

- Information Memorandum -

Infrastructure Fund Project of BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF)

<u>Name of Management Company</u>	BBL Asset Management Co., Ltd.
<u>Location of Management Company</u>	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Thung Mahamek Sub-district, Sathorn District, Bangkok 10120, Thailand Tel. 0-2674-6488 Fax 0-2679-5996 Website: www.bblam.co.th
<u>Listing Date</u>	As of April 19, 2013 (Trading commencement on April 19, 2013)
<u>Type of Listed Securities</u>	No. of investment unit: 5,788,000,000 units, Par value per unit: THB 10.80 Total value: THB 62,510.4 million
<u>Secondary Market</u>	Stock Exchange of Thailand
<u>Project Background</u>	BBL Asset Management Co., Ltd. was granted approval from the Office of the Securities and Exchange Commission to establish and manage BTS Rail Mass Transit Growth Infrastructure Fund on March 14, 2013 pursuant to the letter of the Office of the Securities and Exchange Commission No. GorLorTor. JorTor. 499/2556. The offering of the investment units to the general investors is from March 29 – April 4, 2013 and to the special investors, foreign investors and BTS Group Holdings Public Co., Ltd. is from April 9- April 12, 2013, at the price of THB 10.80 per unit, and the pool of assets is duly registered as a mutual fund on April 17, 2013 pursuant to the letter of the Office of the Securities and Exchange Commission No. JorTor. 122/2556. The fund receives the proceeds in a total amount of THB 62,510.4 from the offering.
<u>Date of Registration of the Fund</u>	April 17, 2013
<u>Date of Investment in Initial Assets</u>	April 17, 2013
<u>Project Description</u>	Closed-end retail infrastructure fund, which offers the investments units to the general investors. .
<u>Project Life</u>	No specific term
<u>Use of Proceeds</u>	To raise funds from investors via both domestic and international offerings. The funds raised from these offerings will be used to invest mainly in infrastructure businesses which have capability to generate sustainable income for the fund so that the fund could make distributions to the unitholders and achieve long-term growth in distributions per unit in order to provide unitholders with a competitive rate of return for their investment, as well as in other assets, securities, and/or other instruments as permitted by the securities law.

Investment Policy

1. Definitions

Please see the definitions of the defined terms in the Schedule.

2. Information in relation to Infrastructure Assets

2.1 Overview of the Fund

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

The Initial Assets to be invested by the Fund are the Sale Revenue being all farebox revenues to be generated from the operation of the Core BTS SkyTrain System from the Closing Date until the Concession Expiry Date, after deducting the O&M Costs (all costs, expenses, excised tax, value added tax, house and land tax, custom levies, stamp duties, any taxes, capital expenditures, and fees, including litigation costs and expenses properly incurred by BTSC in connection with the operation and maintenance of the Core BTS SkyTrain System (as well as damages in relation to litigation claims and suits resulting from the operation and maintenance of the Core BTS SkyTrain System) after the Closing Date, but excluding (i) any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC (such as indebtedness of BTSC under the BTSC Debentures), (ii) BTSC’s corporate income tax and other tax penalties resulting from BTSC’s negligence or wilful misconduct, (iii) costs and expenses in connection with the operation and maintenance of the Excluded Assets (other than costs and expenses in connection with the operation and maintenance of BTSC’s assets, equipment and associated facilities which are used and necessary for the operation and maintenance of the Core BTS SkyTrain System which are shared by BTSC), and (iv) costs and expenses which BTSC is responsible to pay in accordance with or pursuant to the Transaction Documents). The Sale Revenue also includes all cash relating to all claims, awards, judgments, suits, causes of action in favour of BTSC and any other rights of BTSC arising out of or related to such revenue and the Concession Agreement in relation to the operation of the Core BTS SkyTrain System (except for BTSC’s rights and claims under the Concession Agreement to which BTSC is or has been entitled prior to the Closing Date regardless of whether BTSC makes or has made a claim or receives payment from such rights and claims before or after the Closing Date). The Fund will benefit fully from the increase in farebox revenue or the reduction of cost or capital expenditure, while BTSC will remain the operator of the Core BTS SkyTrain System under the Concession Agreement.

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

The Sale Revenue to be invested by the Fund does not include revenues generated from other BTSC’s business operations including revenues from the operation of the Extension BTS SkyTrain System, the Bus Rapid

Transit (the “BRT”) under the agreements with the BMA, revenues from advertising and merchandising space in the BTS SkyTrain stations and on the trains and revenues from other businesses of BTSC.

2.2 Investment Policy

2.2.1 Investment in Initial Assets

The Management Company's principal investment strategy for the Fund is to invest in and own the Sale Revenue as defined in Section 2.1 – “*Overview of the Fund*”. Pursuant to BTSC’s rights under the Concession Agreement, BTSC is exclusively entitled to the entirety of the revenue generated from the operation of the Core BTS SkyTrain System (i.e. BTSC does not have any obligation to share any revenue to the BMA).

The Fund will acquire the Sale Revenue from BTSC by entering into the Net Revenue Purchase and Transfer Agreement with BTSC. After the purchase and transfer of the Sale Revenue, BTSC has the obligation to deliver the Daily Sale Revenue to the IFF Revenue Account, and the Projected Daily O&M Costs¹ to the O&M Costs Account, on each Business Day of the Parties immediately following the date on which the farebox revenue is generated. In case the farebox revenue generated from the Core BTS SkyTrain System on any day is less than the Projected Daily O&M Costs for such day, BTSC shall only be able to deduct the O&M Costs for that day equal to the amount of farebox revenue for that day. Any deficiency amount of Projected Daily O&M Costs for that day which is not deposited into the O&M Costs Account will be included in the Projected Daily O&M Costs for the next day(s) and then deducted from the farebox revenue until the aggregated Projected Daily O&M Costs are deposited into the O&M Costs Account.

After the purchase and transfer of the Sale Revenue to the Fund, BTSC will continue to pay for all costs, expenses, capital expenditures and fees properly incurred in connection with the operation and maintenance of the Core BTS SkyTrain System (i.e. the O&M Costs) whereby, at the end of each quarter there shall be the reconciliation between the actual O&M Costs for the quarter and the aggregated Projected Daily O&M Costs retained by BTSC before delivering the Daily Sale Revenue to the Fund for such quarter. Where the actual O&M Costs for that quarter are less than the aggregate Projected Daily O&M Costs for the same quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, BTSC shall return the excess amount to the Fund within five Business Days of the Parties after completion of the review by the Fund of the actual O&M Costs for that quarter or such other time as the parties may agree. Where the actual O&M Costs for that quarter are more than the aggregate Projected Daily O&M Costs for the same quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, and the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year do not exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the Fund shall pay the balance thereof to BTSC within five Business Days of the Parties after completion of the review by the Fund of the actual O&M Costs for that quarter or such other time as the parties may agree. The review by the Fund of the actual O&M Costs for the relevant quarter must be completed within 15 days after the Fund receives all invoices and relevant supporting documents for the actual O&M Costs.

¹ O&M Costs Budget in respect of a relevant month divided by the number of days of such month, where any fraction thereof will be compounded on the last day of the month.

O&M Costs Budget is the operating costs budget of BTSC showing the projected O&M Costs for such relevant year delivered pursuant to the Net Revenue Purchase and Transfer Agreement and approved by the Fund.

If the actual O&M Costs for that quarter are more than the aggregate Projected Daily O&M Costs for such quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, and the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the reimbursement of balance thereof can only be made if the Fund (or at least two BTSC directors nominated by the Fund), or an expert jointly appointed by the Fund and BTSC (in case the Fund or at least two BTSC directors nominated by the Fund does not approve), approves. This shall be in accordance with the conditions and procedures prescribed in the Net Revenue Purchase and Transfer Agreement. An O&M Costs Budget for the Core BTS SkyTrain System is subject to the Fund's prior approval on an annual basis. BTSC remains responsible for the indebtedness of BTSC under BTSC Debentures, financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC, BTSC's corporate income tax, and costs and expenses which BTSC is responsible to pay in accordance with or pursuant to the Net Revenue Purchase and Transfer Agreement.

The control and monitoring of the delivery of the Sale Revenue by the Fund will be done through various daily and monthly (or other periodically) reports to be provided by BTSC to the Fund. To ensure that the Fund will also have certain control over BTSC's material corporate matters, BTSC and BTS Group Holdings Public Co., Ltd. (the "BTSG")² will also procure that one-third of the total board members of BTSC shall be elected from the persons nominated by the Fund. 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 (one-third of BTSC's Board of Directors are nominated by the Fund) (whereas, 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), 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 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.

Additionally, BTSG as the major shareholder of BTSC will guarantee the performance of BTSC's obligations under the Net Revenue Purchase and Transfer Agreement by entering into the Sponsor Support and Guarantee Agreement. Also, to secure its own obligations under the Sponsor Support and Guarantee Agreement, BTSG will pledge all of its BTSC shares of approximately 97.46% of the total issued shares in BTSC in favour of the Fund and will enter into an agreement to purchase and to sell shares to grant the Fund the right to purchase BTSC shares owned by BTSG upon the occurrence of an event of default in accordance with the terms and conditions of the Net Revenue Purchase and Transfer Agreement. The guarantee of BTSG under the Sponsor Support and Guarantee Agreement is

² A major shareholder in BTSC holding 97.46% of the total issued shares in BTSC.

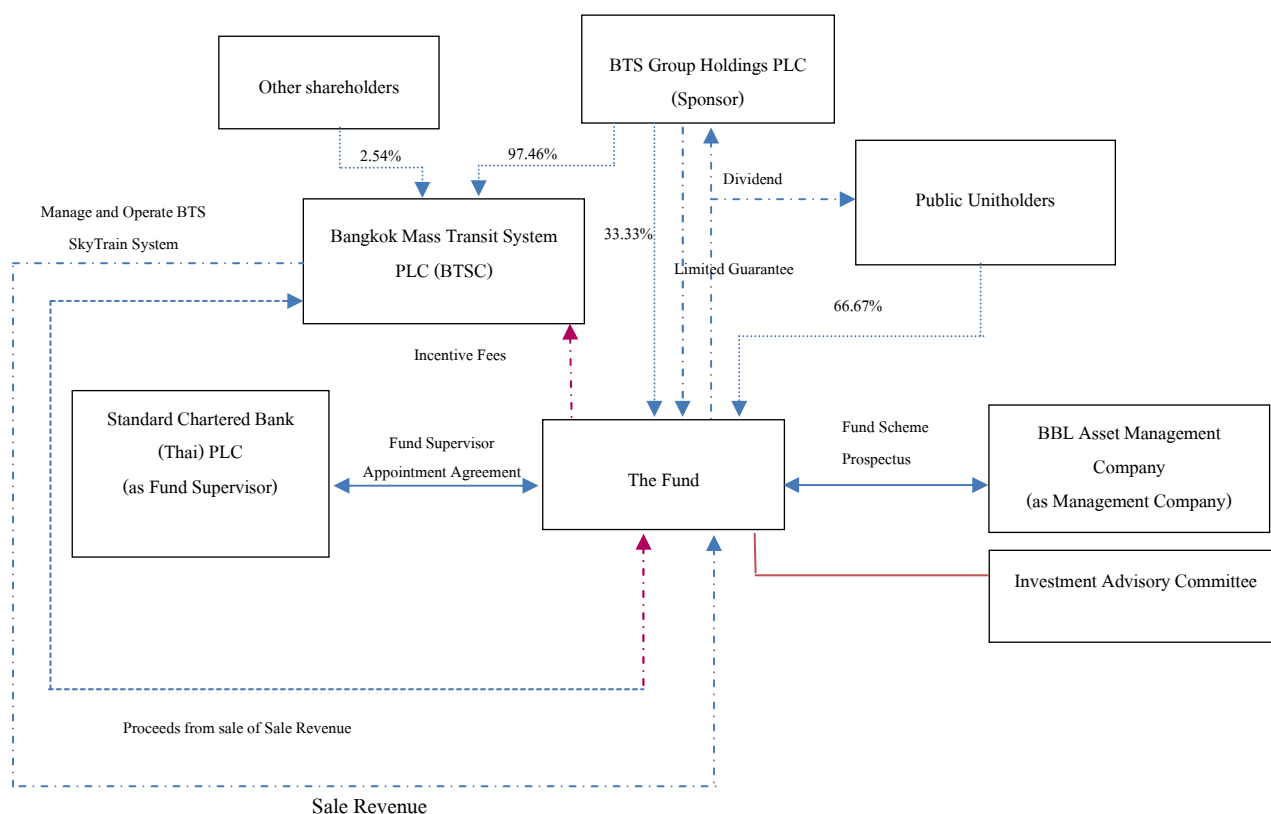
limited such that BTSG's guarantee obligation shall be released upon either (i) the transfer of shares in BTSC held by BTSG pursuant to the Agreement to Purchase and Sell Shares or (ii) the enforcement of the pledge of BTSC shares held by BTSG pursuant to the Share Pledge Agreement, as the case may be. The Fund shall have no right to any monetary claims against BTSG under such guarantee unless the Fund and BTSG agree otherwise. In addition to the guarantee, BTSG will agree to maintain its shareholding in BTSC of at least 97.46 per cent of the total issued shares in BTSC at all times while its guarantee obligations under the Sponsor Support and Guarantee Agreement are outstanding, unless BTSG and the Fund agree otherwise.

