santichewasatien | Chairman of Remuneration Committee |
| 2. Mr. Manoo Ordeedolchest | Remuneration Committee |
| 3. Mr. Chitchanok Kemavuthanon | Remuneration Committee |
| 4. Mr. Surapong Laoha-Unya | Remuneration Committee |
| 5. Mr. Kavin Kanjanapas | Remuneration Committee |

8.2.2.5 Audit Committee

As of 31 March 2017, the Audit Committee consists of 3 members:-

| Name | Position |
|--------------------------------|--|
| 1. Mr. Anan Santichewasatien | Chairman of Audit Committee & Independent Director |
| 2. Mr. Manoo Ordeedolchest | Audit Committee & Independent Director |
| 3. Mr. Chitchanok Kemavuthanon | Audit Committee & Independent Director |

8.2.2.6 Executives

As of 31 March 2017, the Executives of BTSC are as follows.

| Name | Position |
|--------------------------------|---|
| 1. Mr. Keeree Kanjanapas | Chairman and Executive Chairman |
| 2. Mr. Surapong Laoha-Unya | Executive Director & Chief Executive Officer (Acting) Chief Operating Officer (Acting) Chief Administrative Officer |
| 3. Mr. Kong Chi Keung | Chief Financial Officer |
| 4. Mr. Visuth Udompitisub | Deputy Chief Financial Officer & Financial Director |
| 5. Mrs. Namthip Kimchun | Financial Controller |
| 6. Mr. Natthasak Chaichana | Legal Director |
| 7. Mr. Chaisak Srisethanil | Project and Engineering Director |
| 8. Mr. Pakdi Jirapapun | Maintenance Director |
| 9. Mr. Surachet Sangchayosawat | Strategy and Planning Director |
| 10. Mr. Chaiwut Pakpoyen | Safety and Security Director |
| 11. Mr. Sumit Srisantithum | Operation Director |

8.2.3 Duties and Responsibilities of Infrastructure Asset Manager

BTSC is still the counterparty as per the Concession Agreement with the BMA and BTSC still manages the operations of the Core BTS SkyTrain System for the benefit of the Fund under the supervision and control of the Fund as per the regulations and conditions of the net revenue purchase and transfer agreement as well as the duty to submit the net farebox revenue to the Fund during the period of the Concession Agreement. In addition, BTSC agrees to grant the rights for the joint management of BTSC to the Fund in which the Fund has the right to nominate 1/3 of the total directors of BTSC's Board of Directors as well as to perform other duties as specified in the Agreement.

8.3 Fund Supervisor

8.3.1 Name, Address, Telephone and Fax Number

| | |
|------------------|--|
| Name | Standard Chartered Bank (Thai) Public Company Limited |
| Address | 90 North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok 10500, Thailand |
| Telephone | 0-2724-5047 |
| Fax | 0-2724-5051 |

8.3.2 Duties and Responsibilities of the Fund Supervisor

The Fund Supervisor shall have the following key duties and responsibilities:

- (1) to execute the Commitment between the Unitholders and the Management Company on behalf of the Unitholders;
- (2) to certify the receipt of funds from subscription and support the establishment or registration of the Fund to be made with the Office of the SEC;
- (3) to supervise the Management Company to strictly comply with the Securities Law and the Fund Scheme as well as the Commitments between the Unitholders and the Management Company, and to notify the Office of the SEC within 5 Business Days from the date of the Fund Supervisor's knowledge if the Management Company fails to comply with the above;
- (4) to prepare a detailed report and submit it to the Office of the SEC in case that the Management Company does any act or omits from taking any action that causes damage to the Fund or fails to perform its duties under the Securities Law within five days from the date on which the Fund Supervisor is aware of such circumstance;
- (5) to take into custody the Fund Assets and keep them segregated from assets of the Fund Supervisor or of other persons which are under the custody of the Fund Supervisor;
- (6) to monitor and ensure that the disbursement, payment and delivery of either monies, documents or other assets made by the Fund complies with the Fund Scheme, as well as with the Net Revenue Purchase and Transfer Agreement;

- (7) to prepare details of items or assets deposited into and withdrawn out of accounts of the Fund;
- (8) to file a lawsuit against the Management Company to force the Management Company to perform its duties or to claim compensation for damages caused by the Management Company for the benefit of all Unitholders or upon the receipt of order from of the Office of the SEC, the cost of which can be claimed by the Fund Supervisor from the assets of the Fund;
- (9) to perform checks and balances over the Fund administration and management by the Management Company in a strict manner;
- (10) to perform its duties with loyalty by knowledge and competence as professional behaviour for the interest of the Fund and the Unitholders;
- (11) to consider and approve or not approve the acquisition or disposal of Infrastructure Assets with a value of more than Baht 100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such acquisition or disposition of assets in accordance with the Fund Scheme and the Securities Law, taken into consideration the opinion of independent expert appointed at cost of the Fund (if any);
- (12) to consider and approve or not approve the entry into an agreement or amendment or termination of the agreement to engage the third party to be the operator to run or operate Infrastructure Business with a contract value of more than Baht 100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such entry into an agreement or amendment or termination of such agreement in accordance with the Fund Scheme and the Securities Law, taken into consideration the opinion of independent expert appointed at cost of the Fund (if any);
- (13) to consider and approve or not approve the payment of O&M Costs for purchase of additional rolling stocks by BTSC only in the case where the actual O&M Costs for purchase of additional rolling stocks are higher than Baht 900 million as set out in the Prospectus Section 2.3.1 “Growth in Initial Asset- (ii) Additional investment to service expected ridership growth” which is equivalent to 30% of the value of the total assets of the Fund at the time of the purchase by BTSC, taken into consideration the opinion of independent expert appointed at cost of the Fund (if any);

Any payment of O&M Costs other than the payment of O&M Cost under this Sub-clause (13) does not require approval from the Fund Supervisor. Any acquisition or disposition of any assets, or entry into any agreement in relation to or creating the O&M Costs by any person other than the Fund is not acquisition or disposition, or entry into by the Fund. Accordingly, such acquisition or disposition, or entry into agreement does not require approval either from the Fund Supervisor or the Unitholders. However, this shall not affect the right of the Fund in relation to Reserved Matters or any other rights of the Fund under the Transaction Documents.

For consideration of approval or not approval in respect of Sub- clauses (11) (12) and (13) above, the Management Company shall prepare and deliver details together with its opinion and supporting documents to the Fund Supervisor to consider the matter no less than 30 days.

- (14) to notify the Management Company to conduct a new appraisal immediately after the Fund Supervisor is of the opinion that any circumstance or change has occurred in a way that will have a material effect on the value of the assets of the Fund, or when it thinks necessary for the Fund;
- (15) to give an opinion on the matters requiring the Fund Supervisor's opinion;
- (16) to arrange for the receipt of, or payment of money from accounts of the Fund within the prescribed time as reasonably requested by the Management Company, subject to compliance with the Fund Scheme and/or the terms of the relevant Transaction Documents (as applicable);
- (17) not to take any action which will conflict with the interest of the Fund or the Unitholders, regardless of whether such action is or will be taken for the benefit of the Fund Supervisor itself or others, except for claims of remuneration for acting as the Fund Supervisor or actions which are fair treatment and have been sufficiently disclosed to the Unitholders in advance provided that the Unitholders who are notified thereof do not make any objection;
- (18) in case that the Management Company does not seek approval for the matters which require Unitholders' resolution, the Fund Supervisor has to take any necessary actions to seek such approval from the Unitholders;
- (19) to have rights, duties and responsibilities as prescribed in the Fund Scheme and Fund Supervisor Appointment Agreement; and
- (20) to perform any other acts as prescribed under the Securities Law and the Fund Supervisor appointment agreement.

8.3.3 Removal and Replacement of Fund Supervisor

The Management Company may change the Fund Supervisor upon the occurrence of any of the following events:

- (1) when the Unitholders pass a resolution, by a majority vote representing more than one-half of the total number of Investment Units sold, to change the Fund Supervisor, and a new fund supervisor is appointed, at any time during the term of the Fund;
- (2) if the Fund Supervisor engages in any arrangement that conflicts with the benefits of the Fund or the Unitholders which are material and incurable;
- (3) if the Fund Supervisor's licence to undertake a commercial bank or financial institution business is revoked, or the Fund Supervisor is unable to perform its duties and obligations as the Fund Supervisor;
- (4) if the Fund Supervisor commits a criminal offence against property as stipulated in Chapter 1, Chapter 3, Chapter 4, Chapter 5 or Chapter 7, of Title 12 of the Criminal Code;
- (5) when the Fund Supervisor fails to perform the duties or responsibilities as prescribed in the Fund Supervisor Appointment Agreement;

- (6) there is a material change in any condition of the Fund Scheme due to an amendment to the Securities Law or any other circumstance which causes the Management Company and the Fund Supervisor to be unable to agree on the amendment of the Fund Supervisor Appointment Agreement to comply with such change or amendment because such change or amendment imposes more duties on the Fund Supervisor and the Fund Supervisor does not wish to accept such duties. In such event, the Fund Supervisor shall have the right to terminate the Fund Supervisor Appointment Agreement by giving written notice thereof to the Management Company not less than 90 days in advance;
- (7) in case the Fund Supervisor lacks any qualification as prescribed under the Securities Law, the Management Company shall notify the Fund Supervisor in writing to make a rectification within 15 days from the day following the date on which the Management Company is or should reasonably be aware of such disqualification or the date on which such disqualification is discovered from an inspection of the Office of the SEC. The Management Company shall also notify such rectification to the Office of the SEC within 3 Business Days following the date the Fund Supervisor completes the rectification. If the Fund Supervisor fails to make a rectification within such prescribed period, the Management Company shall seek permission to replace the Fund Supervisor from the Office of the SEC within 15 days from the day following the expiry date of the rectification period. When permission is obtained from the Office of the SEC, the Management Company shall appoint a new fund supervisor in place of the former Fund Supervisor immediately unless otherwise instructed by the Office of the SEC;
- (8) when any person proposes or files a petition to the Court or any other relevant authority in connection with the Fund Supervisor (a) for the dissolution of the Fund Supervisor or any other similar purposes; or (b) for the rehabilitation, composition or relaxation of debt payment, management of properties, liquidation or any other similar request under the current or future laws or under various regulations; or
- (9) when a Government authority or agency is of the opinion that the Fund Supervisor is at fault or has committed gross negligence and gives notice to the Management Company or makes an announcement to the public;
- (10) upon termination of the Fund Supervisor Appointment Agreement under cases other than those set out above, in which case the party wishing to terminate the said agreement shall give to the other party a written notice of not less than 60 days in advance.

Since the Securities Law provides that the Fund must have a fund supervisor, if the Fund Supervisor is discharged from its duties under any of these conditions, the Fund Supervisor must fully perform the duties of a fund supervisor until the completion of the transfer and delivery of all assets and documents and evidence of the Fund to the new fund supervisor or as instructed by the Management Company or the Office of the SEC, including any other necessary arrangements for the proper and complete transfer and delivery of all assets and documents to the new fund supervisor within a reasonable time to ensure the continuous performance of duties. The Fund Supervisor shall be entitled

to receive the remuneration at the normal rate allowed under the Fund Supervisor Appointment Agreement until the transfer and delivery of all such assets and documents to the new fund supervisor or as instructed by the Management Company or the Office of the SEC is completed.

In case of termination of the Fund Supervisor Appointment Agreement, the Fund Supervisor is entitled to receive its remuneration and/or any other expenses due but not yet paid to the Fund Supervisor under the Fund Supervisor Appointment Agreement which have been incurred prior to the termination of the Fund Supervisor Appointment Agreement. The amount of such remuneration and/or any other expenses so due shall be calculated up until the expiration of the termination notice period or the period set out under the Fund Supervisor Appointment Agreement.

8.4 Investment Advisory Committee

8.4.1 List of Investment Advisory Committee

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

8.4.2 Duties and Responsibilities of the Investment Advisory Committee

The Investment Advisory Committee shall have the following duties and responsibilities:

- (1) upon request by the Management Company, to provide advice and recommendation to the Management Company in relation to the Fund's investment in Infrastructure Assets as well as management of Infrastructure Assets in which the Fund has invested; and
- (2) to declare to the Management Company if any member of the Investment Advisory Committee has an interest (whether directly or indirectly) in the matters requiring advice or recommendation. The member who has such as interest (whether directly or indirectly) shall not participate in the meeting to consider such matters.

8.5 Name, Address and Telephone Number of Auditor, Fund Registrar and Asset Appraiser

8.5.1 Auditor

| | |
|------------------|--|
| Name | EY Office Limited (Formerly known as Ernst & Young Office Limited) |
| Address | 193/136-137 Lake Ratchada Building 3 rd Floor Rachadaphisek Road, Klong Toey Sub-district, Klong Toey District, Bangkok 10110 |
| Telephone | 0-2264-0777 |

8.5.2 Fund Registrar

| | |
|------------------|--|
| Name | Thailand Securities Depository (Thailand) Company Limited |
| Address | 93 The Stock Exchange of Thailand Building, 14 th Floor, Rachadapisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400 |
| Telephone | 0-2009-9000 |

8.5.3 Asset Appraiser

| | |
|------------------|--|
| Name | American Appraisal (Thailand) Ltd. |
| Address | 43 Thai CC Tower, 31 rd Floor, South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120 |
| Telephone | 0-2675-8403 |

8.6 Punishment and Fine Penalty

- None -

9

Corporate Governance

9.1 Governance Policy

The Management Company has the policy to administer and manage the Fund with prudence and loyalty for the benefit of Unitholders and to administer and manage the Fund in accordance with the Fund Scheme, the Commitment between the Management Company and the Unitholders, the Unitholders' resolutions, the Prospectus, the Securities Law and various agreements to which the Fund or the Management Company is or will be a party.

9.2 Sub Committee

The Management Company will appoint the Investment Advisory Committee of the Fund to provide advice and recommendation to the Management Company in relation to the Fund's investment in Infrastructure Assets as well as management of Infrastructure Assets in which the Fund has invested. The Investment Advisory Committee of the Fund consists of the following persons;

| | | | |
|--------------------|-------------------|-----------------------------|--------------------------------|
| 1. Ms. Voravan | Tarapoom | Chairman of Executive Board | BBL Asset Management Co., Ltd. |
| 2. Mr. Wasin | Wattanaworakijkul | Managing Director | BBL Asset Management Co., Ltd. |
| 3. Mr. Sudhipongse | Phuaphanprasert | Deputy Managing Director | BBL Asset Management Co., Ltd. |
| 4. Ms. Siriphen | Wangdumrongves | Senior Vice President | BBL Asset Management Co., Ltd. |
| 5. Dr. Sompong | Paksarsawan | Director | AMP Consultants Ltd. |
| 6. Mr. Sran | Bunyasiri | Consultant | AMP |

In addition, the Management Company still has certain control over BTSC's material corporate matters. The persons nominated by the Management Company have joined the board members of BTSC for one-third of the total board members of BTSC, details as follows;

| | | | |
|--------------------|-------------------|-----------------------------|--------------------------------|
| 1. Ms. Voravan | Tarapoom | Chairman of Executive Board | BBL Asset Management Co., Ltd. |
| 2. Mr. Wasin | Wattanaworakijkul | Managing Director | BBL Asset Management Co., Ltd. |
| 3. Mr. Sudhipongse | Phuaphanprasert | Deputy Managing Director | BBL Asset Management Co., Ltd. |

In entering into such corporate matters by BTSC: (1) in case of the Reserved Matters, BTSC shall obtain an approval from a board of directors' meeting of BTSC having at least two affirmative votes from BTSC's directors who are nominated by the Fund and (2) in case of the matters prohibited under the negative undertakings as set out under the Net Revenue Purchase and Transfer Agreement, BTSC must obtain a prior consent of the Fund. If at least two members of BTSC board of directors representing the Fund

approve the Reserved Matters which are the same matters prohibited under the negative undertakings of BTSC, such approval shall deem to be the Fund's consent for BTSC to carry out such same matters prohibited under the relevant negative undertakings of BTSC.