Upon occurrence of event of default under the Net Revenue Purchase and Transfer Agreement, the Fund may enforce the share pledge under the Share Pledge Agreement or exercise its right to purchase share under the Agreement to Purchase and to Sell Shares. Such enforcement of share pledge or exercise of call option will not affect BTSC's obligation to deliver the remaining Sale Revenue to the Fund and to perform any other obligations BTSC has with the Fund under the Net Revenue Purchase and Transfer Agreement. When the Fund acquires BTSC shares from the Sponsor, whether by enforcement of the share pledge under the Share Pledge Agreement or exercise of the right purchase shares under the Agreement to Purchase and to Sell Shares, the shares so acquired by the Fund shall not be a substitute for the Sale Revenue to which the Fund remains entitled under the Net Revenue Purchase and Transfer Agreement. BTSC shall remain obliged to deliver the Sale Revenue to the Fund in full pursuant to the Net Revenue Purchase and Transfer Agreement. In this regard, if after the Concession Expiry Date the Fund continues to hold BTSC shares, the Fund shall transfer such shares back to the Sponsor or its designated person in accordance with the terms of the Net Revenue Purchase and Transfer Agreement. In case BTSC has yet to deliver the Sale Revenue in full to the Fund under the Net Revenue Purchase and Transfer Agreement, the Fund will transfer such shares to the Sponsor or any person designated by the Sponsor only upon an undertaking by the Sponsor to procure delivery of the full payment of Sale Revenue under the Net Revenue Purchase and Transfer Agreement, which has not been received by the Fund, to the Fund, in the form and substance reasonably satisfactory to the Fund whereby the Sponsor shall be responsible for any and all expenses and tax arising out of or in connection with such share transfer. The acquisition of BTSC shares by the Fund in case the Fund exercises its right to enforce the share pledge under the Share Pledge Agreement or right to purchase share under the Agreement to Purchase and to Sell Shares and the transfer of BTSC shares by the Fund to the Sponsor or any person designated by the Sponsor after the Concession Expiry Date as mentioned above or before the Concession Expiry Date (if any) can be undertaken by the Fund without first seeking resolutions from the Unitholders or approval from the Fund Supervisor.

Under the Net Revenue Purchase and Transfer Agreement, BTSC agrees to grant the Fund the right to purchase in respect of BTSC or its subsidiaries'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 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.

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



On May 3, 2012, BTSC and Krungthep Thanakom entered into the Long Term O&M Agreement of the BTS SkyTrain System for the period of 30 years, where BTSC has agreed to provide the operation and maintenance services relating to (i) the Core BTS SkyTrain System after the Concession Expiry Date (i.e. after December 4, 2029) for a period of approximately 13 years which will end on May 2, 2042, and (ii) the Extension BTS SkyTrain System for a period 30 years from May 3, 2012 to May 2, 2042. The revenue to be generated by BTSC under the Long Term O&M Agreement is not a part of the Initial Assets to be sold to the Fund.

2.2.2 Use of Proceeds

The estimated gross proceeds to the Fund arising from the issuance of 5,788,000,000 Investment Units in the Offering is THB 62,510.4, before deducting underwriting commissions, transaction costs in relation to the establishment of the Fund and the listing of Investment Units on the SET, and applicable value added taxes in connection with the Offering. The Management Company expects to utilize the net proceeds to the Fund, after deducting underwriting commissions, transaction costs in relation to the establishment of the Fund and the listing of Investment Units on the SET, and applicable value added taxes in connection with the Offering, as follows:

- to purchase the Sale Revenue; and
- the remainder for working capital, if any.

The foregoing discussion represents the Management Company's current intentions and its best estimate of the allocation of the net proceeds of the Offering based upon its current plans and estimates regarding the Fund's anticipated expenditures. Subject to market conditions and other factors, BTSC expects to utilize the net proceeds from the sale of the Sale Revenue as follows:

- approximately THB 9,424.1 million to request that a commercial bank issues a bank guarantee to secure BTSC's principal and interest payment obligations with respect to its Long Term Debentures until their respective maturity dates and/or their early redemption in accordance with the terms and conditions of the Long Term Debentures;
- not exceeding THB 20,833.2 million as an inter-company loan to our Sponsor to enable our Sponsor to repay a bridge loan it obtained to purchase 33.33% of the Units in the Offering; and
- the remainder for future new mass transit projects and other general corporate purposes.

The foregoing discussion represents BTSC's current intentions and its best estimate of the allocation of the net proceeds of the sale of the Sale Revenue based upon its current plans and estimates regarding BTSC's anticipated expenditures.

2.2.3 Core Investment - Additional Assets

In addition to the Fund's investment in the Initial Assets, the Management Company may, on behalf of the Fund, invest in other Infrastructure Businesses by acquiring Infrastructure Assets as permitted by the Securities Law.

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

Any additional investment in or acquisition of any Infrastructure Asset with a value of either more than THB 100,000,000 or 30% or more of the total assets of the Fund at the time of such acquisition shall be subject to similar requirements as when the Fund has made investment in Initial Assets (such as due diligence requirements, asset appraisal requirements, etc.) and has to be approved by a Unitholders' resolution.

The calculation of such value shall be determined by the Management Company at an interval of every six months.

A Unitholders' resolution is not required for the acquisition of any Infrastructure Asset if its value is more than THB 100,000,000 but less than 30% of the Fund's total assets at the time of such acquisition, and such acquisition is approved by the Fund Supervisor.

Additionally, the Fund may acquire shares of BTSC as additional Infrastructure Assets as a result of the enforcement of its rights pursuant to the terms of the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement (either by enforcement of share pledge under the Share Pledge Agreement or by exercising its right to purchase under the Agreement to Purchase and Sell Shares). The Fund's acquisition of BTSC shares in such a case can be undertaken by the Fund without first seeking resolutions from the Unitholders or approval from the Fund Supervisor.

If additional investment or acquisition of Infrastructure Assets requires additional funds, the Fund will also be subject to the procedures with respect to the borrowing as set out in Section 7.1 of the Prospectus "*Borrowing Policy*" and/or the increase of capital in Section 7.5 of the Prospectus "*Increase of Capital*", and amendment to the Fund Scheme (if needed).

Furthermore in the case that such investment will be made in Investment Assets under items (a) or (b) of the definition of the Investment Assets, the Fund will need to enter into an agreement with a third party operator to engage such third party to run and operate the Infrastructure Businesses in order to comply with the SEC's requirements.

2.2.4 Non-core Investment - Other permitted investments in securities or other assets

In addition to the Core Investment, the Fund may invest in the following Non-core Investments except where the SEC, the Office of the SEC or the Capital Market Supervisory Board approves or announces any amendment or addition to the categories or characteristics of the permitted investment in securities or assets or other means of generating income:

- (i) Thai government bonds;
- (ii) Thai treasury bills;
- (iii) bonds issued by Thai state-owned enterprises or juristic persons established under specific laws with principal and interest protected unconditionally by the Ministry of Finance;
- (iv) cash deposited with Thai commercial banks or the Secondary Mortgage Corporation;
- (v) deposit certificates issued by Thai commercial banks or finance companies, except for those which fall into derivatives contracts where specific approval from the Office of the SEC is required prior to making such an investment;
- (vi) bills of exchange or promissory notes issued, certified, avaled, recourse, or guaranteed by Thai commercial banks, finance companies, credit-foncier companies or the Financial Institution Development Fund, except for those which fall into derivatives contracts where specific approval from the Office of the SEC is required prior to making such an investment;
- (vii) units or evidence of rights to purchase units of a fixed income mutual fund or other mutual fund established under Thai law, whose investment policy is to invest in debt instruments or deposits;
- (viii) units of other infrastructure funds established under Thai law;
- (ix) units of offshore mutual funds provided that all of the following conditions are satisfied:

- (a) such offshore fund shall be established in a jurisdiction that is an ordinary member of the International Organisation of Securities Commissions (IOSCO) or traded on an exchange that is a member of the World Federation of Exchange (WFE);
 - (b) the investment policy of such offshore mutual fund shall be to invest in the types of assets as permitted to be invested in or acquired by the Fund; and
 - (c) such offshore mutual fund is a retail fund;
- (x) shares issued by companies (either private limited companies or public limited companies) incorporated in Thailand which have the following characteristics:
- (a) such company shall invest in the Infrastructure Assets not less than 75% of the total assets of such company, or have revenues from the operation of such Infrastructure Assets in aggregate of no less than 75% of the total revenues in each financial year; and
 - (b) such company is not a company under item (e) of the definition of the Infrastructure Assets;
- (xi) derivatives contracts for hedging purposes.

The Management Company reserves the right to make an investment, in the future, in other types of assets or investments as the SEC, the Office of the SEC, or the Capital Market Supervisory Board may approve or announce any amendment or addition to the categories or characteristics of the permitted investment in securities or assets or other means of generating income.

2.2.5 Revenue Structure and Operating Result

Selected Carve-Out Financial and Operating Data

The audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business have been audited by Ernst & Young Office Limited. The unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business have been reviewed by Ernst & Young Office Limited, who did not express an audit opinion on these financial statements. The results for the nine months ended December 31, 2012 should not be considered indicative of the actual results the BTS SkyTrain Business may achieve with respect to the BTS SkyTrain for the fiscal year ending March 31, 2013.

Statements of Comprehensive Income

Statements of Comprehensive Income:	Fiscal Year Ended March 31,			Nine Months Ended December 31,	
	2010	2011	2012	2011	2012
	THB	THB	THB	THB	THB
	(in million)				
	(Audited)			(Unaudited)	
REVENUES					
Farebox revenues	3,484.6	3,544.8	4,296.8	3,119.9	3,633.0
Other income	—	0.1	1.9	0.0	3.6
Total revenues	3,484.6	3,544.9	4,298.7	3,119.9	3,636.6
EXPENSES					
Costs of farebox	2,064.3	1,997.9	2,231.8	1,642.3	1,859.0
Selling expenses	51.7	67.8	60.1	48.2	55.1
Administrative expenses	467.9	455.7	357.0	263.9	317.5
Total expenses	2,583.9	2,521.4	2,648.9	1,954.4	2,231.6
Profit before finance cost and gain on debt restructuring under rehabilitation plan/profit before finance cost and corporate income tax	900.7	1,023.5	1,649.8	1,165.5	1,405.0
Finance cost	(460.3)	(744.7)	(812.3)	(607.9)	(560.1)
Profit before gain on debt restructuring under rehabilitation plan/profit before corporate income tax	440.4	278.8	837.5	557.6	844.9
Gain on debt restructuring under rehabilitation plan	4,528.0	—	—	—	—
Corporate income tax	—	—	—	—	(17.3)
Profit for the year/period	4,968.4	278.8	837.5	557.6	827.6

Statements of Financial Position

Statements of Financial Position:	As of March 31,			As of December 31,
	2010	2011	2012	2012
	THB	THB	THB	THB
	(in million)			
	(Audited)			(Unaudited)
ASSETS				
Cash and cash equivalents	1,330.7	360.2	67.8	475.2
Current investments – deposits at a financial institution	10.1	—	—	—
Other receivables	0.6	1.1	1.4	2.9
Consumable spare parts	33.0	33.9	78.9	80.0
Prepaid expenses	35.3	38.2	45.4	21.4
Other current assets	4.1	11.1	9.4	12.7
Total current assets	1,413.8	444.5	202.9	592.2
Restricted deposits at financial institution	253.9	—	—	—
Long-term investment	—	—	—	100.0
Project costs	43,333.7	43,896.2	42,976.8	42,023.7
Reusable spare parts	53.6	52.9	81.2	82.2
Spare parts – maintenance contract	292.8	292.8	292.8	292.8
Equipment	105.3	118.6	88.9	77.1
Intangible assets	10.2	7.2	9.0	12.1

Advances paid for acquisition of assets	521.9	73.9	25.7	12.0
Other non-current assets	14.0	13.6	37.4	26.4
Total non-current assets	44,585.4	44,455.2	43,511.8	42,626.3
Total assets	45,999.2	44,899.7	43,714.7	43,218.5
LIABILITIES				
Trade and other payables	187.5	187.0	135.2	279.3
Unearned farebox revenues	115.8	110.4	144.8	103.7
Current portion of long-term debentures	—	—	2,495.8	2,494.9
Retentions payable	131.2	139.3	148.8	147.3
Total current liabilities	567.4	600.7	3,265.9	3,189.6
Long-term debentures - net of current portion	11,873.6	11,906.6	9,443.8	6,966.1
Reserve for long-term employee benefits	253.4	277.6	311.3	329.2
Total non-current liabilities	12,127.3	12,184.4	9,755.2	7,295.3
Total liabilities	12,694.7	12,785.1	13,021.1	10,484.9
Net assets value	33,304.5	32,114.6	30,693.6	32,733.6

Statements of Cash Flows

Statements of Cash Flows:	Nine Months Ended				
	Fiscal Year Ended March 31,			December 31,	
	2010	2011	2012	2011	2012
	THB	THB	THB	THB	THB
	(in million)				
	(Audited)			(Unaudited)	
Net cash generated from (used in) operating activities	1,410.2	1,312.6	2,058.7	1,488.1	1,843.3
Net cash generated from (used in) investing activities	(824.2)	(811.2)	(92.4)	(90.4)	(148.0)
Net cash generated from (used in) financing activities	(3,169.2)	(1,471.9)	(2,258.7)	(1,491.3)	(1,287.9)
Cash and cash equivalents at end of year	1,330.7	360.2	67.8	266.5	475.2

Non-GAAP Financial Measures

	Nine Months Ended				
	Fiscal Year Ended March 31,			December 31,	
	2010	2011	2012	2011	2012
	THB	THB	THB	THB	THB
	(in millions, except for percentages)				
Adjusted EBITDA ⁽¹⁾⁽⁴⁾	1,911.9	2,025.1	2,905.0	2,074.4	2,431.4
Adjusted EBITDA margin ⁽³⁾⁽⁴⁾	54.9%	57.1%	67.6%	66.5%	66.9%
EBIT ⁽²⁾⁽⁴⁾	5,428.7	1,023.5	1,649.8	1,165.5	1,405.0
Adjusted EBIT ⁽²⁾⁽⁴⁾	900.7	1,023.5	1,649.8	1,165.5	1,405.0
Adjusted EBIT margin ⁽³⁾⁽⁴⁾	25.8%	28.9%	38.4%	37.4%	38.6%
Capital expenditure ⁽⁵⁾	962.0	1,075.3	94.4	90.5	51.6
Net farebox revenue ⁽⁶⁾	949.9	949.8	2,808.7	1,983.9	2,379.8

- (1) Represents earnings before interest and taxation after adding depreciation and amortization and provision for long-term employee benefits, and deducting gain on restructuring under rehabilitation plan. Because there are various EBITDA calculation methods, our presentation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.
- (2) EBIT represents earnings before interest and taxation. Adjusted EBIT represents EBIT after deducting gain on restructuring under rehabilitation plan. Because there are various EBIT calculation methods, our representation of EBIT and Adjusted EBIT, as the case may be, may not be comparable to similarly titled measures used by other companies.
- (3) Adjusted EBIT margin represents Adjusted EBIT divided by revenues. Adjusted EBITDA margins represents Adjusted EBITDA divided by revenues.
- (4) EBIT, Adjusted EBIT, Adjusted EBIT margins, Adjusted EBITDA or Adjusted EBITDA margins are not standard measures, nor measurements of financial performance or liquidity, under Thai GAAP or U.S. GAAP, and should not be considered alternatives to net profit (loss), profit (loss) before finance costs and income tax or any other performance measure derived in accordance with Thai GAAP or U.S. GAAP, or as an alternative to cash flow from operating activities. EBIT, Adjusted EBIT, Adjusted EBIT margins, Adjusted EBITDA and Adjusted EBITDA margins are supplemental measures of the performance of the BTS SkyTrain Business that are not required by, or presented in accordance with, Thai GAAP or U.S. GAAP. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for a reconciliation of the BTS SkyTrain Business’ net profit to its definition of EBIT, Adjusted EBIT, Adjusted EBIT margin, Adjusted EBITDA, and Adjusted EBITDA margin.
- (5) Capital expenditure comprises project costs, cash paid for acquisition of intangible assets and cash paid for acquisition of equipment.
- (6) Net farebox revenue represents Adjusted EBITDA after deducting capital expenditure.

Operating Data

The following table presents the BTS SkyTrain Business’ operating information for the periods indicated.

	Nine Months Ended December				
	Fiscal Year Ended March 31,			31,	
	2010	2011	2012	2011	2012
Ridership:					
No. of passengers (thousands) ⁽¹⁾	144,474	145,189 ⁽⁴⁾	176,044	128,010	146,297
No. of days	365	357 ⁽⁴⁾	366	275	275
Average passengers per day ⁽¹⁾	395,820	406,693 ⁽⁴⁾	480,995	465,490	531,988
No. of weekdays	244	238 ⁽⁴⁾	245	178	174
Average passengers per weekday ⁽¹⁾⁽²⁾	451,300	464,475 ⁽⁴⁾	541,637	528,582	597,341
Fares (in THB):					
Minimum Authorized Fare	15	15	18.79 ⁽⁵⁾	15	18.79
Maximum Authorized Fare	40	40	56.36 ⁽⁶⁾	40	56.36
Minimum Effective Fare	15	15	15	15	15
Maximum Effective Fare	40	40	40	40	40
Average farebox revenue per passenger	24.12	24.42	24.41	24.37	24.83
Types of tickets, as a percentage of farebox revenues:					
Single Journey Ticket	49.7%	49.2%	46.2%	51.0%	49.8%
Stored Value Ticket	16.3%	16.4%	15.3%	15.2%	16.3%
30-day Smart Card (Adult)	26.3%	26.7%	29.1%	26.4%	26.0%
30-day Smart Card (Student)	6.1%	6.5%	8.4%	6.2%	6.4%
One-day Pass	1.6%	1.2%	1.0%	1.2%	1.5%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

(1) Excludes passengers travelling solely within the Silom Line Phase 1 Extension or the Sukhumvit Line Extension.

- (2) Calculated by dividing the number of passengers travelling on weekdays by the number of weekdays.
- (3) The BTS SkyTrain was only operational from December 4, 1999 to March 31, 2000 in the fiscal year ended March 31, 2000.
- (4) Does not include the eight days during which the BTS SkyTrain did not operate, but includes the 19 days which the BTS SkyTrain operated with limited hours of operations, during the period from April to May 2010, following widespread demonstrations in Bangkok.
- (5) The minimum Authorized Fare was THB 15 from April 1, 2011 to January 31, 2012, and THB 18.79 from February 1, 2012 to March 31, 2012.
- (6) The maximum Authorized Fare was THB 40 from April 1, 2011 to January 31, 2012, and THB 56.36 from February 1, 2012 to March 31, 2012.

Unaudited Pro Forma Financial Information

The following tables present Fund's unaudited pro forma financial information as of and for the fiscal year ended March 31, 2012 and as of and for the nine months ended December 31, 2012. Such unaudited pro forma financial information should be read in conjunction with the unaudited pro forma financial information included elsewhere in this document.

The pro forma financial statements have been compiled in accordance with the basis set out in Notes 3 and 4 to the notes to the unaudited pro forma financial information of the Fund, and are drawn up based on accounting policies as described in Note 6 to the notes to the unaudited pro forma financial information of the Fund included in Appendix 5 of the Prospectus that are expected to be used for the Fund's reporting historical financial information for the corresponding period in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547, except as described in Note 3 and Note 4.1 to the notes to the unaudited pro forma financial information of the Fund included in Appendix 5 of the Prospectus. Their presentation has been made in accordance with the format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

The Fund's unaudited pro forma financial information has been prepared for illustrative purposes only. The pro forma financial information has been prepared as if the establishment of the Fund and the execution of the net revenue purchase and transfer agreement had taken place on April 1, 2011, and, is based on certain assumptions after making certain adjustments, to show:

- the financial position of the Fund as at March 31, 2012 and December 31, 2012;
- the financial results of the Fund for the year from April 1, 2011 to March 31, 2012 and the nine month period ended December 31, 2012; and
- the cash flows of the Fund for the year from April 1, 2011 to March 31, 2012 and the nine month period ended December 31, 2012.

See Note 3 to the notes to the unaudited pro forma financial information included in Appendix 5 of the Prospectus for further details.

The objective of the unaudited pro forma financial information is to illustrate what the financial position of the Fund might be at the listing date, on the basis as described above. However, the unaudited pro forma financial information is not necessarily indicative of the actual financial position that would have been attained by the Fund on the listing date. The unaudited pro forma financial information, because of its nature, may not give a true picture of the Fund's actual results of operations, financial position and cash flows.

The Fund will receive the Net Farebox Revenues after the offering of the Investment Units, the establishment of the Fund and execution of the Net Revenue Purchase and Transfer Agreement. Therefore, the distributions to be received by the Unitholders will be derived from the Net Farebox Revenues after the establishment of the Fund.

See Notes 3 and 4 of the unaudited pro forma financial information of the Fund included in Appendix 5 of the Prospectus for the key adjustments and assumptions made for the preparation of the unaudited pro forma financial information.

Pro Forma Statements of Financial Position

	Fiscal Year Ended	Nine Months Ended
	March 31,	December 31,
	2012	2012
	THB	THB
Unaudited pro forma statements of financial position:		
(in million)		
Assets		
Investment in the net revenue purchase and transfer agreement	61,000	61,000
Cash at bank	977	968
Interest receivable	1	2
Issuance cost – net.....	783	489
Total assets	62,761	62,459
Liabilities		
Accounts payable and accrued expenses	4	3
Total liabilities	4	3
Net assets	62,757	62,456
Net assets		
Fund registered.....	62,175	61,784
Paid-in capital from unitholders.....	62,175	61,784
Retained earnings	582	672
Net assets	62,757	62,456

Pro Forma Statements of Changes in Net Assets

	For the year from 1	For the nine-month
	April 2011 to 31 March,	period ended
	2012	December 31,
	THB	THB
Unaudited pro forma statements of changes in net assets:		
(in million)		
Increase in net assets resulting from operations during the period		
Net income.....	2,330	2,019
Increase in net assets resulting from operations	2,330	2,019
Increase in paid-in capital from unitholders	62,175	—
Distributions of income to unitholders	(1,748)	(1,929)
Decrease in paid-in capital from unitholders	—	(391)
Increase (decrease) in net assets during the period	62,757	(301)
Net assets – beginning of period	—	62,757
Net assets – end of period	62,757	62,456

Pro Forma Statements of Income

	For the year from 1 April 2011 to 31 March,	For the nine-month period ended December 31,
	2012	2012
	THB	THB
	(in million)	
Unaudited pro forma statements of income:		
Investment income		
Income from the investment in the net revenue purchase and transfer agreement	2,809	2,376
Interest income.....	3	5
Total income	2,812	2,381
Expenses		
Fund management fee.....	50	37
Fund Supervisor's fee.....	13	10
Registrar's fee.....	5	4
Professional fees.....	13	10
Audit fee	2	1
Other expenses.....	8	6
Amortisation of issuance cost.....	391	294
Total expenses	482	362
Net income	2,330	2,019
Net income available to the unit holders.....	2,330	2,019
Add back: excess liquidity due to amortisation of issuance cost.....	391	294
Total distribution available to unitholders	2,721	2,313

- (1) Represents farebox revenues less total cash expenses allocated to the Core BTS SkyTrain System, such cash expenses comprising cost of farebox, selling expenses and administrative expenses but excluding depreciation and amortization expenses and provision for employee's post-employment benefits.