9.3 Protection of the Misuse of Inside Information

The Management Company has a policy that prohibits the executives and employees of the Management Company as well as their related persons to use inside information for the benefit in trading securities and prohibits the disclosure of inside information to outsiders or unrelated persons before the information is disclosed to the public at large through the Stock Exchange of Thailand ("the SET"). In addition, the Management Company has criteria for the request for approval and the reporting of trading of securities of its employees who invest in the Investment Units of the funds managed by the Management Company. If any executive or employee violates such regulation on the misuse of inside information, not only would he/she be subject to the punishment according to the Securities and Exchange Act but also is subject to the punishment according to the work regulation and disciplinary action.

BTSC prohibits the directors, executives and employees of BTSC as well as their related persons to use inside information for the benefit in trading securities and prohibits the disclosure of inside information to outsiders or unrelated persons before the information is disclosed to the public at large through the SET.

9.4 Investment Decision Making and Fund Management

The objective of the Fund is to invest in the assets of the infrastructure business which initially is the Net Revenue generated from the Core BTS SkyTrain System, the Management Company has decided to invest in such infrastructure assets since the Core BTS SkyTrain System has the following strengths:

1. The sole rights in accordance with the Concession Agreement to operate the Core BTS SkyTrain System with a clear mechanism to adjust the fare and does not have to share the income with the government.
2. The Core BTS SkyTrain System is the main system of the mass transit system for the central Bangkok area and covers various strategic destinations.
3. The business has good strength, growth and potential for further growth.
4. The operation of the business is efficient and effective in maintaining the operating costs.
5. Strong and experienced management.

The Management Company believes that such infrastructure assets have potential in generating consistent income and has a potential for long-term growth which will make the Fund be able to pay dividends to the Unitholders consistently, at satisfactory rates.

Since the assets invested by the Fund is in the form of Net Revenue from operation in the Core BTS SkyTrain System which is under the operation and management of BTSC, the Management Company shall control and monitor the submission of the Net Revenue through the various daily and monthly reports that BTSC submits to the Fund and check whether or not the farebox revenue and expenses incurred are correct and appropriate.

9.5 Selection of the Asset Manager

The assets that the Fund invested are in the Net Revenue generated from the operation of the Core BTS SkyTrain System which the Fund allows BTSC to operate and manage the Core BTS SkyTrain System since BTSC was granted concession from the BMA that granted the rights solely to BTSC to operate the Core BTS SkyTrain System and the rights to collect the farebox revenue from the Core BTS SkyTrain System.

Moreover, the management of BTSC has the expertise and strength in the mass transit business. The management of BTSC consists of persons who are well experienced in the mass transit business for more than 10 years and have been operating the Core BTS SkyTrain System with no major accidents. With such high standard of service, BTSC, thus, has received awards from various organizations such as OHSAS 18001:2007 for cleanliness and safety, ISO9001:2008 for management and certification for safety management system from Lloyd's Register.

In the event of a breach of the Net Revenue Purchase and Transfer Agreement, the Fund has the right to the enforcement of pledge of securities according to the Share Pledge Agreement; the right to buy BTSC shares that the Sponsor holds according to the Agreement to Purchase and to Sell Shares; the right to revoke the appointment of BTSC as the Fund's representative in collecting the net revenue for and in the name of the Fund and appoint other persons to collect the Net Revenue. Moreover, the Fund may use the right to obtain the transfer of the Concession Agreement, as the representative of the creditors of BTSC, as per the notification letter to the BMA in the event that the BMA has an intention to revoke the Concession Agreement due to BTSC's breach of agreement.

9.6 Supervision of the Asset Manager's Operation

The Management Company oversees and monitors the operations of BTSC. Each year the Management Company shall consider the budget for O&M expenses and the annual Net Revenue Target from the reports submitted to the Fund by BTSC. The Management Company will consider the farebox revenue and expenses whether or not they are in accordance with the planned budgets. The Management Company shall also review the actual farebox revenue and expenses whether or not they are accurate and appropriate.

As for the revenue collection, the Management Company shall conduct reviews on the internal control of the collecting the farebox revenue and conduct random reviews on the income realisation of BTSC and arrange for a meeting with BTSC to find ways to solve the problem that has arisen.

Moreover, the Management Company takes part in some of the operations of BTSC by chairing 1/3 of the total number of members of the Board of Directors of BTSC.

9.7 Supervision of the Fund's Interest

Submission of the Net Farebox Revenue

1. BTSC submits the Net Farebox Revenue on a daily basis to the Fund's revenue account together with the related daily reports such as the daily number of passengers, the daily received farebox revenue and the Net Farebox Revenue that BTSC submits to the Fund. Such reports are to be submitted to the Management Company and the Fund Supervisor by 14.00 hrs. of the next business day.

2. The Management Company and the Fund Supervisor shall check to see whether the daily Farebox Revenue submitted by BTSC to the Fund is accurate and correspond to the report or not.
3. At the end of each month, BTSC shall submit a report on the Net Farebox Revenue of each month to the Management Company and the Fund Supervisor within 10 days from the end of the month, so that the Management Company and the Fund Supervisor can review the report (such report shall separate the Farebox Revenue from other incomes as well as the O&M costs deducted from such income)
4. The Management Company and the Fund Supervisor shall check whether or not the Net Farebox Revenue sent by BTSC to the Fund each day of the month is correct and corresponds to the Net Farebox Revenue disclosed in the daily report of the month.

Depositing of O&M Costs and Withdrawing of O&M Costs

1. BTSC shall deposit the projected daily O&M costs in the O&M costs account, opened under the name of BTSC, by 14.00 hrs. of the next business day and delivers the deposit document, such as the statement or payment slip or transfer slip to the Management Company.
2. The Management Company shall check whether or not BTSC has deposited the projected daily O&M costs into the O&M costs account opened under the name of BTSC.
3. From the first day of each month, if there is no payment default, BTSC may withdraw the funds in the amount equal to the total amount of the O&M costs for the prior month which deposited into the O&M costs account, from the O&M costs account. The Management Company shall check to ensure that BTSC has not withdrawn the funds from the O&M costs account before the specified period or has not withdrawn more than the permitted amount.
4. BTSC shall deliver the initial actual expense report to the Management Company within 10 days from the end of each month so that the Management Company can review such report.
5. BTSC shall deliver the actual expense documents to the Management Company within 15 days from the end of each quarter month so that the Management Company can review such documents.
6. The Management Company shall consider whether or not the expenses incurred do actually relate to the Fund and has been allocated as per prior agreement.
7. At the end of each quarter, the Management Company shall reconcile the actual expenses incurred with the budget.

In the case the actual O&M costs in the quarter are lower than the total projected daily O&M costs for the quarter which BTSC had already deducted prior to sending the daily Net Farebox Revenue to the Fund, BTSC shall return the excess amount to the Fund within 5 business days from the date the Fund has reviewed the actual O&M costs incurred.

In the case the actual O&M costs in the quarter are higher than the total projected daily O&M costs for the quarter which BTSC had already deducted prior to submitting the daily Net Farebox Revenue to the Fund and the actual O&M expenses for the quarter when combined with the aggregate actual O&M costs for every preceeding quarter of the relevant year do not exceed 10% of the aggregate O&M costs budget for

every preceding quarter of the relevant year up to that quarter, the Fund shall pay the shortfall amount of such quarter to BTSC within 5 business days from the date the Fund has reviewed the actual O&M costs incurred.

However, in the case the actual O&M costs in the quarter are higher than the total projected daily O&M costs for the quarter which BTSC had already deducted prior to submitting the daily Net Farebox Revenue to the Fund and the actual O&M expenses for the quarter when combined with the aggregate actual O&M costs for every preceeding quarter of the relevant year exceed 10% of the aggregate O&M costs budget for every preceding quarter of the relevant year up to that quarter, the Fund shall pay the shortfall amount of such quarter to BTSC, provided the Fund (or at least 2 directors of BTSC proposed by the Fund) or the experts that the Fund and BTSC have jointly appointed, consent to the payment.

9.8 Remuneration of the Management Company

The Management Company shall calculate the Management Fee from the NAV of the Fund which the Fund Scheme has specified the Management Fee to be not more than 0.10% per year of the NAV; such fee shall not be less than THB 10,000,000 per year. However, the Management Company charges the actual Management Fee at 0.075% of the NAV at a minimum of THB 10,000,000 per year. The Management Fee for the year ending 31 March 2017 was THB 53.56 million (2016: THB 52.96 million) including VAT.

9.9 Disclosure of Information to the Unitholders

The Management Company has a policy to publicly disclose important information of the Fund such as the Fund's financial status and performance, information that may have an impact on the price of securities or investment decision or the benefits of the Unitholders as per the notification of the SET and other related laws as well as to disclose the Annual Report so that investors and related persons can use for their investment decision through various channels and medias of the SET as well as the Fund's website. The Management Company has assigned related units to be responsible for disclosing information to the Unitholders. The information to be disclosed shall be approved by the authorized persons of the related units.

9.10 Meeting of Unitholders

The Unitholders who have their names recorded in the registrar book shall have the rights to vote, as well as to receive the distributions. The Management Company shall inform the date of book closing date to the SET and the Registrar 14 days or any period of time as prescribed by the SET or the Registrar prior to the book closing date. If there is any change to such book closing date, the Management Company shall inform the SET and the Registrar at least 7 days or any period of time as prescribed by the SET or the Registrar prior to the original book closing date.

The Management Company shall send a request of resolution by circular, or a notice to convene the Unitholders' meeting to the Unitholders whose names are in the registrar book as at the book closing date.

It shall be assumed that the registrar book of the Investment Units is a correct and accurate record; therefore the payment or distribution of assets, and the entitlement or restriction of any rights made to the Unitholders whose names appear in such registrar book shall be deemed duly made by the Management Company.

9.10.1 Resolution by Circular

To obtain a resolution by circular, the resolution shall be passed by more than half of the total units with voting rights, regardless of the nature of the matters, except for the amendment or modification of the Fund Scheme or fund management procedures which shall be in compliance with the requirements as prescribed in the Prospectus, Section 7.14.1– “Procedures to Amend the Fund Scheme”.

9.10.2 Resolution by Meeting

(1) Quorum requirements

- (a) Except as provided in (b) below, to constitute a quorum there shall be at least 25 Unitholders, or at least half of the total number of Unitholders, holding in aggregate no less than one-third the total units sold.
- (b) Requirements with respect to a quorum as set out in (a) above are not applicable to the amendment or modification of the Fund Scheme or fund management procedures; it shall be in compliance with the requirements as prescribed in the Prospectus, Section 7.14.1- “Procedures to Amend the Fund Scheme”

(2) Rights to vote

- (a) Unitholders who have a special interest or a conflict of interest in a matter shall have no right to vote on such matter.
- (b) Unitholders who hold Units in excess of the holding limits as set out in the Prospectus, Section 7.4.7 -“Holding Restrictions” shall abstain from casting votes in respect of such excess portion.

(3) Voting requirements

- (a) One unit of the Investment Unit shall have one vote.
- (b) Except as provided in (c) and (d) below, the resolutions of a Unitholders’ meeting, shall be passed by a simple majority vote of more than 50% of the total number of votes of attending Unitholders with the rights to vote.
- (c) Any resolutions of the meeting of Unitholders on the following matters must be passed by a vote of no less than three-fourths (i.e. 75% or more) of the total number of votes of attending Unitholders with the rights to vote:
 - (i) acquisition or disposition of Infrastructure Assets having a value of more than Baht 100,000,000 or 30% or more of the Fund’s total assets at the time of such acquisition or disposition of assets, in accordance with the Prospectus, Section 2.2.3 - “Core Investment - Additional Assets”, or agreement, consent or casting vote for a company in which the Fund holds shares according to paragraph (e) under the definition of “Infrastructure Assets” to undertake such acquisition or disposition;

- (II) entry into, amendment or termination of any agreement to engage a third party to be the operator to run or operate such Infrastructure Business having a value of more than Baht 100,000,000 or 30% or more of the Fund's total assets at the time of such entry into, amendment or termination of such agreement, in accordance with the Prospectus, Section 3.8.3 - "Agreement with Third Parties" or agreement, consent or casting vote for a company in which the Fund holds shares according to paragraph (e) under the definition of "Infrastructure Assets" to enter into, amend or terminate such agreements;
 - (III) entry into any related party transaction, or agreement, consent or casting vote for a company in which the Fund holds shares according to paragraph (e) under the definition of "Infrastructure Assets" to enter into any related party transaction, which requires consent from the Unitholders in accordance with the Prospectus, Section 5.3 - "Required Resolutions from Unitholders";
 - (IV) capital increase of the Fund in accordance with the procedures prescribed in the Prospectus, Section 7.5 - "Increase of Capital" or agreement, consent or casting vote for a company in which the Fund holds shares according to paragraph (e) under the definition of "Infrastructure Assets" to increase capital;
 - (V) capital reduction of the Fund in accordance with the procedures prescribed in the Prospectus, Section 7.6 - "Reduction of Capital" or agreement, consent or casting vote for a company in which the Fund holds shares according to paragraph (e) under the definition of "Infrastructure Assets" to reduce capital; and
 - (VI) amalgamation or merger with another fund.
- (d) A resolution with respect to the amendment of the Fund Scheme or fund management procedures shall be in compliance with the requirements as prescribed in the Prospectus, Section 7.14.1 - "Procedures to Amend the Fund Scheme".

9.11 Remuneration of the Auditor

(1) Audit Fee

The Fund has recorded the audit fee for the accounting period ending 31 March 2017 paid to EY Office Limited (formerly known as Ernst & Young Office Limited) of THB 1.70 million (FY2015/2016: THB 1.60 million).

(2) Non-audit Fee

The Fund recorded the audit fee for the internal audit of the train fare collection system and the random checking of the revenue recognition of BTSC for the accounting period ending 31 March 2017 paid to EY Corporate Services Limited of THB 0.80 million (FY2015/2016 : paid to EY Office Limited (formerly known as Ernst & Young Office Limited) of THB 0.75 million).

9.12 Compliance with other Good Corporate Governance (if any)

- None -

10

Responsibility on the Society, Community and Environment

10.1 BTSC's Policy on Carrying Out Responsibilities towards the Society, Community and Environment

BTSC's policy on social responsibility in 2016 was in accordance with the policy of BTS Group with a sense of responsibility as a business operator that gives back to society by partaking in creating better lives for its employees, society and community, providing educational opportunities and donating essential items to needy children and communities in remote areas as well as providing people with low income the opportunity to access advanced medical facilities through various activities.

As an operator of the Bangkok's mass transit system, BTSC places importance on quality and safety as well as environment management. BTSC sets the policy on energy conservation as follows:

Energy Conservation Policy

- Appropriately operate and develop energy management by stipulating energy conservation to be a part of BTSC's operation which shall be in accordance with the related laws and regulations and shall not affect BTSC's business operation.
- Oversee and improve the energy consumption of BTSC on a continuous basis to ensure that BTSC has effective energy consumption for its business operation.
- Formulate plans and measures for energy consumption on an annual basis and communicate them to its employees so that they understand and comply with such plans and measures.
- Energy conservation is the duty and responsibility of the management and all employees which they must comply with the stipulated measures, monitor and report to the Energy Management Working Group.
- Provide support on necessary matters including human resources, budgets, work hours, trainings and hearing of comments and recommendations on energy conservation and management.
- The management and the working committee on energy management will review and improve the policy, goal and annual energy plan on a yearly basis.