Pro Forma Statements of Cash Flows

	For the nine-month	
	For the year from 1	period ended
	April 2011 to 31 March,	December 31,
	2012	2012
	THB	THB
(in million)		
Unaudited pro forma statements of cash flows:		
Cash flows from operating activities:		
Net income.....	2,330	2,019
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:		
Amortisation of issuance cost.....	391	294
Acquisition of investment.....	(61,000)	—
Increase in interest receivable	(1)	(1)
Increase (decrease) in accounts payable.....	4	(1)
Net cash from (used in) operating activities.....	(58,276)	2,311
Cash flows from financing activities		
Proceed from paid-in capital from unitholders	62,175	—
Payment of the issuance cost.....	(1,174)	—
Distributions of income to unitholders	(1,748)	(1,929)
Capital reduction.....	—	(391)
Net cash from (used in) financing activities	59,253	(2,320)
Net increase (decrease) in cash at bank.....	977	(9)
Cash at bank at beginning of period.....	—	977
Cash at bank at end of period	977	968

Projected Statements of Income

	Projection Fiscal	
	Projection Period	Year
	2013 ⁽¹⁾	2014 ⁽²⁾
	THB	THB
(in millions)		
Projected Statements of Income:		
INVESTMENT INCOME		
Income from the investment in the net revenue purchase and transfer agreement	776	3,699
Interest income	1	6
Total income	777	3,705
EXPENSES		
Fund management fee	13	50
Fund Supervisor's fee	3	13
Registrar's fee	1	5
Professional fee	3	13
Audit fee	1	2
Other expenses	2	8
Amortisation of issuance cost	98	391
Total expenses	121	482
Net income	656	3,223

Projection of net income available to the unitholders	656	3,223
Add back: excess liquidity due to amortisation of issuance cost.....	98	391
Projection of total distribution available to unitholders ⁽³⁾	754	3,614
Offering price ⁽⁴⁾ (Baht per unit)	10.80	10.80
Number of investment units	5,788,000,000	5,788,000,000
Cash payout to Unitholders		
Projection of distribution of income per unit (100% payout) (Baht per unit)	0.11	0.56
Projection of return of cash through capital reduction due to excess liquidity (Baht per unit).....	0.02	0.07
Total	0.13	0.62
Cash payout to Unitholders (%) ⁽⁵⁾		
Projection of distribution of income per unit (100% payout) (%)	1.05	5.16
Projection of return of cash through capital reduction due to excess liquidity (%).....	0.16	0.63
Total	1.21	5.78

(1) Three month period from January 1, 2013 to March 31, 2013.

(2) Fiscal year from April 1, 2013 to March 31, 2014.

(3) No subsequent fair value adjustment is assumed after initial recognition of such investment, even though the investment needs to be measured at fair value at each reporting date in accordance with the accounting policies adopted by the Fund. The Management Company and BTSC do not believe there is a reliable basis to make such fair value revaluation for the purpose of preparing the projected statements of income and the projected statements of cash flow.

To simulate the possible effect of fair value adjustment, the Management Company calculated the net income in the projected statements of income and the projected statements of cash flow for the three month period ended March 31, 2013 and fiscal year ended March 31, 2014 whereby the investment is assumed to be amortized by a straight-line method according to the term of the Concession Agreement (simulating a hypothetical unrealized loss). Based on such hypothesis, the distribution of income per unit would be or have been reduced significantly because of the simulated unrealized loss resulting in an accounting net loss of THB232 million for three month period ended March 31, 2013 and THB379 million for a fiscal year ended March 31, 2014. However, such simulated unrealized loss would be a non-cash expense, and the Fund would have excess liquidity that could be returned to the investors by way of capital reduction which would result in the same total distribution by way of capital reduction of THB0.13 per unit (or approximately 1.21% of the Offering Price) for the three months ended March 31, 2013 and THB0.62 per unit (or approximately 5.78% of the Offering Price) for the fiscal year ending March 31, 2014 payable in form of distribution of income and return of cash through capital reduction.

The fair value of the investment is required to be revalued by an appraiser. Thus there may not be a hypothetical unrealized loss as aforementioned. The hypothetical calculation of the unrealized loss on straight-line basis is a simulation to show theoretical impact only.

(4) Offering price is based on the maximum price.

(5) Cash payout to unitholders (%) is calculated by cash payout to unitholders (Baht per unit) divided by the maximum price.

Pro Forma Statements of Cash Flows

Unaudited pro forma statements of cash flows:	Projection Period	Projection
	2013 ⁽¹⁾	Fiscal Year
	THB	2014 ⁽²⁾
	THB	THB
	(in million)	
Cash flows from operating activities:		
Net income.....	656	3,223
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:		
Amortisation of issuance cost.....	98	391
Acquisition of investment.....	(61,000)	—
Increase in interest receivable.....	(1)	—
Increase (decrease) in accounts payable.....	1	2
Net cash from (used in) operating activities.....	(60,246)	3,616
Cash flows from financing activities		
Proceed from paid-in capital from unitholders.....	62,175	—
Payment of the issuance cost.....	(1,174)	—
Distributions of income to unitholders.....	—	(3,073)
Capital reduction.....	—	(98)
Net cash from (used in) financing activities.....	61,001	(3,171)
Net increase (decrease) in cash at bank.....	755	445
Cash at bank at beginning of period.....	—	755
Cash at bank at end of period.....	755	1,200

(1) Three month period from January 1, 2013 to March 31, 2013.

(2) Fiscal year from April 1, 2013 to March 31, 2014.

3. Value of Assets and Appraisal Value

3.1 Price and pricing methodology of Infrastructure Assets, and any difference between the price and appraised value

The purchase price of the Initial Assets on April 17, 2013 is THB 61,399 million.

3.2 Valuation of the Initial Assets

3.2.1 Summary of the Valuation Report of the First Appraiser

First Appraiser: American Appraisal (Thailand) Limited

(1) Appraised value

The appraised value of the Initial Assets is THB 61,000 million (Baht Sixty One Billion) as of the appraisal date of January 1, 2013.

(2) Method of valuation

The income approach is used by the first appraiser as a main valuation procedure to estimate fair market value of the Initial Assets. The market approach is employed as secondary procedure to ensure appropriateness of the value formulation obtained from the income approach.

With regard to the evaluation of fair market value under the income approach, the first appraiser makes the analysis based on future cash flows adjusted by discount rate

representing risk-adjusted investment return rates based on the assumptions described in the Prospectus.

With regard to market approach, the first appraiser employs the Price to Book Value Ratio and Price to Earnings Ratio as a multiplier to obtain business value of the Initial Assets and selects three companies operating rail transport system (other than BTS) with business operations similar to Initial Assets for comparison:

Company	Business
SMRT Corporation Ltd.	An investment holding company operating a range of key transport services in Singapore comprising rail, bus, taxi, rental and leasing, advertising and other services.
ComfortDelGro Corporation Ltd.	An investment holding company operating land transport services including public bus and car rental and leasing, rail service, vehicle inspection and testing and other related services.
MTR Corporation Ltd.	A company participating in construction and operation of a mass transit railway system in Hong Kong.

Based on the income approach and market approach by the first appraiser, the appraised value of the Initial Assets is THB 61,000 million and THB 70,450 million (where average value based on Price to Book Value Ratio is THB 75,200 million and average value based on Price to Earnings Ratio is 65,700 million), respectively.

3.2.2 Summary of the Valuation Report of the Second Appraiser

Second Appraiser: FN Asia Advisory Co., Ltd., which was incorporated in 1999 to undertake financial advisory service business. FN Asia Advisory Co., Ltd., is specialised in providing assets appraisal service and has experiences in financial advisory service for more than 40 projects which include financial advice to rail mass transit business, telecommunication business, energy and public utilities business, electronics business in Korea, trading services, advertising business and technology related business. The customers of FN Asia Advisory Co., Ltd., include both listed and non-listed companies.

(1) Appraised value

The appraised value of the Initial Assets is THB 59,400 million (Baht Fifty Nine Thousand Four Hundred Million) as of the appraisal date of January 1, 2013.

(2) Method of valuation

The income approach and the market approach are used by the second appraiser as the valuation procedure to estimate fair market value of the Initial Assets. The second appraiser applied the value obtained from the income approach as the fair market value of the Initial Assets.

With regard to the evaluation of fair market value under the income approach, the second appraiser estimates future cash flows during the life of concession based on discounted cash flows approach (without Mid-Year Convention adjustment) adjusted by the weighted

average rate of the relevant costs of funds based on the assumptions described in the Prospectus.

With regard to the market approach, the second appraiser employs the ratio of price per margin as a multiplier to obtain business value of the Initial Assets and selects rail transport system companies listed on exchange whose operation are in ASEAN region for calculation and then considers revenue components by business unit of each of those companies. From the analysis, the second appraiser selects SMRT Corporation Ltd. as a comparable as 75.7 per cent of its total revenue (for the accounting period ended March 2012) comes from farebox revenue from its rail transport business, which mostly resembles the Initial Assets.

Based on the income approach by the second appraiser, the appraised value of the Initial Assets is THB 59,400 million and based on market approach, the appraised value is in range of THB 59,100 million to THB 69,800 million.

4. Management and Utilisation of Asset

Since the Initial Assets are the Sale Revenue from the operation of the Core BTS SkyTrain System which is operated and managed by BTSC, there is no need for the Fund to engage a third party operator to run or operate the Initial Asset. After the purchase of the Sale Revenue, the Fund will take the risks relating to the Sale Revenue. There is no income guarantee relating to the Sale Revenue.

However, if there is an investment in Additional Assets under items (a) or (b) of the definition of Investment Assets, the Fund will be required to engage any third party to be the operator to run or operate such Infrastructure Businesses. This is due to the restriction under ThorNor. 1/2554 which prohibits the Fund from operating Infrastructure Businesses by itself.

5. Target Customers of Assets

N/A

6. Distribution Channels of Assets

N/A

7. Sources of Supply

N/A

8. Competition Condition of Infrastructure Business

BTSC competes with other modes of transportation in Bangkok, including buses, the Bangkok MRT Subway system, taxis and private cars. Buses and the Bangkok MRT Subway system are BTSC's primary competition for daily commuter travellers, but also play a complementary role in providing its passengers with a feeder service to and from the BTS SkyTrain stations.

Buses are the largest transport provider in terms of passenger trips. During the past eight years, from 2004 to 2011, fares for most forms of public transportation, especially regular buses or air-conditioned buses, have not changed significantly. Even though oil prices increased during the period, the Government's policy has been to maintain fares by increasing subsidies. Thus, most bus companies have not adjusted to increased costs. Moreover, some of the bus companies are currently providing service free of charge. BTSC expects buses to continue to be a major transport provider in the future. However, buses are subject to adverse traffic conditions, particularly during rush hour, and (in relation to minibuses) a lack of personal security. BTSC competes with buses primarily based on faster travel times and comfort, as the BTS SkyTrain provides a congestion free, air-conditioned and faster mode of transportation.

9. Summary of Material Contracts

9.1 Net Revenue Purchase and Transfer Agreement

The key terms and conditions of the Net Revenue Purchase and Transfer Agreement include:

Parties	<ul style="list-style-type: none"> ● BTSC as seller; and ● The Fund as purchaser
Sale Assets	<ul style="list-style-type: none"> ● Subject to the satisfaction of all conditions precedent specified in the Net Revenue Purchase and Transfer Agreement, which may be waived by the Parties, BTSC shall sell, assign and transfer to the Fund, and the Fund shall purchase and accept, no later than the first Business Day of the Parties following the date of the Fund’s written confirmation that all conditions precedent specified in Net Revenue Purchase and Transfer Agreement (except for those which will be satisfied on the Closing Date) have been satisfied (or waived) or such other date as the Fund and BTSC agree (the “Closing Date”), the Sale Revenue.
Conditions Precedent	<ul style="list-style-type: none"> ● Conditions precedent to the Closing Date includes, but not limited to, all relevant corporate approvals, authorisations of BTSC and BTSG required for entering into and performance of their obligations under the relevant Transaction Documents, the execution and perfection of the Transaction Documents (except for Endorsement of Insurances which BTSC shall ensure its execution and deliver to the Purchase within 30 days after the Closing Date), the Fund having been duly established and registered in accordance with the Securities and Exchange Act and no material adverse effect having been occurred.
Purchase Price	<ul style="list-style-type: none"> ● The purchase price of the Sale Revenue is calculated based on the calculation and assumptions set out in the Net Revenue Purchase and Transfer Agreement and shall be paid in full by the Fund on the Closing Date.
Key Obligations of BTSC	<ul style="list-style-type: none"> ● From the Closing Date, BTSC shall procure and deliver all Sale Revenue to the Fund by depositing Daily Sale Revenue into the IFF Revenue Account on each Business Day of the Parties immediately following the date on which the farebox revenue is generated by no later than 2p.m.Bangkok time provided that the first delivery of the Daily Sale Revenue to the Fund shall occur on the first Business Day of the Parties after the Closing Date. ● From the Closing Date, BTSC shall deliver an amount equal to the Projected Daily O&M Costs by depositing such Projected Daily O&M Costs into the O&M Costs Account on each Business Day of the Parties immediately following the date on which the Sale Revenue is generated by no later than 2 p.m. (Bangkok time), provided that the first delivery of the Sale Revenue shall commence from the first Business Day of the Parties after the Closing Date. ● In case the farebox revenue generated from the Core BTS SkyTrain System on any day is less than the Projected Daily O&M Costs for such day, BTSC shall only be able to deduct the O&M Costs for that day equal to the amount of farebox revenue for that day. Any deficiency amount of Projected Daily O&M Costs for that day which is not deposited into the O&M Costs

	<p>Account will be included in the Projected Daily O&M Costs for the next day(s) and then deducted from the farebox revenue until the aggregated Projected Daily O&M Costs are deposited into the O&M Costs Account.</p> <ul style="list-style-type: none"> ● Commencing from the calendar month following the Closing Date, as long as the Fund has not served enforcement notice to BTSC pursuant to the Net Revenue Purchase and Transfer Agreement, from the first day of each month, BTSC shall be entitled to transfer the funds in the amount equal to the aggregate Projected Daily O&M Costs for the preceding month out of the O&M Costs Account for payment of the permitted O&M Costs. ● BTSC shall deliver to the Fund and the Fund Supervisor a daily report containing a daily report of all passengers/users of the Core BTS SkyTrain System, all revenue received by BTSC with breakdown details of the farebox revenue from the Core BTS SkyTrain System and other revenue and cash receipts by BTSC from the Extension BTS SkyTrain System, Identified Assets, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in which BTSC or any of its subsidiaries, as the case may be, has entered into or will enter into relevant agreements in respect of, or has operated or will operate, the relevant projects (if any) to the extent that such revenues cannot be collected separately from the Sale Revenue, the amount of Sale Revenue deposited into the IFF Revenue Account, the amount of Projected Daily O&M Costs deposited into the O&M Costs Account and the amount of fees payable to Bangkok Smartcard System Co., Ltd. (“BSS”) under the BSS Agreement. ● If the amount of the Sale Revenue delivered by BTSC to the Fund in any month is less than the aggregate amount of the Daily Sale Revenue as specified in the daily reports for such month, BTSC shall deliver any deficiency amount of such month to the Fund within 15 days after the end of such month. ● BTSC shall prepare the O&M Costs Budget, setting out the projected O&M Costs for each financial year and the Annual NetFarebox Revenues Target setting out the projected Net Farebox Revenues for each financial year and submit them to the Fund within the specified period before the beginning of each financial year (except for the first O&M Costs Budget and the first Annual Net Farebox Revenues Target which will be delivered by BTSC to the Fund on or prior to the Closing Date as one of the conditions precedents. The O&M Costs Budget and the Annual Net Farebox Revenues Target require an approval from the Fund. If a draft O&M Costs Budget or Annual Net Farebox Revenues Target for any financial year is not approved by the Fund prior to the first day of such financial year, the O&M Costs Budget or the Annual Net Farebox Revenues Target (as the case may be) for such financial year shall be determined by a third party expert jointly engaged by the Fund and BTSC. Pending such determination, the O&M Costs Budget or the Annual Net Farebox Revenues Target (as the case may be) for the previous financial year shall apply. ● At the end of each quarter BTSC shall submit copy of invoices and supporting documents showing the actual O&M Costs paid by it during the
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preceding quarter to reconcile the actual O&M Costs for the quarter and the aggregate Projected Daily O&M Costs retained by BTSC before delivering the Daily Sale Revenue to the Fund for such quarter. Where the actual O&M Costs for that quarter are less than the aggregate Projected Daily O&M Costs for the same quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, BTSC shall return the excess amount to the Fund within five Business Days of the Parties after completion of the review by the Fund of the actual O&M Costs for that quarter. Where the actual O&M Costs for that quarter are more than the aggregate Projected Daily O&M Costs for the same quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, and the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year do not exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the Fund shall reimburse the balance thereof to BTSC within five Business Days of the Parties after completion of the review by the Fund of the actual O&M Costs for that quarter. The review by the Fund of the actual O&M Costs for the relevant quarter must be completed within 15 days after the Fund receives all invoices and relevant supporting documents for the actual O&M Costs.

If the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the reimbursement of balance thereof can only be made if the Fund (or at least two BTSC directors nominated by the Fund), or an expert jointly appointed by the Fund and BTSC (in case the Fund or at least two BTSC directors nominated by the Fund does not approve), approves. This shall be in accordance with the conditions and procedures prescribed in the Net Revenue Purchase and Transfer Agreement.

- BTSC agrees to give the Fund the right to participate in the management of BTSC business as follows:
 - to appoint one-third of the persons nominated by the Fund as directors of BTSC Board; and
 - to appoint one person nominated by the Fund to observe the meeting of the advisory committee under the Concession Agreement (if not objected by the BMA).
- BTSC shall provide, or give an access to the Fund with respect to, the financial statements, accounts, records, or other information necessary or useful for the control and collection of the Sale Revenue, and monitoring the Core BTS SkyTrain System.
- BTSC shall be responsible for any specific business tax imposed on the Fund in relation to the receipts of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement. Such BTSC's responsibility shall be terminated upon the Fund not being required to pay the specific business tax.

<p>Right to Purchase and Right of First Refusal</p>	<p>BTSC irrevocably grants the Fund:</p> <ul style="list-style-type: none"> ● BTSC agrees to grant the Fund (a) the right to purchase in respect of BTSC or any of its subsidiaries’s revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and (b) where BTSC or any of its subsidiaries, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in which BTSC or any of its subsidiaries, as the case may be, has entered into or will enter into relevant agreements in respect of, or has operated or will operate, the relevant projects including the Identified Assets. The brownfield projects of the Bangkok and Vicinity Mass Transit Systems also include the Long Term O&M Agreement and extension of the Concession Agreement (if any). ● In the case that the Fund exercises its right to purchase, the purchase price of relevant revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets to be purchased by the Fund shall be subject to good faith negotiation of the Fund and BTSC and/or its subsidiaries. Failing their agreement, the parties shall jointly appoint an asset appraisal company to appraise the fair value of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset(s) and comply with the procedures and conditions set out in the Net Revenue Purchase and Transfer Agreement. In the case that the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset as appraised by the asset appraisal company implies an annual equity rate of return for BTSC or its subsidiaries (as the case may be) lower than the rate on Thai government bonds with 10-year maturity as announced by the Thai Bond Market Association (Thai BMA) (or other equivalent organization) on or around the relevant determination date plus 3 per cent (“Minimum Price”), the Fund shall have the right (but not the obligation) to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset from BTSC or its subsidiaries (as the case may be) at the Minimum Price. The calculation of such rate of return will be determined in accordance with the terms of the Net Revenue Purchase and Transfer Agreement. <p>Within 30 days after the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset has been determined by the asset appraisal company, the Fund and BTSC and/or its subsidiaries shall confirm in writing to each other whether they will proceed with the sale and purchase of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset. If within such 30 days period, BTSC and/or its subsidiaries confirms in writing to the Fund that BTSC and/or its subsidiaries wishes to enter into discussions with an independent third party to offer to sell revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset, within 60 days after the asset appraisal company has determined the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset, BTSC and/or its subsidiaries may enter into discussions with any</p>
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	<p>independent third parties to offer to sell revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset at the price higher than the purchase price determined by the asset appraisal company. At the end of such 60 days period, if BTSC and/or its subsidiaries has obtained a firm offer from an independent third party to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset at the price higher than the purchase price determined by the asset appraisal company, BTSC and/or its subsidiaries shall inform the Fund of such firm offer of third party and the Fund shall have the right to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset at the same price as the purchase price offered by such third party. If the Fund withdraws its proposal to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset, BTSC and/or its subsidiaries shall complete the sale of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset to such third party on the terms and conditions of the firm offer within 120 days from its receipt of the Fund's withdrawal notice. If BTSC and/or its subsidiaries fails to sell revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset to the third party within such 120 days period or fails to provide a firm offer of any third party purchaser to the Fund within 60 days after the asset appraisal company has determined the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset, the Fund shall have the right to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset at the purchase price as determined by the asset appraisal company, subject to the Minimum Price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset.</p> <p>The exercise of the right to purchase or right of first refusal to purchase and any relevant processes shall be made in accordance with the procedures set out in the Net Revenue Purchase and Transfer Agreement.</p> <ul style="list-style-type: none"> ● In the case that the Fund exercises the right of first refusal to purchase, the purchase price of relevant revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in which BTSC or any of its subsidiaries, as the case may be, has entered into or will enter into relevant agreements in respect of, or has operated or will operate, the relevant projects including the Identified Assets, to be purchased by the Fund shall be equal to the price as offered to BTSC and/or its subsidiaries by the third party. <p>The period that the Fund can exercise its right to purchase and the right of first refusal of the Fund shall be 20 years from the Closing Date according to the Net Revenue Purchase and Transfer Agreement. However, if an event of default under the Net Revenue Purchase and Transfer Agreement occurs, after which the Fund issues a notice of demand for payment under the agreement, the Fund shall not have the right of first refusal to purchase revenue, rights, benefits, title, interest and/or investment in relation to any projects entered into, acquired or invested by BTSC and/or its subsidiaries</p>
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	<p>after the Fund serving such notice of demand, except for revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets where the Fund shall be able to exercise its rights to purchase, and/or right of first refusal to purchase, so long as the above 20 years period has not lapsed.</p>
<p>Key Obligations of the Fund</p>	<ul style="list-style-type: none"> ● If the amount of the Sale Revenue delivered by BTSC to the Fund in any month is more than the aggregate amount of the Daily Sale Revenue as specified in the daily reports for such month, the Fund shall deliver any deficiency amount of such month to BTSC within 15 days after the end of such month. ● At the end of each quarter, there shall be the reconciliation between the actual O&M Costs and the aggregated Projected Daily O&M Costs retained by BTSC before delivering the Daily Sale Revenue to the Fund for such quarter. Where the actual O&M Costs for that quarter are more than the aggregate Projected Daily O&M Costs for the same quarter which have been retained by BTSC before delivering the Daily Sale Revenue to the Fund, and the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year do not exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the Fund shall pay the balance thereof to BTSC within five Business Days of the Parties after completion of the review by the Fund of the actual O&M Costs for that quarter. The review by the Fund of the actual O&M Costs for the relevant quarter must be completed within 15 days after the Fund receives all invoices and relevant supporting documents for the actual O&M Costs, ● If the actual O&M Costs for that quarter are more than the aggregate Projected Daily O&M Costs for the same quarter, and the actual O&M Costs for that quarter combining with the aggregate actual O&M Costs for every preceding quarter of the relevant year exceed 10 per cent of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the reimbursement of balance thereof can only be made if the Fund (or at least two BTSC directors nominated by the Fund), or an expert jointly appointed by the Fund and BTSC (in case the Fund or at least two BTSC directors nominated by the Fund does not approve), approves. This shall be in accordance with the conditions and procedures prescribed in the Net Revenue Purchase and Transfer Agreement. ● As long as there is no event of default under the Net Revenue Purchase and Transfer Agreement affecting BTSC's ability to deliver the Sale Revenue to the Fund which is continuing, the Fund will pay BTSC the Incentive Fees at the rate specified in Section 7.8 of the Prospectus.
<p>Relevant Accounts and Transfer</p>	<p>The relevant bank accounts under the Net Revenue Purchase and Transfer Agreement will be as follows:</p> <ul style="list-style-type: none"> ● Seller's Account: The Seller's Account will be opened and maintained by BTSC to receive the proceeds from the sale of the Sale Revenue. ● Baht Debentures Fund Account: BTSC shall open and maintain the Baht Debentures Fund Account with the Letter of Guarantee Issuing Bank to