All above mentioned policies will lead to an operation of BTSC that is socially responsible in accordance with the guidelines on CRS as follows:

1. Fair Trade

BTSC places importance on fair trade as well as good corporate governance (CG), thus, has complied with the CG policies and guidelines of the SET. BTSC realises the importance of and responsibility

towards the stakeholders, management transparency and responsibility of the Board of Directors and the management as well as enhances the confidence of the shareholders, investors and all related parties. The details on the CG principles and guidelines as well the organization structure can be found in the 56-1 Report and the Annual Report of BTSC.

2. Respect of Human Rights

BTSC realises the importance of difficulties faced by parents of disabled children, therefore, has formulated a plan to work with the Parents of Disabled Children Club by liaising with the Social Innovation Foundation under the Respite Care Project by supporting this type of service in the Nong Kaem and Minburi areas in order to help alleviate the stress from long-term care of disabled children which could be a cause of domestic violence. This project is under the supervision of the parents of disabled children who have been trained on daily caring, rehabilitation and suitable activities for disabled children as well as on the process of providing and strengthening support among themselves. In July 2016, BTSC opened living-skill preparation center in Nong Kaem and learning center for disabled children in Minburi. BTSC employed 20 officers of which 10 officers were assigned to each of the center in Nong Kaem and Minburi. All officers were trained on the appropriate caring of disabled children.

3. Fair Treatment of Employees

BTSC believes that people are the most important resource of the organization, therefore, has formulated a policy for the proper remuneration of employees as well as the provision of employee benefits to cover all aspects continuously in order to be an incentive for the employees who are considered the Company's stakeholders. In 2016, BTSC established the "BTS Child Care Center" with the aim to reduce the concern and burden of child care of its employees. With this project, employees are able to bring their children to the workplace and to return home together after work during school holidays so that employees can work fully without worries. After implementation of the project, employees are less worried, thus, could perform their works more efficiently.

In addition to the employee remuneration and various benefits, BTSC also focuses on trainings and personal development so that the employees are ready to support the rapid business growth of the Group.

Nuduan Chuan Kayan

This project aims at promoting BTSC's employees to act and work efficiently, to have disciplines, honesty, loyalty to the organization and to take pride in being BTSC's employees as well as to be an incentive and reward for employees with good behaviors, dedication to job, creativity, loyalty and sacrifice to the Company as well as the society. Employees who receive the Nuduan points not only will receive a BTSC recognition plaque but also can redeem such points for cash and various benefits of the BTSC such as annual fitness membership or scholarships.

From the launch of Nuduan Chuan Kayan campaign in 2003 up until now, the most obvious result is in terms of employee discipline, especially reducing the number of substitute employees due to leave

of absence or tardiness. Moreover, the expenses on electricity and office supplies have reduced as well. As for the benefits to the employees, the most obvious result is employee morale and loyalty to the organization. Employees are more dedicated to their work, as a result, work efficiency has increased.

| Number of Employee Recognitions | | | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|---------|---------|
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of Employee | 418 | 473 | 466 | 458 | 448 | 455 | 497 |

For the scholarship program for the children of the employees, BTSC continues to consider the scholarships even though some employees have deceased. Since the inception of the program in 2008 to 2016, there have been 33 employees' children who have been granted the scholarships up to graduation with bachelor's degrees in various fields.

| Scholarship Program for the Children of the Employees | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| Number of Children | 376 | 411 | 438 | 478 | 525 | 568 |
| Scholarship Amount (THB) | 3,643,000 | 4,192,000 | 4,742,000 | 5,272,000 | 5,742,000 | 6,166,000 |

Cooperative Saving Plan

The BTS group of companies has established a Cooperative Saving Plan with the objective to promote the employees' savings, at the same time to provide funds to employees for emergency cases. The Cooperative Saving Plan is a member-help-member plan in which members will receive returns in the forms of cash dividends and tax-free deposit interest.

4. Customer Responsibility

BTS SkyTrain Service

BTSC recognises the importance of responsibilities towards customers; in the years 2016/2017 BTSC had designated the customer confidence index and conducted various surveys as shown in the table below:

| Targets for 2016/2017 | Operating results for 2016/2017 | Performance Evaluation Compared to Targets |
|---|--|--|
| Service Confidence | | |
| No less than 99.5% punctuality per 5 minutes or more delays | 99.86% punctuality per 5 minutes or more delays | Better than target |
| Train Creditability | | |
| No less than 35,000 carriage kilometers per 1 error | 89,076 carriage Kilometer per 1 error | Better than target |
| Train Ticket Creditability | | |
| No less than 15,000 times per 1 error | 37,905 times per 1 error | Better than target |
| Customer Satisfaction | | |
| No less than 3.8 | The overall satisfaction score is 3.84 from a total of 5 | Better than target |
| Not more than 2 complaints per 1 million passengers | Accumulated passengers from 1 April 2016 - 31 March 2017 were 249,844,018 passengers with 179 complaints | Better than target |

Additional Train Carriages

Since the number of passengers continues to increase, BTSC has invested in additional train carriages to be connected to the existing trains which would increase from 3 carriages to 4 carriages per train making the entire 35 Siemens Model trains becoming 4-carriage trains with a length of 86.6 meters and a width of 3.12 meters per train and with a maximum capacity of 1,490 passengers from the previous 3-carriage train with a maximum capacity of 1,006 passengers. Moreover, it has also various facilities for the convenience of the passenger both inside the train and at the station as follows;

- 3-pronged poles so that the passengers have more space to hold on to.
- Enlarged space for wheelchairs with safety belts to connect the wheelchairs to the handles.
- Installation of small transformers from 750 VDC to 400 VAC to appropriately power the air-condition system in the carriages.
- A new brake system called EP2002, which is both the air and electric brakes, is centralized in one control equipment.
- A dual cycle air-condition system which uses a R407C refrigerant
- Installation of 20 sets of fence and automatic door at 9 stations for the safety of the passengers.
- Installation of LCD screens at the concourses and platforms, in-train & dynamic route map
- Installation of location signs, maps and important places that can be connected to the stations
- Installation of 68 CCTVs under the stations and 1,464 CCTVs at the stations totaling 1,532 cameras.
- Construction of SkyBridges at 17 stations connecting to 54 office buildings, hotels, department stores and important places.

Furthermore, BTS trains have been granted ISO 9001:2008 Certification for completing the management and service of 249,844,018 trips as of the end of March 2017 without any fatal accidents.

Services Provided to Various Groups of Customers

In addition to the general customers, BTSC also promotes equal treatments to all groups of customers whether the elderly or disabled groups. BTSC provides facilities to the disabled persons to use the BTS service by providing various equipments to facilitate the disabled at every station such as ramps for wheelchairs, different textures of flooring and Braille alphabets in the elevator panels for the blinds, installation of second elevator panels for wheelchair users and installation of automatic ticket vending machines at lower than normal height for wheelchair users as well as a measure for its officers to assist the disabled, such officers have been trained for basic assistance to appropriately assist disabled customers.

BTSC has a policy to promote disabled customers to use BTS by waiver of train fares to allow the disabled to use more mass transit systems. The disabled persons only need to show their Handicap/ Disability ID issued by the Office of Empowerment of Person with Disabilities, Ministry of Social Development and Human Security.

BTSC has increased its safety measures to the blinds when using the escalators which the security guards will take care of them from the moment they enter the BTS facilities and lead them up the escalator from the ticketing office to the platform and to the train every time when there are blind persons using the BTS service. Such persons can inform the BTS officer when they arrive at the BTS station. BTSC has also provided training to the security guards and station officers on “Leading the Blinds to the BTS Train” before commencing the service with the cooperation from the Thailand Association of the Blind. At present, BTS has normal disabled customers and various disabled customers on an average of 55,000-60,000 persons per month which the number continues to rise since the start of BTS service in December 1999. In 2016, the accumulated disabled customers were 945,000 persons.

Apart from the disabled, BTSC also places importance on the elderly, pregnant ladies and children groups of customers to use the BTS service conveniently and safely such as providing seats for pregnant ladies, waiver of train fares for children under 90 centimeters of height and special fare tickets for the elderly.

Public Relations and Marketing Promotions

BTSC focuses on providing information and understanding of the BTS SkyTrain system through various public relations channels which it has been conducting such activities since the launch of its service in 1992. In 2015, social network became an increasingly important means for communication in society, thus, BTSC started to disseminate its operating information through popular social network applications/channels in Thailand such as Facebook and Twitter.

The main channels to communicate the information of BTS are its website, various PR board postings, announcements in the station, LED screens at ticket office, LCD screens inside the trains, LED screens on the platforms as well as the LED screen doors which are a new media of BTS SkyTrain system.

Furthermore, the company visits from various educational institutions, government agencies and private companies also helped in disseminating information and understanding of BTS SkyTrain system. In 2016, there were 32 educational institutions, government agencies, private companies, charitable organizations and foundations totaling 4,408 persons who visited and tested the service of BTSC. The visitors can be divided into 22 groups of 2,784 persons from various educational institutions that include kindergarten to universities students, a group of 210 persons from the government sector, 3 groups of 421 persons from the private sector and 6 groups of 993 persons from charitable organizations and foundations. While there were 24 groups of 1,067 persons who visited BTSC and attended briefings on its operation; from higher education institutions for 19 groups of 702 persons, from government sector for 4 groups of 300 persons, and from charitable organizations and foundations for one group of 65 persons.

BTSC arranges continuous marketing events and activities in order to create good relationships with its customers such as the Movie Lover event that gave away tickets to special screening of 8 movies namely: Colonia, Criminal, Hologram, Ben-Hur, Deepwater, School Tales, Sleepless and Over size. Another event was “A chance to win a lucky draw with BTS SkyTrains”. Moreover, there were other marketing activities and promotions on a continuous basis which presented on BTSC’s annual report.

Channels for Customers’ Comments

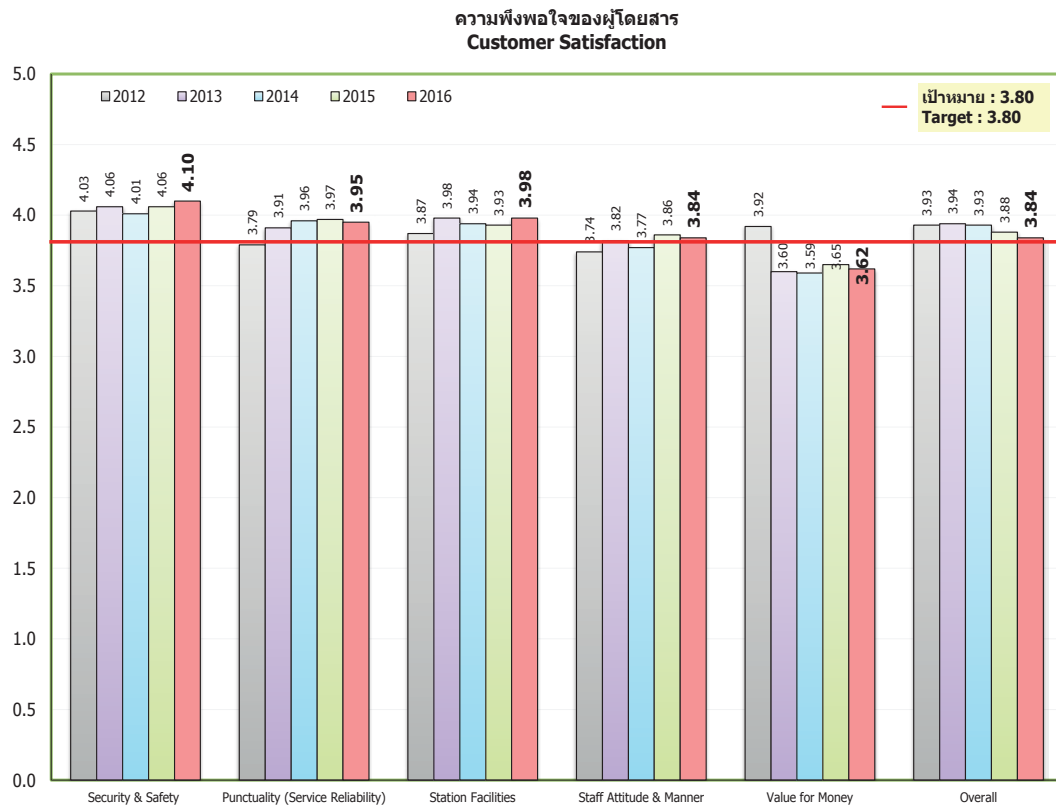
BTSC places importance on listening to the customers’ comments. Every comment and suggestion of the customers is considered valuable to BTSC in which it can be used as a guideline for improving and developing various facets of its operations in order to most effectively respond to the needs of the customers. The main channels for accepting the customers’ comments are BTS HOTLINE, E-mail at nuduan@bts.co.th, www.bts.co.th, comment boxes at stations and Social media channels such as Facebook.com/SkyTrain.BTS and Twitter.com/bts_skytrain.

Customer Satisfaction Survey

BTSC conducts its customer satisfaction survey every year in order to assess the performance of BTSC in various aspects and use the results as the guidelines for improving its services to be in line with the needs of the customers most effectively. In 2016, the highest score was safety which means that customers are confident of BTS SkyTrain system and the measure for overseeing the passengers’ safety.

In 2016, BTSC commissioned Suan Dusit Rajabhat University to conduct a customer satisfaction survey of the BTS passengers from 2,833 samples in 34 stations. The overall result of the satisfaction survey was 3.84 from a maximum score of 5. The highest score was safety at 4.10. The second was for quality/facilities at the stations and in the trains at 3.98. The confidence of the train system was at 3.95. The public relations and dissemination of information was at 3.92. The value-for-money was at 3.90. The service of the officers at the stations was at 3.84 and the cards and marketing came in lowest at 3.62.

Graph Showing the Level of Satisfaction of BTS Users from 2012 - 2016



5. ISO 14001:2004 Environmental Management Systems

BTSC realises the importance of preservation of environment by regulating the procedure, product and service to be in accordance with the policy and mission of the organization in addition to the stringent compliance with the various laws and regulations related to the economic development, environment and stakeholders. In the year 2014, BTSC was awarded the ISO 14001:2004 Environment Management Systems Certificate from Bureau Veritas (Thailand) Limited and BTSC has continuously monitored every year to ensure that it has a management system that is sustainable and environmentally friendly in accordance with the standard and law on environment.

Reduction of Greenhouse Gas Emissions (Carbon Dioxide)

BTSC was invited to be a member of the Thailand Greenhouse Gas Inventory Development Committee, Office of the National Resources and Environmental Policy and Planning under the Ministry of National Resources and Environment and a member of the Sustainable Transport and Climate Change Policy and Implementation Committee, Office of Transport and Traffic Policy and Planning under the Ministry of Transport since 2015. The aim was to improve the process of greenhouse gas inventory of Thailand which BTSC was categorized in the "Transport" energy sector. Electric trains are considered one of the major sectors to help reduce the greenhouse gas emission (Carbon Dioxide) of Thailand. When more people change their means of transportation from vehicles using gasoline or natural gas such as cars, motorcycles, buses and other public vehicles to electric trains that use electricity, the result

is less emissions of greenhouse gases from the use of gasoline or natural gas. In 2016 (January to December), BTSC was able to help reduce greenhouse gas to the tune of 58,922 carbon dioxide metric tons or equivalent to planting 58,922 new trees.