	<p>maintain part of the proceeds from the sale of the Sale Revenue which will be set aside for payment of the outstanding principal and interest under the BTSC Debentures. BTSC shall maintain the balance in such account in the amount of not less than the outstanding principal and interest under the BTSC Debentures or apply the credit balance on such account for its investments in deposit, certificates of deposit, promissory notes, bills of exchange or such other instruments issued by banks or financial institutions acceptable to the Letter of Guarantee Issuing Bank. BTSC shall only be permitted to withdraw money from the Baht Debentures Fund Account or to realise the relevant permitted investments in cash for payment of the outstanding principal and interest under the BTSC Debentures and/or for the repurchase or redemption of all or any part of the BTSC Debentures.</p> <ul style="list-style-type: none"> ● IFF Revenue Account: The IFF Revenue Account will be opened by the Fund to receive the Sale Revenue and for other purposes of the Fund, for example, to receive insurance proceeds from any insurance claims. From the Closing Date, BTSC shall transfer the Daily Sale Revenue to the IFF Revenue Account on each Business Day of the Parties immediately following the date on which the farebox revenue is generated by no later than 2 p.m. Bangkok time. ● O&M Costs Account: BTSC shall open the O&M Costs Account to receive the amount equal to the Projected Daily O&M Costs. BTSC shall deposit the amount equal to the Projected Daily O&M Costs into the O&M Costs Account on each Business Day of the Parties immediately following the date on which the farebox revenue is generated by no later than 2 p.m. (Bangkok time). Commencing from the calendar month following the Closing Date, as long as the Fund has not served enforcement notice to BTSC pursuant to the Net Revenue Purchase and Transfer Agreement, from the first day of each month, BTSC shall be entitled to transfer the Projected Daily O&M Costs for the preceding month out of the O&M Costs Account.
Insurance	<ul style="list-style-type: none"> ● BTSC shall procure and maintain at all times the insurances as it normally has and all other insurances which are maintained in accordance with the practice of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person acting in good faith and carrying out a similar type of activity which BTSC undertakes under similar or equivalent circumstances and conditions including but not limit to directors liability insurance. ● BTSC shall be responsible and pay for any damages exceeding insurance coverage that is caused by its gross negligence or wilful misconduct. ● The Fund shall be responsible and pay for damages and losses incurred to the Core BTS SkyTrain System which (i) exceed the insured sum under the relevant insurances, (ii) related to the uninsured events and (iii) are not covered by the insurances to the extent that such damages or losses are not caused by BTSC's gross negligence or wilful misconduct subject to the terms and conditions of the Net Revenue Purchase and Transfer Agreement; but in any case the obligation of the Fund to pay for such damages and losses incurred to the Core BTS SkyTrain System shall cease on the Concession Expiry Date.

	<ul style="list-style-type: none"> ● In case of delay in payment of claim by the insurer, BTSC agrees to make advance payment for repair of damages for the first Baht fifty million and the Fund will make advance payment for the amount exceeding Baht fifty million without delay. In any case, if BTSC has made any advance payment, the Fund shall reimburse BTSC for the advance payment so made within the period specified in the agreement, the amount of which shall be part of the O&M Costs. ● In any case, where BTSC has made any such advance payment, the Fund shall reimburse such advance payment to BTSC within the period specified in the agreement as part of the O&M Costs.
<p>Reserved Matters and Negative Undertakings of BTSC</p>	<p>Reserved Matters are as set out in Section 7.7.2 Item 4 of the Prospectus.</p> <p>The negative undertakings that BTSC will be restricted from include, among others,</p> <ul style="list-style-type: none"> ● engaging in a new business save for those new businesses which are invested by BTSC’s subsidiaries and funded by BTSC’s free cash flow (other than the Sale Revenue), proceeds derived from the Excluded Asset or proceeds from equity raising, the investment of which shall be approved by the Fund. ● capital reduction (save for any reduction which would not render the registered capital of BTSC below the amount agreed under the Net Revenue Purchase and Transfer Agreement) ● capital increase (save for issuance of BTSC new shares which will not reduce the shareholding proportion of BTSC and such issued shares shall be pledged with the Fund) ● amending the terms of Concession Agreement, or any material term of other Project Agreement or Long Term O&M Agreement ● terminating the Concession Agreement ● incurring any new indebtedness in the amount or type not permitted ● reducing fare in respect of the Core BTS SkyTrain System, save as required under the Concession Agreement ● creating any security or encumbrances over its assets (save for creating security pursuant to the Transaction Documents and any security or encumbrances over certain Excluded Assets) ● disposal of assets (except for certain Excluded Assets provided that the conditions as prescribed in the Net Revenue Purchase and Transfer Agreement are complied with) etc. <p>BTSC shall not undertake the actions which are restricted under the Reserved Matters and the negative undertakings unless:(1) in case of the Reserved Matters, BTSC has obtained 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 (one-third of BTSC’s Board of Directors are nominated by the Fund) (whereas, 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</p>

	<p>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), and (2) in case of the matters prohibited under the negative undertakings as set out under the Net Revenue Purchase and Transfer Agreement, BTSC has obtained a prior consent of the Fund 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.</p>
Indemnity	<p>BTSC agrees to indemnify the Fund, and each of the Fund's respective directors, officers, employees, agents and attorneys and BTSC's directors nominated by the Fund from and against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred or to be incurred by any of them arising out of or resulting from the entry into, exercise and enforcement of its/their rights under or pursuant to any Transaction Document, except in the case of the Fund's negligence or wilful misconduct, in accordance with the terms and conditions under the Net Revenue Purchase and Transfer Agreement.</p>
Events of Default and Consequences	<ul style="list-style-type: none"> ● Upon the occurrence of an event of default as specified in the Net Revenue Purchase and Transfer Agreement, the Fund may demand BTSC to make payment of debt in the amount and under the conditions set out under the Net Revenue Purchase and Transfer Agreement and/or demand the Sponsor to perform its obligations under the Sponsor Support and Guarantee Agreement and/or exercise or enforce any of its rights under the Transaction Documents, by giving a notice to BTSC and the Sponsor whereupon the Fund can enforce all or any part of its rights under the Transaction Documents. <p>In case of occurrence of certain event of default as specified in the Net Revenue Purchase and Transfer Agreement, the Fund may allow certain period for BTSC to remedy such event of default. In such case, BTSC shall provide the Fund with a plan to remedy such event of default and upon the Fund's receipt of such plan, the parties shall enter into discussions in good faith to consider the remedy plan proposed by BTSC. If the Fund is satisfied with BTSC's proposed plan to remedy such event of default, the Fund may allow BTSC to implement the remedy plan within the agreed period. From the commencement of the consultation until such event of default having been remedied in accordance with the approved remedy plan to the satisfaction of the Fund or waived by the Fund, BTSC and the Fund agree to take or not to take certain actions as specified in the Net Revenue Purchase and Transfer Agreement, which include (a) BTSC's agreement to pay or procure the Sponsor to pay all dividends payable on BTSC shares held by the Sponsor to the Fund to pay for any amount due and payable by BTSC</p>

	<p>under the Transaction Documents which has not been paid to the Fund,(b) granting the Fund the right to vote on BTSC shares held by the Sponsor pursuant to the conditions prescribed in the Net Revenue Purchase and Transfer Agreement, and (c) the Fund’s agreement not to demand BTSC to make payment of debt in the amount and under the conditions set out under the Net Revenue Purchase and Transfer Agreement or demand the Sponsor to perform its obligations under the Sponsor Support and Guarantee Agreement or exercise or enforce any rights entitled to it in respect of such event of default. On and any time after the occurrence of an event of default which the Net Revenue Purchase and Transfer Agreement does not provide for a consultation process (e.g. BTSC’s failure to deliver Sale Revenue or make any other payment to the Fund within its due date and such failure is not remedied with 5 Business Days of the Parties of its due date), or after BTSC or the Sponsor fails to comply with its obligations required to be undertaken after the Fund approves the implementation of remedy plan, or in case that the Fund does not approve the plan to remedy an event of default proposed by BTSC with the period specified under the Net Revenue Purchase and Transfer Agreement, the Fund shall have the right to exercise any of its rights under the Transaction Documents.</p> <ul style="list-style-type: none"> ● The Fund’s rights of enforcement under the Transaction Documents include the right to enforce the share pledge pursuant to the Share Pledge Agreement, the right to purchase BTSC shares owned by the Sponsor pursuant to the Agreement to Purchase and to Sell Shares, the right to revoke the appointment of BTSC as agent who collects the Sale Revenue on behalf of the Fund and to appoint any other person to collect the Sale Revenue. <p>Moreover the Fund as BTSC’s creditors representative may exercise its step-in right under the Concession Agreement pursuant to the Instruction to BMA in case that BMA intends to terminate the Concession Agreement due to BTSC’s breach of the Concession Agreement.</p> <ul style="list-style-type: none"> ● If the Fund either purchases BTSC shares from BTSG in accordance with the Agreement to Purchase and to Sell Shares or becomes the owner of BTSC shares as a result of the enforcement of the Share Pledge Agreement, the Fund agrees to take certain actions including but not limited to: <ul style="list-style-type: none"> (i) at the Sponsor’s request, to procure that BTSC separate the revenue of BTSC generated from the Excluded Assets from BTSC’s cash flow and transfer the revenues generated from the Excluded Assets to the Sponsor or any person designated by the Sponsor; (ii) at the Sponsor’s request, to transfer certain Excluded Assets which remain with BTSC to the Sponsor or any person designated by the Sponsor; (iii) if the Fund still holds those shares transferred by BTSG after the Concession Expiry Date, to transfer those shares back to the Sponsor or any person as the Sponsor may designate under the terms and conditions of the Net Revenue Purchase and Transfer Agreement. In case BTSC has yet to deliver the Sale Revenue in full to the Fund under the Net Revenue Purchase and Transfer Agreement, the Fund
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	<p>will transfer such shares to the Sponsor or any person designated by the Sponsor only upon the Sponsor undertakes to procure delivery of the full payment of Sale Revenue under the Net Revenue Purchase and Transfer Agreement, which has not been received by the Fund, to the Fund, in the form and substance reasonably satisfactory to the Fund; and</p> <p>(iv) other actions as to be agreed by the Fund so that BTSC is able to continue to appropriately operate the business and own the Excluded Assets, in accordance with the terms and conditions of the Net Revenue Purchase and Transfer Agreement.</p> <p>The Sponsor shall be responsible for all costs, expenses and taxes which may arise from the transfer of such revenue or the Excluded Assets or BTSC shares.</p>
Assignment	<ul style="list-style-type: none"> ● BTSC may not assign any of its rights or transfer any of its rights or obligations under any Transaction Document. ● The Fund may assign or transfer (a) all or any part of its right to receive the Sale Revenue and/or (b) all (but not part) of its other rights and/or obligations under any Transaction Document (other than the right to purchase and the right of first refusal) to any person (except that where the transfer or assignment will be made prior to the occurrence of an event of default by BTSC, the Fund shall not transfer or assign rights and obligations to any operator of mass transit system), in accordance with the terms and conditions set out in the Net Revenue Purchase and Transfer Agreement.