Change of Light Bulbs at BTS Stations

BTSC installed lights under BTS stations since the beginning of the project in order to replace the normal street lights since BTS stations are situated in the middle of the road where normal street lights cannot be installed. The light bulbs used by BTSC were 250 watts High Bay (High Pressure Sodium) at approximately 20 lamps per station at all 23 stations. However, in order to be in line with the energy saving policy of the Company, BTSC has changed all the light bulbs to 150 watts High Bay LED lights at 23 stations which completed in August 2016. Altogether 540 lamps/lights were installed resulting in an energy reduction of 317,882 kilowatt/hour per year or a saving more than Baht 1,100,000 per year.

Environmental Concern

BTSC monitors and reviews the environmental impact along its train routes in accordance with the measure on environmental prevention and care as well as the measure on Annual Environmental Monitoring on an annual basis. This is conducted with the cooperation from the Faculty of Environment, Kasetsart University to review the quality of environment in order to report to the Office of the National Resources and Environmental Policy and Planning which in 2016 it conducted the measuring of environment quality between July to December 2016 on air and noise pollution quality. The air measuring is divided into the levels of particulates, carbon monoxide (CO), nitrogen oxide (NO₂), sulfur dioxide (SO₂) and lead (Pb) and sound measuring was conducted at roadside areas that represent BTS stations at Civil Aviation Training Center, Better Vision Building (Silom), Diamond Building (Narathiwat Road), and areas that represent places that are sensitive to pollution at St. Louis Hospital (Sathon Road), Bangkok Christian College (Pramuan Road), and Saenghirun School (Sukhumvit Road) totaling 6 venues. It was found that roadside area effects were more intense than other areas but overall the air and sound qualities along the BTS lines showed signs of improvement when compared to the period from 2004 to 2016. The factors that affect the air quality are 1) speed and direction of wind, topography, activities around the areas being measured and season; 2) particulates on the roadsides due to traffic and constructions along the BTS lines; 3) high levels of particulates in the period from 1992 to 1994 in Bangkok due to high construction activities and bad traffic which have since improved due to new measures on pollution control of the BMA. As for the measurement of noise pollution, the levels of noise on roadside areas were higher than the levels in the 1995 environmental impact study which were in line with the study of the Pollution Control Department which found that the levels were higher than the standard level of 70 Decibel A.

As for drainage, the drainage situations at Klong Chongnonsi and Klong Sathon still had the capacities according to the capacities set by the Drainage and Sewerage Department of the BMA. For the 2nd measurement (January to June 2017), an inspection of animal migration (Barn Swallows) in winter, which they migrate to Suan Lumpini Park and Silom areas every winter, was conducted. So far no significant changes had been detected.

6. Social Responsibility

BTSC, as the provider of a large mass transit system that has changed the mode of transportation of the people of Bangkok, recognizes the responsibility of the Company in giving back to the society in order to improve the lives of people through the following activities:

Society

BTSC held an activity to celebrate the National Children's Day this year on 14 January 2017 in which BTSC allowed children with heights not over 140 cm. to travel on the trains free of charge, totaling of 22,500 children on that day. Generally, BTSC would allow children with heights not over 90 cm. to travel on the trains free of charge. Another activity was on the occasion of the Senior Citizens Day and Family Day between 13-15 April 2016 in which BTSC allowed senior citizens over 60 years of age to travel on the trains free of charge for all 3 days, totaling of 13,300 persons. While on Mother's Day (12 August 2016) and on Father's Day (5 December 2016), there were 8,900 mothers and 1,400 fathers respectively. BTSC allowed mothers and fathers to ride on the trains free of charge. BTSC held these activities on a continuous basis since inception until the present. This is so that families can spend quality time together on special occasions so as to build a strong family foundation and nurture a generation of quality people for the nation.

Healthcare

BTSC held its 14th Sky Clinic on 26-29 June 2016 at the Bang Na BTS Station, the event offered free health check-ups and health advices to the public. This year BTSC cooperated with 15 institutions namely: Faculty of Dentistry, Mahidol University; Thai Traditional Medicine College, Rajamangala University of Technology Thanyaburi; Department of Health; RSU Healthcare; Thai Association for the Study of Liver; Vibhavadi Hospital; Sukhumvit Hospital; Vichaivej International Hospital Nongkhaem; Kluaynamthai Hospital; Thainakarin Hospital; Chaophya Hospital; Metta Pracharak Wattraikhing Hospital; Theptarin Hospital; Manarom Hospital and Chularat 3 International Hospital. Furthermore, the Company held a seminar on the "Silent Danger of Zika Virus" by Dr. Watcharee Chokeyindachai, Tropical Pediatrics Department, Mahidol University.

In September 2016, BTSC held a charitable jogging event called the "Bogie 99 Bangkok Traffic Love Story by BTS" to celebrate the 70th ascension to the throne of HM King Bhumibol and the 84th birthday of HM Queen Sirikit. The jogging covered a distance of 5 kilometers attended by over 1,000 people consisting of employees of the BTS group and health conscious groups in order to show their power of cohesion at Jatujak Park. The sale of the event's T-shirts, without deducting the cost, was donated to free the life of cattle and buffalos charity project and to educational fund for the hill tribe youths of Huay Pla Gang Temple, Chiang Rai Province.

Education

In 2012, BTSC signed a cooperation agreement with Kasetsart University in order to promote the education and development of railway system personnel under the mutually agreed framework by offering the "Introduction to Electric Multiple Unit System" course together with the Faculty of Engineering, Kasetsart University which was the first time such course was offered in Thailand. Later, the course's

name was changed to “Principle of Rail Engineering”. In 2014, BTSC provided railway experts to share their knowledge with students and provided venues for the academic activities, company visits and trainings and research. So far, 6 groups have passed the course while each course takes 4 months to complete. At the beginning of 2016, BTSC signed a cooperation agreement with Navamindradhiraj University to jointly set up a course similar to the course offered by Kasetsart University. This represents a challenge to BTSC and various educational institutions, government agencies and private sectors in trying to develop the railway transit system to be up to the world’s standard in terms of production, service and maintenance.

In allowing educational institutions to visit the operation of BTS trains, which BTSC provided lectures on various topics including the general information on BTS trains, services, work principles, maintenance of trains, information technology as well as accounting, provided wider understanding on BTS operations to the visitors. In 2016, a total of 24 groups or 1,067 persons visited BTSC. The visitors are divided into 19 groups of 702 persons from educational institutions, 4 groups of 300 persons from the government sector and a group of 65 persons from various charitable organizations and foundations. Moreover, each year there are students from various educational institutions who apply for the trainee position in which BTSC accepted 62 trainees in 2016. However, as the trend for application is expected to increase in the future. BTSC, therefore, has provided benefits to the trainees including life and accidental insurance, free BTS rides and Baht 200 allowance per day in order to enhance the effectiveness of on-the-job training of these trainees.

10.2 Management Company’s Policy on Carrying out Responsibilities towards the Society, Community and Environment

10.2.1 Overall Policy

The Management Company has a fund management policy under the fair management principles which is reflected in the Management Company’s mission that “BBLAM will be the model of the best Asset Management Company that conducts its duties firmly, independently management with the highest abilities and ethics. The utmost benefits of the customers shall come before our and our shareholders’ benefits. We aim to be the first company that customers prefer when contemplating investment because **BBLAM is your true friend for investment**”.

In addition, the Management Company shall not accept any form of corruption which covers all businesses and transactions in the country and all related parties whether by offering, promising or giving as well as demanding or accepting bribery or any conduct that can be viewed as corruption. Therefore, the Management Company has prescribed the policy and guidelines in order to comply with such principle which covers 5 aspects as follows:

- 1) Political Contributions
- 2) Charitable Contributions
- 3) Facilitation Payments
- 4) Gifts, Hospitality and Expenses
- 5) Bribery and Solicitation

Unitholders can find the details of the Anti - Corruption Policy of the Management Company at www.bblam.co.th.

10.2.2 Operation

The Management Company has specified the detailed procedures for Anti-Corruption which it shall review every step of the implementation on a regular basis to ensure that it is in line with the changes in the law and business environment as well as to protect its reputation. Its directors, management and all employees shall comply with this policy.

- Guidelines on Communication and Disclosure of Anti-Corruption Policy

In order to have an effective implementation of Anti - Corruption Policy and to be beneficial to the overall organization, every person in the company namely: the director, management, employee, trainee, permanent employee and temporary employee shall acknowledge and recognize the importance of such policy by adhering to its requirements and disclose them to other related persons such as business partners and customers.

- Internal Control and Reporting

The Management Company shall audit the financial transaction records and the accounting procedures at least once a year so as to ensure effective and continuous compliance with the Anti - Corruption Policy and report such audit to its Board of Directors for acknowledgement.

- Responsible Units

The Compliance Department is a unit responsible for overseeing various units of the Management Company to ensure compliance with the Anti - Corruption Policy. It has been authorised to formulate regulations and procedures as well as amending and making additions to the Policy to be appropriate with the current practice of the Management Company in order to meet the objective of the Policy.

- Penalty

If any of the management, employees, trainees, permanent employees and temporary employees who must comply with this policy but does not, the Management Company shall regard it as a violation of its lawful regulations and instructions and the Management Company shall apply one or more of the following penalties/disciplinary actions which do not necessarily have to be in the following order:

- 1) Verbal warning
- 2) Written warning and probation
- 3) Change or transfer of duties and responsibilities as the company deems appropriate
- 4) Termination of employment without compensation

10.2.3 Additional Guidelines of the Management Company Related to Anti-Corruption

The Management Company has been accepted as a member of the Collective Action Coalition Against Corruption or CAC which is one of 109 companies which were certified at the level of member. The CAC was established with the objective to move forward with anti-corruption actions in the broader sense with the support from the government and the National Anti-Corruption Commission and cooperation from 8 organizations namely: the Thai Institute of Directors, the Thai Chamber of Commerce, International Chamber of Commerce, Thai Listed Companies Association, Thai Bankers' Association, Federation of Thai Capital Market Organizations, the Federation of Thai Industries and the Tourism Council of Thailand.

For more information on the policy on anti-corruption of the Management Company, please visit www.bblam.co.th.

11

Internal Control and Risk Management

11.1 Opinion of Head of Compliance of the Management Company

From the evaluation of the various internal compliance systems of the Management Company related to the management of the Fund, the results suggest that compliance is appropriate and the Management Company has sufficient personnel to handle the operation effectively. There is also a system to control and monitor by the Fund Managers which can protect the assets of the Fund from its directors/management misusing or without proper authority, conducting transactions with persons with conflict of interest and related persons. It also properly oversees other compliance issues.

11.2 Head of Compliance of the Management Company

- (1) Mr. Sutee Khantaruangsakul is the person with highest responsibility of Compliance & Legal Department to oversee and ensure compliance with the regulations of the supervisory authorities. Mr. Sutee possesses qualifications of the Head of Compliance & Legal.

| Name | Education | Work Experience and Related Trainings | Duties and Responsibilities |
|----------------------------|---------------------------------------|--|---|
| Mr. Sutee Khantaruangsakul | Bachelor of Law, Thammasat University | <u>Work Experience</u> Deputy Managing Director, Head of Compliance & Legal BBL Asset Management Co., Ltd. <u>Related Trainings</u> Compliance Refresher Course | Be the center for overseeing the operations of the business to be in compliance with the laws, rules, regulations, policies and directives of the related authorities such as the Office of the SEC, the SET or other authorities related to the operations of the Management Company |

- (2) The Board of Directors' Meeting No. 6/2012 considered the qualifications, education, work experiences and related trainings of Mr. Sutee Khantaruangsakul and resolved to appoint him as the person with highest responsibility of Compliance & Legal Department to oversee and ensure compliance with the regulations of the supervisory authorities.
- (3) Compliance & Legal Department with duties to oversee the compliance is directly to the Board of Directors. Appointment, dismissal and rotation of this Department Head have to be approved by the Board of Directors.

12

Preventions of Conflict of Interest

12.1 Transactions between the Fund and the Management Company and the Related Persons

12.1.1 Transactions between the Fund and the Management Company and the Related Person

| Related Person | Transaction Date | Type of Transaction | Asset Name | Asset Type | Issuer | Rate of Return | Amount (Million Baht) |
|----------------|------------------|--|------------|------------|------------------|----------------|-----------------------|
| BBLAM* | 9 Aug 2016 | Trading of securities via the Related Person | BOT168A | Bond | Bank of Thailand | 1.3525% | 136.56 |
| BBLAM* | 28 Dec 2016 | Trading of securities via the Related Person | CB17223A | Bond | Bank of Thailand | 1.455% | 4.99 |
| BBLAM* | 28 Dec 2016 | Trading of securities via the Related Person | CB17223B | Bond | Bank of Thailand | 1.44% | 49.89 |

Remark: * Being the transactions with other funds managed by BBLAM

12.1.2 Necessity and Appropriateness

Such transactions between the Fund and the Management Company and its Related Persons were in accordance with the conditions of general trading and at market prices.

12.1.3 Policy on Connected Party Transactions and Outlook on Connected Party Transactions

The Management Company may have the necessity to conduct transactions with the Related Persons in the future. In such event, the Management Company shall specify various conditions to be the same as the conditions of general trading and at the market price which the prices and conditions shall be at arm's length basis and shall comply with the notifications and regulations related to connected party transactions.

12.1.4 Guidelines on Protection of Conflict of Interest

1. In conducting a transaction with any person related to the Management Company, it shall be in accordance with the specified regulations.

2. Transactions with related persons shall be at fair prices.
3. Persons with interest in the transactions shall not take part in the decision to enter into such transactions.
4. Calculation of expenses incurred from the transactions with related persons shall be fair and appropriate.

12.2 Transaction between the Fund and the Fund Supervisor and the Related Persons

12.2.1 Transaction between the Fund and the Fund Supervisor and the Related Person

- None -

12.2.2 Necessity and Appropriateness

- None -

12.2.3 Policy on Connected Party Transactions and Outlook on Connected Party Transactions

The Management Company may have the necessity to conduct transactions with Related Persons in the future. In such event, the Management Company shall specify various conditions to be the same as the conditions of general trading and at the market price which the prices and conditions shall be at arm's length basis and shall comply with the notifications and regulations related to connected party transactions.

12.2.4 Guidelines on Protection of Conflict of Interest

1. In conducting a transaction with the Fund Supervisor and any person related, it shall be in accordance with the specified regulations.
2. Transactions with related persons shall be at fair prices.
3. Persons with interest in the transactions shall not take part in the decision to enter into such transactions.
4. Calculation of expenses incurred from the transactions with related persons shall be fair and appropriate.

12.3 Soft Commission

| Company | Benefit | Reason |
|---|-------------------------------------|------------------|
| Bank of America, National Association | Research paper and Indicative Yield | 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 |
| JP Morgan 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 |
| 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 Company Limited | Indicative Yield | For fund benefit |
| KGI Securities (Thailand) Public Company Limited | Indicative Yield | For fund benefit |



Part 3

Financial Position and Performance

13

Significant Financial Information

14

Management Discussion and Analysis: MD&A

Significant Financial Information

13.1 Summary of Financial Statement

| Balance sheet | | | | | | |
|---|-----------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
| As at 31 March | | | | | | |
| | 2017 | | 2016 | | 2015 | |
| | (Unit: Baht) | | (Unit: Baht) | | (Unit: Baht) | |
| | Baht | % of Total Assets | Baht | % of Total Assets | Baht | % of Total Assets |
| Assets | | | | | | |
| Investment in the net revenue purchase and transfer agreement at fair value (at cost: Baht 61,432 mn (2016: Baht 61,399 mn and 2015: Baht 61,399 mn)) | 65,800,000,000 | 98.15 | 65,400,000,000 | 97.85 | 64,010,000,000 | 97.37 |
| Investments in securities at fair value (at cost: Baht 1,134 mn (2016: Baht 1,348 mn and 2015: Baht 1,225 mn)) | 1,136,194,431 | 1.69 | 1,348,840,940 | 2.02 | 1,227,169,778 | 1.87 |
| Cash at bank | 55,518,433 | 0.08 | 64,065,560 | 0.10 | 108,077,447 | 0.16 |
| Account receivable from the net revenue purchase and transfer agreement | 44,798,009 | 0.07 | - | 0.00 | - | 0.00 |
| Account receivable from interest | 58,851 | 0.00 | 1,528,587 | 0.00 | 838,740 | 0.00 |
| Deferred units issuance costs | - | 0.00 | 16,220,358 | 0.02 | 387,261,042 | 0.59 |
| Other assets | 5,103,794 | 0.01 | 5,254,620 | 0.01 | 5,752,438 | 0.01 |
| Total assets | 67,041,673,518 | 100.00 | 66,835,910,065 | 100.00 | 65,739,099,445 | 100.00 |
| Liabilities | | | | | | |
| Account payable from the net revenue purchase and transfer agreement | - | 0.00 | 24,430,149 | 0.04 | 146,706,137 | 0.22 |
| Other payables and accrued expenses | 7,020,512 | 0.01 | 21,769,411 | 0.03 | 98,256,386 | 0.15 |
| Specific business tax payable | 6,827,525 | 0.01 | 5,588,618 | 0.01 | 5,349,083 | 0.01 |
| Other liabilities | 2,004,317 | 0.00 | 526,637 | 0.00 | 419,024 | 0.00 |
| Total liabilities | 15,852,354 | 0.02 | 52,314,815 | 0.08 | 250,730,630 | 0.38 |
| Net assets | 67,025,821,164 | 99.98 | 66,783,595,250 | 99.92 | 65,488,368,815 | 99.62 |
| Net assets | | | | | | |
| Registered capital | | | | | | |
| 5,788,000,000 units of Baht 10.6110 each (2016: Baht 10.6750 each and 2015: Baht 10.7230 each) | 61,416,468,000 | 91.61 | 61,786,900,000 | 92.44 | 62,064,724,000 | 94.41 |
| Paid-in capital from unitholders | 61,416,468,000 | 91.61 | 61,786,900,000 | 92.44 | 62,064,724,000 | 94.41 |
| Retained earnings | 5,609,353,164 | 8.37 | 4,996,695,250 | 7.48 | 3,423,644,815 | 5.21 |
| Net assets | 67,025,821,164 | 99.98 | 66,783,595,250 | 99.92 | 65,488,368,815 | 99.62 |
| Net asset value per unit | 11.5801 | | 11.5382 | | 11.3145 | |

| Income statement | | | | | | |
|--|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|-----------------------------|
| For the year ended 31 March | | | | | | |
| | 2017 | | 2016 | | 2015 | |
| | Baht | % Total Income | Baht | % Total Income | Baht | % Total Income |
| Investment income | | | | | | |
| Income from the investment in the net revenue purchase and transfer agreement * | 4,576,047,778 | 99.62 | 4,475,341,528 | 99.51 | 3,957,213,287 | 99.34 |
| Interest income | 17,490,773 | 0.38 | 22,055,932 | 0.49 | 26,460,576 | 0.66 |
| Total income | 4,593,538,551 | 100.00 | 4,497,397,460 | 100.00 | 3,983,673,863 | 100.00 |
| Expenses | | | | | | |
| Management fee | 53,562,378 | 1.17 | 52,958,028 | 1.18 | 52,271,751 | 1.31 |
| Trustee fee | 14,283,301 | 0.31 | 14,122,140 | 0.31 | 13,939,134 | 0.35 |
| Registrar fee | 5,338,989 | 0.12 | 5,361,011 | 0.12 | 5,350,000 | 0.13 |
| Professional fees | 9,608,076 | 0.21 | 9,637,825 | 0.21 | 11,299,016 | 0.29 |
| Amortisation of deferred unit issuance costs | 16,220,358 | 0.35 | 371,040,684 | 8.25 | 370,026,911 | 9.29 |
| Other expenses | 11,926,017 | 0.26 | 23,790,478 | 0.53 | 11,115,298 | 0.28 |
| Total expenses | 110,939,119 | 2.42 | 476,910,166 | 10.60 | 464,002,110 | 11.65 |
| Net investment income | 4,482,599,432 | 97.58 | 4,020,487,294 | 89.40 | 3,519,671,753 | 88.35 |
| Gains on investments | | | | | | |
| Net realised gain on investments | - | 0.00 | 2,371 | 0.00 | - | - |
| Net unrealised gains on investments | 366,874,482 | 7.99 | 1,390,004,770 | 30.91 | 910,003,368 | 22.85 |
| Total gains on investments | 366,874,482 | 7.99 | 1,390,007,141 | 30.91 | 910,003,368 | 22.85 |
| Increase in net assets resulting from operations | 4,849,473,914 | 105.57 | 5,410,494,435 | 120.30 | 4,429,675,121 | 111.20 |
| | Baht | % of Farebox Revenue | Baht | % of Farebox Revenue | Baht | % of Farebox Revenue |
| * Income from the investment in the net revenue purchase and transfer agreement | | | | | | |
| Farebox revenue | 6,636,148,969 | 100.00 | 6,397,131,833 | 100.00 | 5,874,069,994 | 100.00 |
| Less : Employees expenses | (719,790,880) | (10.85) | (643,370,700) | (10.06) | 602,195,336 | (10.25) |
| Maintenance costs | (427,268,594) | (6.44) | (455,143,885) | (7.12) | 477,445,315 | (8.13) |
| Utilities expenses | (367,042,865) | (5.53) | (393,664,548) | (6.15) | 411,011,055 | (7.00) |
| Property insurance premium | (26,739,009) | (0.40) | (25,164,437) | (0.39) | 29,772,827 | (0.51) |
| Selling expenses | (82,010,396) | (1.23) | (75,150,373) | (1.17) | 73,239,103 | (1.24) |
| Administrative and other expenses | (104,180,249) | (1.57) | (109,341,393) | (1.71) | 116,355,892 | (1.98) |
| Capital expenditures | (333,069,199) | (5.02) | (219,954,969) | (3.44) | 206,837,179 | (3.52) |
| Total operating and maintenance costs | (2,060,101,192) | (31.04) | (1,921,790,305) | (30.04) | 1,916,856,706 | (32.63) |
| Income from the investment in the net revenue purchase and transfer agreement | 4,576,047,777 | 68.96 | 4,475,341,528 | 69.96 | 3,957,213,287 | 67.37 |

Cash flow statement

For the year ended 31 March

(Unit: Baht)

| | 2017 | 2016 | 2015 |
|--|------------------------|------------------------|------------------------|
| Cash flows from operating activities | | | |
| Increase in net assets resulting from operations | 4,849,473,914 | 5,410,494,435 | 4,429,675,121 |
| Adjustments to reconcile the increase in net assets resulting from operations to net cash from (used in) operating activities: | | | |
| Increase in investment in the net revenue purchase and transfer agreement | (33,135,000) | - | - |
| Purchases of investments in securities | (6,483,116,822) | (6,731,507,990) | (5,553,471,147) |
| Sales of investments in securities | 6,709,000,000 | 6,619,958,144 | 5,595,000,000 |
| Net purchases and sales of investments in securities | 225,883,178 | (111,549,846) | 41,528,853 |
| Increase in account receivable from the net revenue purchase and transfer agreement | (44,798,009) | - | - |
| Decrease (increase) in accounts receivable from interest | 1,469,736 | (689,847) | (777,187) |
| Decrease (increase) in other assets | 150,826 | 497,818 | (1,694,941) |
| (Decrease) increase in account payable from the net revenue purchase and transfer agreement | (24,430,149) | (122,275,988) | 99,578,883 |
| (Decrease) increase in other payables and accrued expenses | (14,748,899) | (76,486,975) | 70,430,524 |
| Increase in specific business tax payable | 1,238,907 | 239,535 | 726,120 |
| Increase in other liabilities | 1,477,680 | 107,613 | 98,331 |
| Amortisation of deferred units issuance cost | 16,220,358 | 371,040,684 | 370,026,911 |
| Amortisation of discounts on investments | (13,227,187) | (10,114,175) | (23,257,650) |
| Net realised gains on investments | - | (2,371) | - |
| Net unrealised gains on investments | (366,874,482) | (1,390,004,770) | (910,003,368) |
| Net cash from operating activities | 4,598,700,873 | 4,071,256,113 | 4,076,331,597 |
| Cash flows from financing activities | | | |
| Payments of investment unit value from capital reduction | (370,432,000) | (277,824,000) | (445,676,000) |
| Distributions to unitholders | (4,236,816,000) | (3,837,444,000) | (3,600,136,000) |
| Net cash used in financing activities | (4,607,248,000) | (4,115,268,000) | (4,045,812,000) |
| Net (decrease) increase in cash at bank | (8,547,127) | (44,011,887) | 30,519,597 |
| Cash at bank at beginning of the year | 64,065,560 | 108,077,447 | 77,557,850 |
| Cash at bank at end of the year | 55,518,433 | 64,065,560 | 108,077,447 |

Significant financial information

For the year ended 31 March

| | (Unit: Baht) | | |
|---|----------------|----------------|----------------|
| | 2017 | 2016 | 2015 |
| Operating performance (per unit) | | | |
| Net asset value - beginning of the year | 11.5382 | 11.3145 | 11.2481 |
| Add: Income from investment operations | | | |
| Net investment income | 0.7745 | 0.6946 | 0.6081 |
| Net gains on investments | 0.0634 | 0.2401 | 0.1573 |
| Total income from investment operations | 0.8379 | 0.9347 | 0.7654 |
| Less: Payments of investment unit value from capital reduction | (0.0640) | (0.0480) | (0.0770) |
| Distributions to unitholders | (0.7320) | (0.6630) | (0.6220) |
| Net asset value - end of the year | 11.5801 | 11.5382 | 11.3145 |
| Ratio of the increase in net assets resulting from operations to average net assets during the year (%) | 7.25 | 8.22 | 6.80 |
| Net assets - end of the year | 67,025,821,164 | 66,783,595,250 | 65,488,368,815 |
| Average net assets during the year | 66,876,292,580 | 65,850,435,234 | 65,130,616,710 |

13.2 Financial Ratios

| For the year ended 31 March | | | |
|--|-------|-------|-------|
| | 2017 | 2016 | 2015 |
| Overall financial performance (%) | | | |
| Ratio of the increase in net assets resulting from operations to average net assets during the year * | 7.25 | 8.22 | 6.80 |
| Ratio of total investment income to average net assets during the year | 6.87 | 6.83 | 6.12 |
| Ratio of total expenses to average net assets during the year | 0.17 | 0.72 | 0.71 |
| Ratio of net investment income to average net assets during the year | 6.70 | 6.11 | 5.41 |
| Ratio of weighted average investment purchases, sales and increases during the year to average net assets during the year ** | 0.37 | 0.15 | 0.23 |
| * The average net assets during the year were the average of net asset value each month by the number of days for the entire year. | | | |
| ** Investment purchases, sales and increases 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. | | | |
| Liquidity Ratios (times) | | | |
| Current ratio | 86.79 | 27.43 | 5.34 |
| Quick ratio | 86.45 | 27.04 | 5.33 |
| Profitability Ratios (%) | | | |
| Income from the investment in the net revenue purchase and transfer agreement to total income | 99.62 | 99.51 | 99.34 |
| Income from the investment in the net revenue purchase and transfer agreement to farebox revenue | 68.96 | 69.96 | 67.37 |
| Operating and maintenance cost to farebox revenue | 31.04 | 30.04 | 32.63 |
| Total expenses to total income | 2.42 | 10.60 | 11.65 |
| Net investment income to total income | 97.58 | 89.40 | 88.35 |
| Net investment income before amortisation of deferred unit issuance costs to total income | 97.94 | 97.65 | 97.64 |
| Efficiency Ratios | | | |
| Return on assets (%) | 6.70 | 6.07 | 5.38 |
| Asset turnover (times) | 0.07 | 0.07 | 0.06 |
| Financial Policy Analysis Ratios | | | |
| Total liabilities to net asset value (times) | 0.000 | 0.001 | 0.004 |
| Dividend payout ratio * (%) | 99.68 | 99.62 | 99.65 |
| * Dividend payout ratio was calculated based on the announced dividend payment for the performance during the relevant period to net investment income (excluding unrealised gains on investments) | | | |

14

Management Discussion and Analysis: MD&A

14.1 Financial Performance Analysis

The investors should consider the financial position and financial performance in this part together with the financial statements for FY2016/17 and FY2015/16 and the note to financial statements of each year.

14.1.1 Overall Financial Performance and Significant Transactions

- Overall Financial Performance

For FY2016/17 ended 31 March 2017, the fund had an increase in net assets resulting from operations of THB 4,849.47mn and the average net assets during the year of THB 66,876.29mn. Consequently, ratio of the increase in net assets resulting from operations to average net assets during FY2016/17 was 7.25%, drop 0.97% from 8.22% in FY2015/16. The decrease was mainly caused by the lower net unrealised gains on investments this year.

For FY2016/17, total investment income was THB 4,593.54mn. Ratio of total investment income to average net assets during the year was 6.87%, increasing 0.04% from 6.83% in FY2015/16. This was largely from the increase in income from the investment in the net revenue purchase and transfer agreement (NRTA).

Total expenses for FY2016/17 were THB 110.94mn. Ratio of total expenses to average net assets during FY2016/17 was 0.17% which fell 0.55% from FY2015/16. The drop ratio was primarily from the decrease in amortisation of issuance costs as it was fully amortised in 1Q 16/17 together with no incentive fee this year.

Net investment income for FY2016/17 was THB 4,482.60mn. Ratio of net investment income to average net assets during the year was 6.70%, growing 0.59% from 6.11% in FY2015/16 as a result of increasing in total income together with decrease in total expenses.

Ratio of weighted average investment purchases, sales and increases during FY2016/17 to average net assets during FY2016/17 was 0.37%, up 0.22% from 0.15% in FY2015/16 as there was a greater amount of investment purchase and sales in this year than in the previous year and there was additional investment in Suksa Wittaya station (S4).

- Significant Transactions

On 23 May 2016, BTSC has entered into a sales contract to buy 46 trains (184 cars) from CRRC and Siemens to be used for the Green Line from Mor Chit - Saphan Mai - Khu Khot and from Bearing - Samut Prakarn.

The additional rolling stocks will be allocated to the Fund of 12 carriages to accommodate the potential growth in ridership in the Core BTS SkyTrain System. The allocated cost is expected to be around Baht 800 million, the payment of which may be made during the account period for the year 2016/17 to 2019/20 at the rate of 35%, 25%, 35% and 5% respectively.

On 10 August 2016, The Fund, BTSC and AIA Company Limited ("AIA") signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than THB 650 million. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost.