9.2 Sponsor Support and Guarantee Agreement

The key terms and conditions of the Sponsor Support and Guarantee Agreement include:

Parties	<ul style="list-style-type: none"> ● BTSG as sponsor and guarantor; ● the Fund as purchaser; and ● BTSC as seller
Key Obligations of BTSG	<ul style="list-style-type: none"> ● BTSG agrees to maintain its shareholding percentage in BTSC shares at all times while obligations under the Sponsor Support and Guarantee Agreement are outstanding and not to transfer or create any encumbrances over such shares in BTSC. ● BTSG agrees to give the Fund participation in BTSC Board of Directors as follows: <ul style="list-style-type: none"> — to appoint one-third of the persons nominated by the Fund as directors of BTSC Board; and — to appoint another one-third of persons having the specified qualifications as independent directors of BTSC Board. ● BTSG shall procure that BTSC shall not enter into any transaction which is the subject of any Reserved Matter unless such Reserved Matter has been approved by the board of directors of BTSC having at least two affirmative votes from BTSC directors nominated by the Fund, and at all times 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

	<p>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.</p> <ul style="list-style-type: none"> ● BTSG agrees to the terms and conditions of the Transaction Documents and agrees to take all actions necessary to procure that BTSC complies with all its obligations under the Transaction Documents, subject to the terms and conditions of the Sponsor Support and Guarantee Agreement. ● BTSG agrees to pledge its shares in BTSC to secure its obligations under the Sponsor Support and Guarantee Agreement. ● BTSG will also give a guarantee to secure the obligations of BTSC under the Net Revenue Purchase and Transfer Agreement. The Fund cannot enforce the Sponsor to perform its obligations under the Sponsor Support and Guarantee Agreement by any method other than the enforcement upon BTSC shares under the Agreement to Purchase and to Sell Shares. Upon transfer of BTSC shares under the Agreement to Purchase and to Sell Shares or the Share Pledge Agreement, BTSG shall be immediately released from its obligations related to the guarantee and obligations imposed upon it due to its holding of BTSC shares under the Sponsor Support and Guarantee Agreement, but certain rights of the Fund (such as the right to purchase and the right of first refusal according to the relevant terms of the Sponsor Support and Guarantee Agreement) shall remain, and certain obligations of BTSG as specified under the Sponsor Support and Guarantee Agreement shall remain until all obligations of BTSC and BTSG under the relevant Transaction Documents to which it is a party have been fully satisfied or until such other time as agreed under the Sponsor Support and Guarantee Agreement. ● If BTSG has any claim against BTSC under the Transaction Documents or otherwise, BTSG agrees to defer its rights to make such claim until all obligations of BTSG and BTSC under the Transaction Documents have been fully discharged, except for certain cases as exempted under the Sponsor Support and Guarantee Agreement. ● In the event that the Fund allows BTSC to implement the plan to remedy event of default pursuant to the Net Revenue Purchase and Transfer Agreement, from the commencement of the consultation to consider such remedy plan until such event of default having been remedied in accordance with the approved remedy plan to the satisfaction of the Fund or waived by the Fund, BTSG and the Fund agree to take or not to take certain actions as specified in the Sponsor Support and Guarantee Agreement, which include (a) BTSG’s agreement to pay all dividends payable on BTSC shares held by it to the Fund to pay for any amount due and payable by BTSC under the Transaction Documents which has not been paid to the Fund, (b) granting the Fund the right to vote on BTSC shares held by the it pursuant to the
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	<p>conditions prescribed in the Sponsor Support and Guarantee Agreement, and (c) the Fund’s agreement not to demand BTSC to make payment of debt in the amount and under the conditions set out under the Net Revenue Purchase and Transfer Agreement or demand the Sponsor to perform its obligations under the Sponsor Support and Guarantee Agreement or exercise or enforce any rights entitled to it in respect of such event of default.</p> <p>BTSC or the Sponsor’s failure to comply with its obligations required to be undertaken after the Fund approves the implementation of remedy plan shall constitute an even of default under the Net Revenue Purchase and Transfer Agreement, whereupon the Fund shall have the right to exercise any of its rights under the Transaction Documents.</p> <ul style="list-style-type: none"> ● If the Fund either purchases BTSC shares from BTSG in accordance with the Agreement to Purchase and to Sell Shares or becomes the owner of BTSC shares as a result of the enforcement of the Share Pledge Agreement, the Fund agrees to take certain actions including but not limited to: <ul style="list-style-type: none"> (i) at the Sponsor’s request, to procure that BTSC separate the revenue of BTSC generated from the Excluded Assets from BTSC’s cash flow and transfer the revenues generated from the Excluded Assets to the Sponsor or any person designated by the Sponsor; (ii) at the Sponsor’s request, to transfer certain Excluded Assets which remain with BTSC to the Sponsor or any person designated by the Sponsor; (iii) if the Fund still holds those shares transferred by BTSG after the Concession Expiry Date, to transfer those shares back to the Sponsor or any person as the Sponsor may designate under the terms and conditions of the Sponsor Support and Guarantee Agreement. In case BTSC has yet to deliver the Sale Revenue in full to the Fund under the Net Revenue Purchase and Transfer Agreement, the Fund will transfer such shares to the Sponsor or any person designated by the Sponsor only upon the Sponsor undertakes to procure delivery of the full payment of Sale Revenue under the Net Revenue Purchase and Transfer Agreement, which has not been received by the Fund, to the Fund, in the form and substance reasonably satisfactory to the Fund; and (iv) other actions as to be agreed by the Fund so that BTSC is able to continue to appropriately operate the business and own the Excluded Assets, in accordance with the terms and conditions of the Sponsor Support and Guarantee Agreement. <p>The Sponsor shall be responsible for all costs, expenses and taxes which may arise from the transfer of such revenue or the Excluded Assets or BTSC shares.</p>
<p>Right to Purchase and Right of First Refusal</p>	<p>BTSG irrevocably grants the Fund the rights as follows:</p> <ul style="list-style-type: none"> ● (a) the right to purchase in respect of BTSG or its affiliates’ revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and (b) 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, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in which BTSG and/or any of its affiliates has entered or will enter into relevant agreements in respect of, or has operated or will operate, the relevant projects including the Identified Assets. The brownfield projects of the Bangkok and Vicinity Mass Transit Systems also include the Long Term O&M Agreement and extension of the Concession Agreement (if any) which may be transferred or assigned to BTSG.

- In the case that the Fund exercises its right to purchase, the purchase price of relevant revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets to be purchased by the Fund shall be subject to good faith negotiation of the Fund and BTSG and/or its affiliates. Failing their agreement, the parties shall jointly appoint an asset appraisal company to appraise the fair value of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset(s) and comply with the procedures and conditions set out in the Sponsor Support and Guarantee Agreement. In the case that the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to an Identified Asset as appraised by the asset appraisal company implies an annual equity rate of return for BTSG or its affiliates (as the case may be) lower than the rate on Thai government bonds with 10-year maturity as announced by the Thai Bond Market Association (Thai BMA) (or other equivalent organization) on or around the relevant determination date plus 3 per cent (“**Minimum Price**”), the Fund shall have the right (but not the obligation) to purchase revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset from BTSG or its affiliates (as the case may be) at the Minimum Price. The calculation of such rate of return will be determined in accordance with the terms of the Sponsor Support and Guarantee Agreement.

Within 30 days after the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset has been determined by the asset appraisal company, the Fund and BTSG and/or its affiliates shall confirm in writing to each other whether they will proceed with the sale and purchase of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset. If within such 30 days period, BTSG and/or its affiliates confirms in writing to the Fund that BTSG and/or its affiliates wishes to enter into discussions with an independent third party to offer to sell such revenue, rights, benefits, title, interest and/or investment in relation to Identified Asset, within 60 days after the asset appraisal company has determined the purchase price of revenue, rights, benefits, title, interest and/or investment in relation to such Identified Asset, BTSG and/or its affiliates may enter into discussions with any independent third parties to offer to sell such asset at the price higher than the purchase price determined by the asset appraisal company. At the end of such 60 days period, if BTSG and/or its affiliates has obtained a firm offer from an independent third party to purchase such asset at the price

	<p>higher than the purchase price determined by the asset appraisal company, BTSG and/or its affiliates shall inform the Fund of such firm offer of third party and the Fund shall have the right to purchase revenue, rights, benefits, title, interest and/or investment in relation to Identified Asset at the same price as the purchase price offered by such third party. If the Fund withdraws its proposal to purchase such asset, BTSG and/or its affiliates shall complete the sale of such asset to such third party on the terms and conditions of the firm offer within 120 days from its receipt of the Fund's withdrawal notice. If BTSG and/or its affiliates fails to sell such asset to the third party within such 120 days period or fails to provide a firm offer of any third party purchaser to the Fund within 60 days after the asset appraisal company has determined the purchase price of such Identified Asset, the Fund shall have the right to purchase such asset at the purchase price as determined by the asset appraisal company, subject to the Minimum Price of such asset.</p> <p>The exercise of the right to purchase or right of first refusal to purchase and any relevant processes shall be made in accordance with the procedures set out in the Sponsor Support and Guarantee Agreement.</p> <ul style="list-style-type: none"> ● In the case that the Fund exercises the right of first refusal to purchase, the purchase price of relevant revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in which BTSG or any of its affiliates, as the case may be, has entered into or will enter into relevant agreements in respect of, or has operated or will operate, the relevant projects including the Identified Assets, to be purchased by the Fund shall be equal to the price as offered to BTSG or BTSG's affiliates by the third party. ● The period that the Fund can exercise its right to purchase and the right of first refusal of the Fund shall be 20 years from the Closing Date according to the Sponsor Support and Guarantee Agreement. However, if an event of default under the Net Revenue Purchase and Transfer Agreement occurs after which the Fund issues a notice of demand for payment under the agreement, the Fund shall not have the right to purchase or the right of first refusal to purchase revenue, rights, benefits, title, interest and/or investment in relation to any projects entered into, acquired or invested by BTSG and/or its affiliates after the Fund serving such notice of demand, except for revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets where the Fund shall be able to exercise its rights to purchase, and/or right of first refusal to purchase, so long as the above 20 years period has not lapsed.
<p>BTSG's right to purchase BTSC shares</p>	<p>The Fund agrees that:</p> <ul style="list-style-type: none"> (a) after the Fund purchases BTSC shares held by BTSG in accordance with the Agreement to Purchase and to Sell Shares and it wishes to sell such shares to any person who provides an offer to purchase such shares from it, or (b) if the Fund does not purchase BTSC shares held by BTSG in accordance

	<p>with the Agreement to Purchase and to Sell Shares by itself, but wishes to sell such shares to an independent third party (other than the Fund's affiliate) and designate such third party to take the transfer of the shares from BTSG pursuant to the Agreement to Purchase and to Sell Shares,</p> <p>the Fund shall grant BTSG the right of first refusal to buy such shares at a price equal to the third party offer (in respect of (a)) or to pay the Fund an amount equal to the purchase price of the shares offered by the independent third party to the Fund (in respect of (b)) according to the terms and conditions not less favourable than those offered by such relevant third party, by issuing a written notice to BTSG containing the name of the offer or, the price offered for the purchase of the shares and all material terms and conditions of such third party offer. In exercising its right to purchase the shares from the Fund (in respect of (a)) or to pay the purchase price to the Fund (in respect of (b)), BTSG shall comply with the procedures and within the timing as agreed under the Sponsor Support and Guarantee Agreement. If (i) BTSG fails to confirm the Fund in writing within the agreed period that it wishes to purchase such shares or pay the purchase price (as the case may be) or (ii) in case that BTSG fails to complete the purchase of such shares or pay the purchase price (as the case may be) within the agreed period, the Fund shall be entitled to, in respect of (a), sell such shares to such third party who made the offer or another third party in accordance with such third party offer which was proposed to BTSG at the offered purchase price or higher or, in respect of (b), transfer the shares to such independent third party whom the Fund designated as the person to take the transfer of the shares from BTSG in accordance with the Agreement to Purchase and to Sell Shares, subject to all material terms and conditions not less favourable than the offer of such third party proposed to BTSG by the Fund.</p> <p>The Fund and BTSG agree that if the Fund designates its affiliate to take the transfer of the shares pursuant to the Agreement to Purchase and to Sell Shares, the transfer of the shares to the Fund's affiliate shall not be subject to BTSG's right of first refusal set out above, provided that upon the Fund's affiliate becoming the owner of the shares pursuant to the Agreement to Purchase and to Sell Shares, the Fund shall procure that such affiliate confirms to BTSG in writing that it agrees to comply with the provisions and procedures in relation to BTSG's right of first refusal under the Sponsor Support and Guarantee Agreement.</p>
Units Lock-up Undertaking	For a period of ten years from the Closing Date, BTSG shall not, without a prior written consent of the Fund, sell, transfer or dispose of the Units that it will subscribe in the amount of not less than one-third of the total number of Units.
Negative Undertakings of BTSG	BTSG will be mainly restricted from, among others, undertaking amalgamation, merger, and allowing BTSC to issue any share or convertible securities to any person which results in the reduction of the shareholding percentage of BTSG in BTSC, allowing reduce its capital (except for the reduction of BTSC's capital for the purpose of returning capital to its shareholders and provided that such capital reduction shall not reduce the shareholding percentage of BTSG in BTSC or result in the Seller's paid up capital at any time being less than Baht 3,000,000,000) and allowing BTSC to remove or appoint the Chief Executive Officer, the Chief Financial Officer or the Chief Operating Officer.
Assignment	<ul style="list-style-type: none"> ● BTSG and BTSC may not assign any of its rights or transfer any of its rights or obligations under the Sponsor Support and Guarantee Agreement unless