14.1.2 Profitability

Income Statement

Net investment income for FY2016/17 was THB 4,482.60mn, growing THB 462.11mn or 11.49% from THB 4,020.49mn in FY2015/16 as details below.

For FY2016/17, total income was THB 4,593.54mn, up from THB 4,497.40mn in FY2015/16 by THB 96.14mn or 2.14% because of the increase in income from the investment in the net revenue purchase and transfer agreement (NRTA) which was mainly from

- 1) For FY2016/17, farebox revenue increased by THB 239.02mn or 3.74% to THB 6,636.15mn from 6,397.13mn last year. The increased revenue came from ridership increase as a result of organic growth and full-year recognition of both the adjustment of promotional prices for monthly trips on the BTS SkyTrain since July 2015 and cancellation of promotional prices for stored-value card since January 2016, yet partially offset by
- 2) Operating and maintenance costs for FY2016/17 grew by THB 138.31mn or 7.20% to THB 2,060.10mn from THB 1,921.79mn in FY2015/16 (The component of operating and maintenance cost was distributed in title *13.1 Summary of Financial Statement* in Income statement part). The main reasons were as below;

- The higher CAPEX by THB 113.11mn or 51.43% for new rolling stocks and relevant equipments to support the ridership growth
- The increase in employee expenses by THB 76.42mn or 11.88% from higher bonus paid as well as increase in employee annual base salary and wages
- The slight increase in selling expenses by THB 6.86mn or 9.13%

Yet partially offset by

- The decrease in maintenance costs by THB 27.88mn or 6.12%, due to several projects last year
- The lower utility expenses by THB 26.62mn or 6.76%, from lower usage of units of electricity and FT cost

Total expenses for FY2016/17 were THB 110.94mn (consisting of fund management fee and expenses of THB 82.79mn, amortisation of deferred unit issuance costs of THB 16.22mn and

other expenses of THB 11.93mn), decreasing by THB 365.97mn or 76.74% from THB 476.91mn in FY2015/16 (consisting of fund management fee and expenses of THB 82.08mn, amortisation of deferred unit issuance costs of THB 371.04mn and other expenses of THB 23.79mn) mainly due to decrease in amortisation of issuance costs this year as it was fully amortised in 1Q 16/17 together with no incentive fee in this year.

For FY2016/17, the net unrealised gains on investment was THB 366.87mn which occurred from recognition of an increase in fair value of its investment in the net revenue purchase and transfer agreement (NRTA) of THB 400.00mn (from THB 65,400.00mn to THB 65,800.00mn), yet partially offset by the construction cost of Suksa Wittaya station (S4 station) of THB33.14mn in 2Q 16/17.

Profitability Ratio Analysis

Ratio of income from the investment in the net revenue purchase and transfer agreement (NRTA) to total income for FY2016/17 was 99.62%, increased slightly 0.11% from 99.51% in FY2015/16 as a result of increase in income from investment in net revenue purchase and transfer agreement (NRTA). Ratio of income from the investment in the net revenue purchase and transfer agreement (NRTA) to farebox revenue for FY2016/17 was 68.96%, falling 1.00% from 69.96% in FY2015/16 due to total operating and maintenance costs rose at higher rate (increasing 7.20%) than farebox revenue growth rate (increasing 3.74%). Ratio of total operating and maintenance costs to farebox revenue for FY2016/17 went up by 1.00% to 31.04%, compared to FY2015/16 at 30.04%.

Ratio of total expenses to total income for FY2016/17 significantly declined 8.18% to 2.42% from 10.60% in FY2015/16. The main reason was the decrease in amortisation of issuance costs as it was fully amortised in 1Q 16/17 together with no incentive fee in this year. Thus, this ratio significantly decreased.

Ratio of net investment income to total income for FY2016/17 was 97.58%, moving up 8.18% from 89.40% in FY2015/16 because of the increase in income from the investment in the net revenue purchase and transfer agreement (NRTA) and the significant decrease in total expenses of the Fund.

Ratio of net investment income before amortisation of deferred unit issuance costs to total income for FY2016/17 was 97.94%, increasing slightly 0.29% from FY2015/16 at 97.65%, mainly from higher income from the investment in the net revenue purchase and transfer agreement (NRTA).

From Profitability Ratio Analysis in FY2016/17 above, those ratios were improving, showing that the Fund had better capability to generate profit.

14.1.3 Asset Management Efficiency

Balance Sheet

As at 31 March 2017, total assets stood at THB 67,041.67mn which consisted of investment in the net revenue purchase and transfer agreement of THB 65,800.00mn (up by THB 400.00mn or 0.61% from THB 65,400.00mn as at 31 March 2016 from revaluation), investments in securities at fair value and cash at bank of THB 1,191.71mn (drop by THB 221.19mn or 15.66% from THB

1,412.91mn as at 31 March 2016) and other assets of THB 49.96mn (up by THB 26.96mn or 117.19% from THB 23.00mn as at 31 March 2016 mainly from an increase in account receivable from the net revenue purchase and transfer agreement). Total assets increased THB 205.76mn or 0.31% from THB 66,835.91mn as at 31 March 2016.

Net asset value (NAV) as at 31 March 2017 was THB 67,025.82mn, increasing THB 242.23mn or 0.36% from THB 66,783.60mn as at 31 March 2016. Net asset value (NAV) as at 31 March 2017 equaled THB 11.5801 per unit, increasing THB 0.0419 per unit.

Efficiency Ratio Analysis

Return on assets during FY2016/17 was 6.70%, increasing 0.63% from 6.07% during FY2015/16. The main reason was the decrease in amortisation of issuance costs as it was fully amortised in 1Q 16/17 together with no incentive fee in this year. In addition, the Fund had higher income from the investment in the net revenue purchase and transfer agreement (NRTA) as described above. This ratio showed that the Fund had operating capability to generate higher return from the asset.

Total asset turnover during FY2016/17 was 0.07 times which was unchanged from FY2015/16.

14.1.4 Leverage Performance

Balance Sheet

Total liabilities as at 31 March 2017 stood at THB 15.85mn, decreasing by THB 36.46mn or 69.70% from THB 52.31mn as at 31 March 2016. The main reasons were the decrease in account payable from the net revenue purchase and transfer agreement and accrued incentive fee for BTSC. Total liabilities consisted of long term liability of THB 1.55mn which was a deducted retention cost. The fund had no financial loan.

Liquidity Ratio Analysis

Current ratio as at 31 March 2017 was 86.79 times, increasing from 27.43 times as at 31 March 2016 as a result of the sharp decrease in total liabilities of the fund as at 31 March 2017 as mentioned above.

Quick ratio as at 31 March 2017 was 86.45 times, increasing from 27.04 times as at 31 March 2016. The reason was the same as mentioned in current ratio above.

From Liquidity Ratio Analysis as mentioned above, the Fund's ability and liquidity to pay short term debt had increased throughout the last 3 years.

14.1.5 Liquidity and Capital Sufficiency

Statement of Cash Flows

As at 31 March 2017, cash and cash equivalent was THB 55.52mn, decreasing by THB 8.55mn or 13.34% from THB 64.07mn as at 31 March 2016.

(1) Sources and Uses of Capital

For FY2016/17, net cash from operating activities stood at THB 4,598.70mn, growing by THB 527.44mn, compared to net cash from operating activities for FY2015/16 at THB 4,071.26mn notwithstanding there was a decrease in net assets resulting from operations this year. The main reasons were as described below;

- Net sales of investments in securities this year, contrary to net purchases of investments in securities last year
- Lower payment of account payable from the net revenue purchase and transfer agreement, and other payables and accrued expenses, thus made cash increased
- Lower net unrealised gains on investments (non-cash item), thus lower deducting net cash from operating activities

Yet partially offset by

- Lower amortisation of deferred units issuance cost (non-cash expense), thus lower increase in net cash from operating activities

For FY2016/17, uses of capital were from net cash used in financing activities of THB 4,607.25mn for the payment of capital decrease to the unitholders of THB 370.43mn and the payment of dividend to the unitholders of THB 4,236.82mn, increasing by THB 491.98mn from FY2015/16.

(2) Capital Expenditure & Future Plan

For FY2016/17, capital expenditure involving the investment in the net revenue purchase and transfer agreement (NRTA) was THB 333.07mn which was split into (1) spare parts of THB 26.67mn, (2) machinery & equipment for train of THB 275.31mn and (3) office equipment & furniture of THB 31.09mn. All capital expenditure was spent for operating and managing train system and was under the fund scheme and spanning from last year. The majority of CAPEX for FY2016/17 were

- New rolling stocks and relevant equipments of THB 250.51mn
- Spare parts of THB 26.67mn
- Backbone transmission network upgrade of THB 7.32mn
- Office renovation of THB 6.13mn
- Traction substation of THB 5.78mn
- Office equipment of THB 5.49mn
- Automatic Fare Collection system upgrade and relevant equipments of THB 4.83mn
- Computer of THB 4.54mn
- Software of THB 4.26mn and
- Private automatic branch exchange (PABX) of THB 3.59mn

The capital expenditure in FY2016/17 was under the budget at THB 490.85mn by THB 157.78mn resulting from

- The poseponement of the payment for new rolling stocks and relevant equipments of THB 61.39mn
- The cutting off and delay the payment of backbone transmission network upgrade of THB 15.46mn
- The cutting off and delay the payment of Private Automatic Branch Exchange (PABX) of THB13.84mn
- The cutting off traction substation cost of THB13.41mn
- The poseponement of the improvement of Saphan Taksin station of THB 10.00mn
- The poseponement of software of THB 9.67mn and
- The delay of office renovation of THB 7.49mn

For FY2015/16, capital expenditure involving the investment in the net revenue purchase and transfer agreement (NRTA) was THB 219.95mn which was split into (1) spare parts of THB 28.62mn, (2) machinery & equipment for train of THB 107.45mn and (3) office equipment & furniture of THB 83.88mn. All capital expenditure was spent for operating and managing train system and was under the fund scheme. The majority of CAPEX for FY2015/16 were

- Backbone transmission network upgrade of THB 45.32mn
- Automatic Fare Collection system upgrade and relevant equipments of THB 39.36mn
- Office renovation of THB 28.16mn
- Traction substation of THB 23.11mn and
- Private Automatic Branch Exchange (PABX) of THB 18.16mn.

The capital expenditure in FY2015/16 was under the budget of THB 283.56mn by THB 63.61mn resulting from the delay of the construction expense for additional station of THB 45.00mn and the moving forward of the payment for Backbone Transmission Network Upgrade of THB 11.10mn to FY16/17.

For future plan in FY2017/18, BTSC planned for total capital expenditure of THB 620.17mn which is split into (1) rolling stock of THB 184.96mn, (2) machinery & equipment of THB 345.81mn and (3) office equipment & furniture of THB 48.31mn and (4) spare parts and others of THB 41.09mn. The majority of CAPEX are

- New rolling stock and relevant equipments of THB 196.65mn
- Automatic Fare Collection system upgrade and relevant equipments of THB 157.44mn
- Radio upgrade of THB 156.27mn
- The improvement of Saphan Taksin station of THB 30.00mn
- The signaling system of THB 24.79mn.

(3) Additional Sources of Capital

The fund has sufficient capital for operation without financial loan. In case that the fund needs the financial loan, the financial loan could be added since the ratio of total liabilities to total assets is still low as mentioned above.

(4) Ability to Pay Debt and Comply with the Covenant

As at 31 March 2017, total liabilities stood at THB 15.85mn, decreasing by THB 36.46mn or 69.70% from THB 52.31mn as at 31 March 2016. The main reasons were the decrease in account payable from the net revenue purchase and transfer agreement and decrease in accrued incentive fee for BTSC. Total liabilities composed of long term liability of THB 1.55mn which was a deducted retention cost. The fund had no financial loan.

Leverage Ratio Analysis

Ratio of total liabilities to net asset value as at 31 March 2017 was 0.000 times, decreasing from 0.001 times as at 31 March 2016. The fund had significantly higher amount of net asset value than total liabilities. This indicated that the Fund had ability to finance the fund from debt.

14.1.6 Rate of Return

For rate of return, as appeared in table 7.3.2 History of Dividend Payments and Reductions of capital, dividend payout from the operation during FY2016/17 was the sum of dividend payout No. 13-16, which equaled to THB 0.772 per unit and dividend payout from the operation during the FY2015/16 was the sum of dividend payout No. 9-12, which equaled to THB 0.692 per unit. Dividend yields are as shown below.

| Dividend yields comparing with | FY 2016/17 (%) | FY 2015/16 (%) |
|---|----------------|----------------|
| Initial Public Offering price (THB 10.80) | 7.15 | 6.41 |
| Par value after the 1st capital decrease (THB 10.723) | 7.20 | 6.45 |
| Par value after the 2nd capital decrease (THB 10.675) | 7.23 | 6.48 |
| Par value after the 3rd capital decrease (THB 10.611) | 7.28 | 6.52 |
| Market price as at 31 March 2017 (THB 11.30) | 6.83 | 6.12 |
| Market price as at 31 March 2016 (THB 11.50) | 6.71 | 6.02 |

From the table of dividend yield above, the dividend yield for FY2016/17 rose from FY2015/16 mainly from the increase in net investment income.

Financial Ratio Analysis

Dividend payout ratio during FY2016/17 was 99.68%, close to 99.62% during FY2015/16. This showed that the Fund distributed high dividend from almost all of the net investment income available to be paid.

14.2 Factors or Occurrences which may Have Impact in the Future

14.2.1 Capital Expenditure

BTSC plans for total capital expenditure of the Fund for FY2017/18 of THB 620.17mn which is split into (1) rolling stock of THB 184.96mn, (2) machinery & equipment of THB 345.81mn, (3) office equipment & furniture of THB 48.31mn and (4) spare parts and others of THB 41.09mn. The majority of CAPEX are rolling stock and spare parts of THB 196.65mn, AFC system of THB 157.44mn and radio upgrade of THB 156.27mn, improvement of Saphan Taksin station of THB 30.00mn and signaling system of THB 24.79mn

14.2.3 Maintenance Agreement

On 15 September 2014, BTSC signed 15-year maintenance agreement with Siemens from 1 January 2015 until 4 December 2029 (concession expiry date). BTSC has commitments in respect of the cost of maintenance and spares supply service fee in relation to the project (both core and extension line) (including future train overhaul) for the whole period. The cost and fee for each year shall be based on the first year fee and subject to price escalation each year based on annual consumer price index each year. The first year fee was THB 253mn and EUR 3mn and also shall be allocated to the fund in accordance with the appropriate criteria and assumptions. For the year ended 31 March 2017, maintenance expense under maintenance agreement was allocated to the fund of THB 231.97mn and EUR 2.94mn (2016: THB 232.68mn and EUR 2.96mn)

Attachment 1

Auditor Report and Financial Statement

BTS Rail Mass Transit Growth Infrastructure Fund

Report and financial statements

For the year ended 31 March 2017



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Independent Auditor's Report

To the Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

Opinion

I have audited the accompanying financial statements of BTS Rail Mass Transit Growth Infrastructure Fund (“the Fund”), which comprise the balance sheet, including the details of investments as at 31 March 2017, and the related statements of income, changes in net assets, cash flows and significant financial information for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2017, its financial performance, changes in net assets and cash flows, and significant financial information for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the Code of Ethics for Professional Accountant as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter. I have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

Revenue recognition from investment in the Net Revenue Purchase and Transfer Agreement

The recognition of income from investment in the Net Revenue Purchase and Transfer Agreement is material to the financial statements. I therefore focused on the completeness and correctness of the revenue recognition in the financial statements of the Fund.

I read and gained an understanding of the Net Revenue Purchase and Transfer Agreement, and assessed and tested the effectiveness of the IT system and its internal controls with respect to the revenue cycle and revenue collection to determine whether they were in compliance with the Fund's revenue recognition. In addition, I performed analytical procedures on disaggregated data to detect possible irregularities in revenues transactions throughout the period.

Measurement of investment in the Net Revenue Purchase and Transfer Agreement

As described in Note 7 to the financial statements, the Fund presented the investment in the Net Revenue Purchase and Transfer Agreement in the balance sheet as at 31 March 2017 at its fair value of Baht 65,800 million, representing 98% of total assets. The investment is not traded in an active market and a quoted price is not available for the same or similar investments. Therefore, the Fund's management determined the fair value of the investment based on the appraisal value calculated by an independent appraiser using the income approach. The Fund's management had to exercise significant judgment with respect to the projections of future operating performance and assessment of the future plans for managing the investment, including the determination of an appropriate discount rate and key assumptions. There is thus a significant risk with respect to the measurement of the investment.

I have gained an understanding of the calculation of the fair value of the investment under the Net Revenue Purchase and Transfer Agreement. I considered the scope and objectives of the fair value measurement performed by an independent appraiser, and evaluated the techniques and models applied by the independent appraiser to measure fair value, as specified in the fair value report prepared by the independent appraiser. I have also considered the consistency of the use of the techniques and models, and evaluating the competence and the independence of the independent appraiser based on the examination of publicly available information. I also reviewed the key information and the reasonableness of key assumptions used in the measurement by comparing the information on actual operating performance with the information used in the estimation of cash flows expected to be realized in the future to evaluate the judgment of the Fund's management and tested the fair value calculation in accordance with the above models and assumptions.

Other Information

Fund's management is responsible for the other information. The other information comprise the information included in annual report of the Fund, but does not include the financial statements and my auditor's report thereon. The annual report of the Fund is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Fund, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Fund's management for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Fund's management are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine this matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss. Siraporn Ouaanunkun.



Siraporn Ouaanunkun

Certified Public Accountant (Thailand) No. 3844

EY Office Limited

Bangkok: 22 May 2017

BTS Rail Mass Transit Growth Infrastructure Fund

Balance sheet

As at 31 March 2017

(Unit: Baht)

| | Note | 2017 | 2016 |
|---|------|-----------------------|-----------------------|
| Assets | | | |
| Investment in the Net Revenue Purchase and Transfer Agreement | | | |
| at fair value | | | |
| (at cost: Baht 61,432 million (2016: Baht 61,399 million)) | 7 | 65,800,000,000 | 65,400,000,000 |
| Investments in securities at fair value | | | |
| (at cost: Baht 1,134 million (2016: Baht 1,348 million)) | | 1,136,194,431 | 1,348,840,940 |
| Cash at bank | 9 | 55,518,433 | 64,065,560 |
| Account receivable from the Net Revenue Purchase and Transfer Agreement | 11 | 44,798,009 | - |
| Accounts receivable from interest | | 58,851 | 1,528,587 |
| Deferred units issuance costs | 10 | - | 16,220,358 |
| Other assets | | 5,103,794 | 5,254,620 |
| Total assets | | 67,041,673,518 | 66,835,910,065 |
| Liabilities | | | |
| Account payable from the Net Revenue Purchase and Transfer Agreement | 11 | - | 24,430,149 |
| Other payables and accrued expenses | | 7,020,512 | 21,769,411 |
| Specific business tax payable | | 6,827,525 | 5,588,618 |
| Other liabilities | | 2,004,317 | 526,637 |
| Total liabilities | | 15,852,354 | 52,314,815 |
| Net assets | | 67,025,821,164 | 66,783,595,250 |
| Net assets | | | |
| Registered capital | | | |
| 5,788,000,000 units of Baht 10.6110 each | | | |
| (2016: 5,788,000,000 units of Baht 10.6750 each) | 12 | 61,416,468,000 | 61,786,900,000 |
| Paid-in capital from unitholders | | 61,416,468,000 | 61,786,900,000 |
| Retained earnings | 13 | 5,609,353,164 | 4,996,695,250 |
| Net assets | | 67,025,821,164 | 66,783,595,250 |
| | | - | - |
| Net asset value per unit | | 11.5801 | 11.5382 |
| Number of units issued - end of year (units) | | 5,788,000,000 | 5,788,000,000 |

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


(Mr. Winai Hirunpinyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Details of investments

As at 31 March 2017

Details of investments classified by asset classes

| Type of investment | 2017 | | | 2016 | | | | |
|---|----------------|-----------------------------------|--|----------------------|--|--|----------------------|--|
| | Cost (Baht) | Fair value (Baht) | Percentage of investment (Percent) | Cost (Baht) | Fair value (Baht) | Percentage of investment (Percent) | | |
| Investment in the infrastructure business (Note 7) | | | | | | | | |
| Investment in the Net Revenue Purchase and Transfer Agreement to acquire the net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration and Bangkok Mass Transit System Public Company Limited from 17 April 2013 until the expiration of the Concession Agreement (4 December 2029) | 61,432,135,000 | 65,800,000,000 | 98.30 | 61,399,000,000 | 65,400,000,000 | 97.98 | | |
| Total investment in the infrastructure business | 61,432,135,000 | 65,800,000,000 | 98.30 | 61,399,000,000 | 65,400,000,000 | 97.98 | | |
| Type of investment | Maturity date | Yield rate (Percent per annum) | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) |
| Investments in securities | | | | | | | | |
| Bond | | | | | | | | |
| Bank of Thailand | CB16512B | 12 May 2015 | 1.365 | - | - | 40,000,000 | 39,938,762 | 0.06 |
| Bank of Thailand | CB16519A | 19 May 2015 | 1.365 | - | - | 55,000,000 | 54,901,448 | 0.08 |
| Bank of Thailand | CB16526A | 26 May 2015 | 1.400 | - | - | 70,000,000 | 69,852,640 | 0.10 |
| Bank of Thailand | CB16526B | 26 May 2015 | 1.3250 - 1.3950 | - | - | 325,000,000 | 324,333,534 | 0.49 |
| Bank of Thailand | CB17427A | 27 April 2017 | 1.390 | 90,000,000 | 89,910,016 | 0.13 | - | - |
| Bank of Thailand | CB17511B | 11 May 2017 | 1.383 | 15,000,000 | 14,977,431 | 0.02 | - | - |
| Bank of Thailand | CB17518A | 18 May 2017 | 1.4000 - 1.4150 | 220,000,000 | 219,601,288 | 0.33 | - | - |
| Bank of Thailand | CB17518B | 18 May 2017 | 1.392 | 90,000,000 | 89,838,623 | 0.13 | - | - |
| Bank of Thailand | CB17525A | 25 May 2017 | 1.3950 - 1.4200 | 160,000,000 | 159,669,546 | 0.24 | - | - |
| Bank of Thailand | CB17525B | 25 May 2017 | 1.3950 - 1.4050 | 160,000,000 | 159,668,477 | 0.24 | - | - |
| Bank of Thailand | CB17824A | 24 August 2017 | 1.499 | 105,000,000 | 104,379,050 | 0.16 | - | - |
| Bank of Thailand | CB17831A | 31 August 2017 | 1.4925 - 1.5050 | 300,000,000 | 298,150,000 | 0.45 | - | - |
| Total investments in bond | | | 1,140,000,000 | 1,136,194,431 | 1.70 | 490,000,000 | 489,026,384 | 0.73 |

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



(Mr. Winai Hirunpinoyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund
Details of investments (continued)
As at 31 March 2017

Details of investments classified by asset classes

| Type of investment | Maturity date | Yield rate (Percent per annum) | 2017 | | | 2016 | | |
|---|---------------|--------------------------------------|---------------------|----------------------|--|---------------------|----------------------|--|
| | | | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) |
| Treasury bills | | | | | | | | |
| Ministry of Finance | TB16504A | 4 May 2016 | - | - | - | 50,000,000 | 49,936,342 | 0.07 |
| Ministry of Finance | TB16511A | 11 May 2016 | - | - | - | 80,000,000 | 79,878,214 | 0.12 |
| Total investments in treasury bills | | | - | - | - | 130,000,000 | 129,814,556 | 0.19 |
| | | | | | | | | |
| Type of investment | Maturity date | Interest rate (Percent per annum) | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) | Par value (Baht) | Fair value (Baht) | Percentage of investment (Percent) |
| Fixed deposit and certificate of deposit | | | | | | | | |
| Government Savings Bank | Fixed deposit | 21 april 2016 | 1.5250 | - | - | 85,000,000 | 85,000,000 | 0.13 |
| Government Housing Bank | Fixed deposit | 4 May 2016 | 1.5000 | - | - | 85,000,000 | 85,000,000 | 0.13 |
| Government Savings Bank | Fixed deposit | 11 May 2016 | 1.5250 | - | - | 240,000,000 | 240,000,000 | 0.36 |
| The Siam Commercial Bank Public Company Limited | Fixed deposit | 24 May 2016 | 1.6000 | - | - | 100,000,000 | 100,000,000 | 0.15 |
| The Siam Commercial Bank Public Company Limited | Fixed deposit | 26 May 2016 | 1.6000 | - | - | 220,000,000 | 220,000,000 | 0.33 |
| Total investments in fixed deposit and certificate of deposit | | | - | - | - | 730,000,000 | 730,000,000 | 1.10 |
| Total investments in securities | | | 1,140,000,000 | 1,136,194,431 | 1.70 | 1,350,000,000 | 1,348,840,940 | 2.02 |
| Total investments | | | 62,572,135,000 | 66,936,194,431 | 100.00 | 62,749,000,000 | 66,748,840,940 | 100.00 |

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



(Mr. Winai Hirunpinoyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Income statement

For the year ended 31 March 2017

(Unit: Baht)

| | Note | 2017 | 2016 |
|---|--------|---------------|---------------|
| Investment income | | | |
| Income from the investment in the Net Revenue Purchase and Transfer Agreement | 8, 11 | 4,576,047,778 | 4,475,341,528 |
| Interest income | | 17,490,773 | 22,055,932 |
| Total income | | 4,593,538,551 | 4,497,397,460 |
| Expenses | | | |
| Management fee | 11, 15 | 53,562,378 | 52,958,028 |
| Trustee fee | 15 | 14,283,301 | 14,122,140 |
| Registrar fee | 15 | 5,338,989 | 5,361,011 |
| Professional fees | | 9,608,076 | 9,637,825 |
| Amortisation of deferred unit issuance costs | 10 | 16,220,358 | 371,040,684 |
| Other expenses | | 11,926,017 | 23,790,478 |
| Total expenses | | 110,939,119 | 476,910,166 |
| Net investment income | | 4,482,599,432 | 4,020,487,294 |
| Gains on investments | | | |
| Net realised gains on investments | | - | 2,371 |
| Net unrealised gains on investments | | 366,874,482 | 1,390,004,770 |
| Total gains on investments | | 366,874,482 | 1,390,007,141 |
| Increase in net assets resulting from operations | | 4,849,473,914 | 5,410,494,435 |

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


(Mr. Winai Hirunpinyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund
Statement of changes in net assets
For the year ended 31 March 2017

(Unit: Baht)

| | Note | 2017 | 2016 |
|--|-------|-----------------------|-----------------------|
| Increase in net assets resulting from operations during the year | | | |
| Net investment income | | 4,482,599,432 | 4,020,487,294 |
| Net realised gains on investments | | - | 2,371 |
| Net unrealised gains on investments | | 366,874,482 | 1,390,004,770 |
| Increase in net assets resulting from operations | | 4,849,473,914 | 5,410,494,435 |
| Payments of investment unit value from capital reduction during the year | 6, 12 | (370,432,000) | (277,824,000) |
| Distributions to unitholders during the year | 6, 14 | (4,236,816,000) | (3,837,444,000) |
| Increase in net assets during the year | | 242,225,914 | 1,295,226,435 |
| Net assets at the beginning of the year | | 66,783,595,250 | 65,488,368,815 |
| Net assets at the end of the year | | 67,025,821,164 | 66,783,595,250 |

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


(Mr. Winai Hirunpinyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund
Cash flow statement
For the year ended 31 March 2017

(Unit: Baht)

| | 2017 | 2016 |
|--|------------------------|------------------------|
| Cash flows from operating activities | | |
| Increase in net assets resulting from operations | 4,849,473,914 | 5,410,494,435 |
| Adjustments to reconcile the increase in net assets resulting from operations to net cash from (used in) operating activities: | | |
| Increase in investment in the Net Revenue Purchase and Transfer Agreement | (33,135,000) | - |
| Purchases of investments in securities | (6,483,116,822) | (6,731,507,990) |
| Sales of investments in securities | 6,709,000,000 | 6,619,958,144 |
| Net purchases and sales of investments in securities | 225,883,178 | (111,549,846) |
| Increase in account receivable from the Net Revenue Purchase and Transfer Agreement | (44,798,009) | - |
| Decrease (increase) in accounts receivable from interest | 1,469,736 | (689,847) |
| Decrease in other assets | 150,826 | 497,818 |
| Decrease in account payable from the Net Revenue Purchase and Transfer Agreement | (24,430,149) | (122,275,988) |
| Decrease in other payables and accrued expenses | (14,748,899) | (76,486,975) |
| Increase in specific business tax payable | 1,238,907 | 239,535 |
| Increase in other liabilities | 1,477,680 | 107,613 |
| Amortisation of deferred units issuance cost | 16,220,358 | 371,040,684 |
| Amortisation of discounts on investments | (13,227,187) | (10,114,175) |
| Net realised gains on investments | - | (2,371) |
| Net unrealised gains on investments | (366,874,482) | (1,390,004,770) |
| Net cash from operating activities | 4,598,700,873 | 4,071,256,113 |
| Cash flows from financing activities | | |
| Payments of investment unit value from capital reduction | (370,432,000) | (277,824,000) |
| Distributions to unitholders | (4,236,816,000) | (3,837,444,000) |
| Net cash used in financing activities | (4,607,248,000) | (4,115,268,000) |
| Net decrease in cash at bank | (8,547,127) | (44,011,887) |
| Cash at bank at beginning of the year | 64,065,560 | 108,077,447 |
| Cash at bank at end of the year | 55,518,433 | 64,065,560 |

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


(Mr. Winai Hirunpinyopard)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Significant financial information

For the year ended 31 March 2017

(Unit: Baht)

For the period
from 17 April 2013

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 | For the year ended 31 March 2015 | (date of registration) to 31 March 2014 |
|---|--|--|--|---|
| Operating performance (per unit) | | | | |
| Net asset value at the beginning of the year/ period | 11.5382 | 11.3145 | 11.2481 | - |
| Add: Paid-in capital from unitholders | - | - | - | 10.8000 |
| Income from investment operations | | | | |
| Net investment income | 0.7745 | 0.6946 | 0.6081 | 0.5793 |
| Net gains on investments | 0.0634 | 0.2401 | 0.1573 | 0.2938 |
| Total income from investment operations | 0.8379 | 0.9347 | 0.7654 | 0.8730 |
| Less: payments of investment unit value from capital reduction | (0.0640) | (0.0480) | (0.0770) | - |
| Distributions to unitholders | (0.7320) | (0.6630) | (0.6220) | (0.4250) |
| Net asset value at the end of the year/period | 11.5801 | 11.5382 | 11.3145 | 11.2481 |

**Ratio of the increase in net assets resulting
from operations to average net assets
during the year/period (%)**

7.25 8.22 6.80 7.87

Significant financial ratios and additional information

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Net assets at the end of the year/period (Baht) | 67,025,821,164 | 66,783,595,250 | 65,488,368,815 | 65,104,505,694 |
| Ratio of total expenses to average net assets during the year/period (%) | 0.17 | 0.72 | 0.71 | 0.71 |
| Ratio of total investment income to average net assets during the year/period (%) | 6.87 | 6.83 | 6.12 | 5.93 |
| Ratio of weighted average investment purchases, sales and increases during the year/period to average net assets during the year/period (%)* | 0.37 | 0.15 | 0.23 | 94.00 |
| Average net assets during the year/period (Baht) | 66,876,292,580 | 65,850,435,234 | 65,130,616,710 | 64,231,056,785 |

* Investment purchases, sales and increases 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)
Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to financial statements

For the year ended 31 March 2017

1. Description of BTS Rail Mass Transit Growth Infrastructure Fund

BTS Rail Mass Transit Growth Infrastructure Fund (“the Fund”) is a specified infrastructure business fund with the specific investment project to invest detailed in the Fund’s prospectus. The Fund was established and registered as a closed-end infrastructure fund on 17 April 2013 with no project life stipulated. The Fund raised funds from the public and general investors, with the main objective of utilising the proceeds from such fund raising to invest in infrastructure businesses. The Fund initially invested in acquiring the net revenue to be generated from the operations of the Core BTS Skytrain System from Bangkok Mass Transit System Public Company Limited (“BTSC”), covering the 23.5 kilometer original lines of the BTS SkyTrain System, consisting of the 17.0 kilometer in Sukhumvit line from Mo-Chit to On-Nut, and the 6.5 kilometer in 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 2017, the Fund’s major unitholder is BTS Group Holdings Public Company Limited holding 33.33% of the Fund units issued

2. Basis of preparation of financial statements

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 financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the current year, the Fund has adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016 (beginning on or after 1 April 2016 for the Fund). These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The adoption of these financial reporting standards does not have any significant impact on the Fund's financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017 (beginning on or after 1 April 2017 for the Fund). These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes direct towards revision of wording and terminology, and provision of interpretations and accounting guidance of users of standards.

The Management Company believes that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

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 3 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 in the period they occur.

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 Infrastructure Business 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 Account 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 Deferred units 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.

4.9 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Fund apply a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Fund measure fair

value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Fund determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

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.

7. Investment in the Net Revenue Purchase and Transfer Agreement

The Fund entered into a Net Revenue Purchase and Transfer Agreement ("NRTA") with BTSC on 17 April 2013 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 ("the Concession Agreement") entered into between the Bangkok Metropolitan Administration ("BMA") and BTSC, 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 includes, fare box 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 specific business tax in connection with the Net Revenue Purchase and Transfer Agreement.

Under the terms of the NRTA, the Fund will pay BTSC the incentive 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.

10% in respect of the net revenue amount exceeding the 100% but not exceeding 125% of the annual net revenue target

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 for the year ended 31 March 2017 and 2016 as summarised below.

| | (Unit: Thousand Baht) | |
|--|-----------------------|-------------------|
| | 2017 | 2016 |
| Investment in the NRTA - at cost | | |
| Investment in the NRTA at the beginning of the year | 65,399,000 | 61,399,000 |
| Add: Additional during the year | 33,135 | - |
| Investment in the NRTA at the end of the year | 65,432,135 | 61,399,000 |
| Net unrealised gains on investment in the NRTA | | |
| Net unrealised gains on investments at the beginning of the year | 4,001,000 | 2,611,000 |
| Add: Net unrealised gains on investments during the year | 366,865 | 1,390,000 |
| Net unrealised gains on investments at the end of the year | 4,367,865 | 4,001,000 |
| Investment in the NRTA - end of the year - at fair value | 65,800,000 | 65,400,000 |

On 10 August 2016, the Fund, BTSC and AIA Company Limited ("AIA") signed memorandum agreement of construction of Suksa Wittaya station (S4) with a value of not more than Baht 650 million and this agreement has been approved by the trustee. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost. During the current year, the Fund has recorded the construction cost of Baht 33 million as investment in the NRTA.

8. Income from the investment in the Net Revenue Purchase and Transfer Agreement

(Unit: Thousand Baht)

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| Farebox revenue | 6,636,149 | 6,397,132 |
| Less : Operating expenses | (1,299,763) | (1,246,691) |
| Repair and maintenance expenses | (427,269) | (455,144) |
| Capital expenditures | (333,069) | (219,955) |
| Net revenue from investment | 4,576,048 | 4,475,342 |

9. Cash at bank

| Bank/account type | Principal (Thousand Baht) | | Interest rate (% per annum) | |
|--|------------------------------|------------------|--------------------------------|------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Bangkok Bank Public Company Limited/ Saving account | 47,253 | 29,422 | 0.375 | 0.375 |
| Standard Chartered Bank (Thai) Public Company Limited/ Saving account | 8,265 | 34,644 | 0.500 | 0.500 |
| Total | 55,518 | 64,066 | | |

10. Deferred units issuance costs

(Unit: Thousand Baht)

| | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| Deferred units issuance costs | 1,111,095 | 1,111,095 |
| Less: Accumulated amortisation | (1,111,095) | (1,094,875) |
| Net book value | - | 16,220 |
| Amortisation expenses included in the income statement for the year | 16,220 | 371,041 |

11. Related party transactions

During the year, 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.

| | (Unit: Thousand Baht) | | |
|---|-----------------------|-----------|------------------------------------|
| | 2017 | 2016 | Pricing policy |
| BBL Asset Management Company Limited | | | |
| (the Management Company) | | | |
| Management fee | 53,562 | 52,958 | The basis stated in the prospectus |
| Bangkok Mass Transit System Public Company Limited | | | |
| (a subsidiary of the major unitholder) | | | |
| Income from the investment in the Net Revenue Purchase and Transfer Agreement | 4,576,048 | 4,475,342 | The basis stated in the agreement |
| Reserve for incentive fee expense | - | 14,276 | The basis stated in the agreement |
| Reimbursement of the specific business tax | 59,843 | 56,860 | As incurred |

As at 31 March 2017 and 2016, the Fund has the following significant outstanding balances with its related companies.

| | (Unit: Thousand Baht) | |
|---|-----------------------|--------|
| | 2017 | 2016 |
| BBL Asset Management Company Limited | | |
| Accrued management fee | 4,569 | 4,540 |
| Bangkok Mass Transit System Public Company Limited | | |
| Account receivable from the Net Revenue Purchase and Transfer Agreement | 44,798 | - |
| Account payable from the Net Revenue Purchase and Transfer Agreement | - | 24,430 |
| Accrued incentive fee | - | 14,276 |

During the year ended 31 March 2017, the Fund purchased investment in securities of Baht 191,442 thousand from a fund, which managed by the Management Company (2016: Baht 79,975 thousand).

12. Unitholders' equity

Movements of the investment units and capital from unitholders during the year ended 31 March 2017 and 2016 are as follow.

| | 2017 | | | 2016 | | |
|----------------------------------|-----------------|----------------|--------------------|-----------------|----------------|--------------------|
| | Number of units | Value per unit | Registered capital | Number of units | Value per unit | Registered capital |
| | (Thousand unit) | (Baht) | (Thousand Baht) | (Thousand unit) | (Baht) | (Thousand Baht) |
| Beginning of the year | 5,788,000 | 10.6750 | 61,786,900 | 5,788,000 | 10.7230 | 62,064,724 |
| Paid in capital from unitholders | - | (0.0640) | (370,432) | - | (0.0480) | (277,824) |
| Ending of the year | 5,788,000 | 10.6110 | 61,416,468 | 5,788,000 | 10.6750 | 61,786,900 |

During the current year, the Management Company declared a reduction in the value of the investment units of Baht 0.0640 per unit, or totaling Baht 370 million, without any change in the number of units, in order to decrease excess liquidity from amortisation of issuance costs which was non-cash expense during the period from 1 April 2015 to 31 March 2016. As a result, the Fund has paid-in capital from unitholders of Baht 61,416 million. This procedure is in accordance with the Fund prospectus, together with notifications of amendments to the Fund scheme and the Notification of the Office of the SEC No. Tor Nor 22/2557 Re: Rules, Conditions, and Procedures for Establishment and Management of Infrastructure Funds, the fourth issue.

13. Retained earnings

| | (Unit: Thousand Baht) | |
|--|-----------------------------|-------------|
| | For the year ended 31 March | |
| | 2017 | 2016 |
| Accumulated net investment income | 10,893,169 | 6,872,682 |
| Accumulated net realised gains on investments | 2 | - |
| Accumulated net unrealised gains on investments | 4,001,004 | 2,610,999 |
| Less : Accumulated distributions to unit holders | (9,897,480) | (6,060,036) |
| Retained earnings at the beginning of the year | 4,996,695 | 3,423,645 |
| Add : Increase in net assets resulting from operations during the year | 4,849,474 | 5,410,494 |
| Less : Distributions to unitholders during the year | (4,236,816) | (3,837,444) |
| Retained earnings at the end of the year | 5,609,353 | 4,996,695 |

14. Distributions to unitholders

Dividend declared during the year ended 31 March 2017 and 2016 consisted of the following.

| Declared date | For the operations period | Per unit (Baht) | Total (Thousand Baht) |
|---|------------------------------------|--------------------|--------------------------|
| 16 May 2016 | 1 January 2016 to 31 March 2016 | 0.167 | 966,596 |
| 8 August 2016 | 1 April 2016 to 30 June 2016 | 0.189 | 1,093,932 |
| 7 November 2016 | 1 July 2016 to 30 September 2016 | 0.188 | 1,088,144 |
| 10 February 2017 | 1 October 2016 to 31 December 2016 | 0.188 | 1,088,144 |
| Total dividends for the year ended 31 March 2017 | | 0.732 | 4,236,816 |
| 25 May 2015 | 1 January 2015 to 31 March 2015 | 0.138 | 798,744 |
| 10 August 2015 | 1 April 2015 to 30 June 2015 | 0.168 | 972,384 |
| 9 November 2015 | 1 July 2015 to 30 September 2015 | 0.179 | 1,036,052 |
| 11 February 2016 | 1 October 2015 to 31 December 2015 | 0.178 | 1,030,264 |
| Total dividends for the year ended 31 March 2016 | | 0.663 | 3,837,444 |

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. Information on investments purchase and sale transactions

During the year ended 31 March 2017, the Fund's investments purchase and sale transactions, excluding cash at bank and investments in promissory notes, amounted to approximately Baht 12,495 million or 18.68% of the average net assets value during the year (2016: Baht 10,611 million, represented 16.11%).

17. Commitments

- 17.1 The Fund is committed to pay management fee, trustee's fee and registrar fee to counterparties under the terms and conditions specified in the agreements and the prospectus.
- 17.2 The Fund is committed to pay the incentive fee as described in the note 7 to the financial statements.
- 17.3 The Fund has commitments with contingent expenses as stipulated in the Net Revenue Purchase and Transfer Agreement on behalf of BTSC as follows.
- (a) Capital commitments
The Fund has capital commitments in respect of improvements of the Core BTS SkyTrain System and the renovation an office building.
 - (b) Lease and service commitments
The Fund has commitments to pay fees in respect of lease, service and concession agreements.
 - (c) Commitments under maintenance contracts
The Fund has commitments in respect of the cost of maintenance and spares supply service fees in relation to the project.
 - (d) Guarantees
The Fund had outstanding bank guarantees amounting to Baht 38 million (2016: Baht 38 million) issued on behalf of BTSC by a bank to the Metropolitan Electricity Authority, in order to guarantee electricity use under the Net Revenue Purchase and Transfer Agreement.
 - (e) Commitments related to long-term employee benefits
The Fund had commitments in respect of costs related to long-term employee benefit of BTSC's employees who retire during the remaining period of the Core BTS SkyTrain System.
- 17.4 The Fund had commitments under the memorandum agreement of construction of Suksa Wittaya station (S4) between the Fund, BTSC and AIA with a value of not more than Baht 650 million. Under the agreement, the Fund and AIA will each fund 50 percent of the total construction cost.
- 17.5 The Fund had commitments which respect to service contracts. Minimum fees required under service contracts were as follows.

| | (Unit: Million Baht) | |
|-----------------------------|----------------------|------|
| | 2017 | 2016 |
| Payable: | | |
| In up to 1 year | 5 | 6 |
| In over 1 and up to 5 years | - | 5 |

18. 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.

19. Fair value hierarchy

As at 31 March 2017 and 2016, the Fund had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

| | 2017 | | | |
|---|---------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| The investment in the Net Revenue Purchase and Transfer Agreement | - | - | 65,800 | 65,800 |
| Investments in securities | - | 1,136 | - | 1,136 |

(Unit: Million Baht)

| | 2016 | | | |
|---|---------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| The investment in the Net Revenue Purchase and Transfer Agreement | - | - | 65,400 | 65,400 |
| Investments in securities | - | 1,349 | - | 1,349 |

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

20. Financial instruments

20.1 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 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.

(Unit: Million Baht)

As at 31 March 2017

| | Fixed interest rates within 1 year | Floating interest rate | Non- interest bearing | Total | Effective interest rate (% per annum) |
|---|--|---------------------------|--------------------------|-------|---|
| Financial assets | | | | | |
| Investments in securities | 1,136 | - | - | 1,136 | 1.3825 - 1.5050 |
| Cash at bank | - | 56 | - | 56 | 0.3750 - 0.5000 |
| Account receivable from the Net Revenue Purchase and Transfer Agreement | - | - | 45 | 45 | - |
| Financial liabilities | | | | | - |
| Other payable and accrued expenses | - | - | 7 | 7 | - |
| Specific business tax payable | - | - | 7 | 7 | - |

(Unit: Million Baht)

As at 31 March 2016

| | Fixed interest rates within 1 year | Floating interest rate | Non- interest bearing | Total | Effective interest rate (% per annum) |
|--|--|---------------------------|--------------------------|-------|---|
| Financial assets | | | | | |
| Investments in securities | 1,349 | - | - | 1,349 | 1.325 - 1.600 |
| Cash at bank | - | 64 | - | 64 | 0.375 - 0.500 |
| Financial liabilities | | | | | |
| Account payable from the Net Revenue Purchase and Transfer Agreement | - | - | 24 | 24 | - |
| Other payable and accrued expenses | - | - | 22 | 22 | - |
| Specific business tax payable | - | - | 6 | 6 | - |

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.

19.2 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.

20. 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.

21. Approval of financial statements

These financial statements were authorised for issue by an authorised person of the Management Company on 22 May 2017.

Attachment 2

Total Expenses as Collected from the Fund

Total Expenses as Collected from the Fund
For Period from 1 April 2016 to 31 March 2017

| Fund's Direct Expense | THB (thousand) | % of Net Assets Value |
|---|-------------------|--------------------------|
| Management Fee | 53,562.00 | 0.08 |
| Fund Supervisor Fee | 14,284.00 | 0.02 |
| Registrar Fee | 5,339.00 | 0.01 |
| Amortisation of Deferred Units Issuance Costs | 16,220.00 | 0.03 |
| Professional Fees | 9,608.00 | 0.01 |
| Other Expenses | 11,926.00 | 0.02 |
| Total Expenses | 110,939.00 | 0.17 |

Remark : Included VAT

Average Net Asset THB 66,876,292,580

Attachment 3

Fund Supervisor Report



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 1 April 2016 and ending on 31 March 2017

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

(Malathip Earsakul)
Assistant Manager

Standard Chartered Bank (Thai) Public Company Limited
7 April 2016



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