	<p>an approval from the Fund is obtained.</p> <ul style="list-style-type: none"> ● The Fund may assign or transfer all (but not part) of its rights and/or obligations under the Sponsor Support and Guarantee Agreement (other than the right to purchase and the right of first refusal) to the person to whom the Fund assigns and/or transfers its rights under the Net Revenue Purchase and Transfer Agreement, in accordance with the terms and conditions set out in the Sponsor Support and Guarantee Agreement.
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9.3 Share Pledge Agreement

The key terms and conditions of the Share Pledge Agreement include:

Parties	<ul style="list-style-type: none"> ● BTSG as pledgor; and ● the Fund as pledgee.
Key Obligations and Rights of BTSG	<ul style="list-style-type: none"> ● BTSG agrees to pledge its shares in BTSC to the Fund to secure the obligations it has under the Sponsor Support and Guarantee Agreement. ● BTSG shall procure that BTSC shall record such pledge in the share registrar book. ● BTSG undertakes that if at any time by reason of changes in registered capital of BTSC, BTSG shall acquire further shares in BTSC and pledge those additional shares to the Fund so that the shares in BTSC held by BTSG and pledged and delivered to the Fund. ● Before the enforcement of the share pledge by the Fund upon the acceleration of the event of default under the Net Revenue Purchase and Transfer Agreement, the rights to vote and receive dividends derived from such shares shall remain with BTSG.
Key Rights of the Fund	<ul style="list-style-type: none"> ● The Fund may set off any obligations due from BTSG under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which BTSG is a party against any obligation owed by the Fund to BTSG, regardless of the place of payment.
Enforcement of Pledge	<ul style="list-style-type: none"> ● BTSG and the Fund agrees to prescribe conditions of the public auction sale of the pledged shares such that a third party winning bidder is required to enter into an agreement in form and content similar to those of the Sponsor Support and Guarantee Agreement.
Assignment	<ul style="list-style-type: none"> ● BTSG may not assign any of its rights or transfer any of its rights or obligations under the Share Pledge Agreement unless an approval from the Fund is obtained. ● The Fund may assign or transfer all (but not part) of its rights and/or obligations under the Share Pledge Agreement to the person to whom the Fund assigns and/or transfers its rights under the Net Revenue Purchase and Transfer Agreement, in accordance with the terms and conditions set out in the Share Pledge Agreement.

9.4 Agreement to Purchase and to Sell Shares

The key terms and conditions of the Agreement to Purchase and to Sell Shares include:

Parties	<ul style="list-style-type: none"> ● BTSG as seller; ● BTSC as company ● the Fund as purchaser; and ● the Fund Supervisor as fund supervisor of the Fund.
Key Obligations and Rights of BTSG	<ul style="list-style-type: none"> ● BTSG agrees to sell the shares held by it to the Fund, and the Fund agrees to purchase from BTSG the shares upon the occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement, and the exercise notice having been delivered by the Fund to BTSG for purchase of the shares. ● BTSG irrevocably appoints and authorises the Fund Supervisor and/or its permitted assigns to transfer the shares to the Fund. ● BTSG agrees that the Fund can set-off the purchase price against BTSG's obligations under the Sponsor Support and Guarantee Agreement. BTSG also agrees not to claim the Fund for payment of the share purchase price in cash. ● BTSC agrees to perform all acts in order to transfer the shares to the Fund, including to procure that BTSC shall record such transfer in the share registrar book.
Key Obligations and Rights of the Fund	<ul style="list-style-type: none"> ● The Fund has the right to purchase shares from BTSG upon the occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement. ● The purchase price will be determined in accordance with the procedures as set out in the Agreement to Purchase and to Sell Shares. ● The Fund may set off any obligations due from BTSG under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which BTSG is a party against any obligation owed by the Fund to BTSG, regardless of the place of payment; whereby BTSG agrees not to claim the Fund for payment of the share purchase price in cash.
Assignment	<ul style="list-style-type: none"> ● BTSG may not assign any of its rights or transfer any of its rights or obligations under the Agreement to Purchase and to Sell Shares. ● The Fund may assign or transfer all (but not part) of its rights and/or obligations under the Agreement to Purchase and to Sell Shares to the person to whom the Fund assigns and/or transfers its rights under the Net Revenue Purchase and Transfer Agreement, in accordance with the terms and conditions set out in the Agreement to Purchase and to Sell Shares.. ● The Fund Supervisor may assign or transfer any of its rights and/or obligations under the Agreement to Purchase and to Sell Shares to any person in accordance with the Agreement to Purchase and to Sell Shares.

9.5 Endorsement of Insurances

According to the Net Revenue Purchase and Transfer Agreement, the Fund will be named as additional co-insured and co-loss payee under the relevant insurances.

In such regard, BTSC will give a notice to the relevant insurers within 30 days from the Closing Date, who will then endorse the relevant insurance policies to the effect that the Fund is a co-insured and co-loss payee under such relevant insurance policies that BTSC has.

Such notice shall be sent to the insurers with respect to all insurance policies as maintained by BTSC.

9.6 Instruction to the BMA

BTSC, jointly with the Management Company, delivered the following two Instruction Letters to the BMA on December 7, 2012:

1. First Instruction letter: to notify BMA regarding the transfer of the Sale Revenue to the Fund; and
2. Second Instruction letter: to notify the BMA that the Fund is BTSC's creditors representative so that the Fund will be permitted in accordance with the terms and conditions of the Concession Agreement to designate any person to assume rights and obligations of BTSC under the Concession Agreement in the event that the BMA intends to exercise its right to terminate the Concession Agreement i.e. BTSC's failure to perform its obligations under the Concession Agreement in which BMA shall have the right to terminate the Concession Agreement. The Fund will have the right to find, within the period as specified by the BMA but in any case no less than six months, a new operator who will continue the operation and management of the Core BTS SkyTrain System. In such case, the rights and obligations of BTSC under the Concession Agreement will be assigned and transferred to the new operator appointed by the Fund and the BMA shall have no right to terminate the Concession Agreement.

On January 7, 2013, the BMA issued letters to BTSC acknowledging the above two Instructions Letters to the BMA.

9.7 Conditional Assignment of O&M Costs Account

The O&M Costs Account will be opened and maintained by BTSC at a commercial bank for keeping the Projected Daily O&M Costs that BTSC has deducted from the revenue before passing on the Sale Revenue to the Fund. The conditional assignment of O&M Costs Account shall become effective upon the occurrence of event of default committed by BTSC under the Net Revenue Purchase and Transfer Agreement.

9.8 BSS Acknowledgement

Bangkok Smartcard System Co., Ltd. or BSS who is a service provider under the BSS Agreement with respect to the operation of smartcard service entered into with BTSC shall enter into an acknowledgement of the Fund's rights over the Net Farebox Revenue and acceptance to act as the Fund's agent in collecting the Net Farebox Revenue as well as delivering the Net Farebox Revenue collected to the Fund through BTSC or in case BTSC could not deliver the Net Farebox Revenue to the Fund as usual (for example, in case of bankruptcy), to the Fund directly, in form and substance satisfactory to the Fund.

10. Future Projects

Please see Section 2.2.3 "*Core Investment - Additional Assets*" for details of the future project of the Fund.

11. Prevention of Conflict of Interest

11.1 General Requirements

The conditions and requirements for entering into related party transactions under the Office of the SEC and the Capital Market Supervisory Board regulations are:

- (1) In entering into the related party transactions with respect to the Infrastructure Assets, the Management Company shall comply with the regulations regarding actions which may cause conflict of interest in managing the mutual fund

- (2) Related party transactions with respect to the Infrastructure Assets shall be undertaken with a fair price;
- (3) Any person who has interest in the related party transactions to be entered into with respect to the Infrastructure Assets shall not participate in approving such transaction;
- (4) Any expenses incurred in connection with the related party transactions with respect to the Infrastructure Assets shall be a fair and appropriate rate or on an arm's length basis.

11.2 Required Resolutions from Unitholders

In entering into the following related party transactions, a resolution from the Unitholders is required in addition to the requirements set out above:

- (1) If such related transaction is with respect to an additional acquisition or disposition of Infrastructure Assets having a value of no less than Baht 20,000,000 or no less than 3% of the total Fund NAV at the time of entry into such related party transaction, whichever is higher, except where such transaction is made pursuant to a commitment with government agencies or government organisation according to the law for establishment of government organisation and state enterprise according to the law for establishment of such state enterprise (including non-juristic business units owned by the government) as specified in the Fund Scheme;
- (2) If such related transaction is an entry into, amendment or termination of contracts to engage a Related Person to be the operator to run or operate Infrastructure Businesses having a value of no less than Baht 20,000,000 or no less than 3% of the total Fund NAV at the time of such entry into, amendment or termination of such related party transaction, whichever is higher; or
- (3) If such related transaction is an agreement, consent or vote so that the company in which the Fund is invested pursuant to item (e) of the definition of "*Infrastructure Assets*" enters into the arrangement as set out in (i) or (ii) above with the Related Person.

11.3 Related Party Transaction Policies

The investment of the Fund includes the acquisition of the Initial Assets which have been owned by BTSC before the date of the investment. BTSC will remain the operator of the Core BTS SkyTrain System under the Concession Agreement.

On April 17, 2013, upon completion of the subscription of the Investment Units and the registration of the Fund with the Office of the SEC, BTSG, as Person with the Same Group of BTSC who will sell and transfer the Infrastructure Assets to the Fund, will be the Unitholder of the Fund holding 1,929 million units, representing 33.33% of the Fund's total units, and will as a result, become a Related Person of the Fund.

Any transactions relating to Infrastructure Assets to be entered into between the Fund and BTSG or its Related Persons or between the Fund and other Related Persons will have to be entered into on an arm's length basis and comply with the conditions and requirements prescribed under Thor Nor. 1/2554 and other relevant notifications.

If in the future the SEC, the Office of the SEC or the Capital Market Supervisory Board prescribes additional types of Related Persons which may include BTSC, the Management Company shall, in entering into any transaction between the Fund and such Related Persons (which may include BTSC), proceed in accordance with related party transaction rules and procedures as prescribed in the Fund Scheme and relevant laws and/or regulations.

The receipt by the Fund of the Sale Revenue from BTSC which is a subsidiary of BTSG from the Closing Date to the Concession Expiry Date will constitute a related party transaction. The Management Company and the Fund Supervisor are of the view that such transaction is in pursuance to the Net Revenue Purchase and Transfer

Agreement which requires that BTSC collect the revenues and after deduction of O&M Costs submit the Sale Revenue to the Fund and it comprises an agreement to acquire the Initial Assets. The Management Company and Fund Supervisor are of the view that the said transaction constitutes a commercial agreement that a reasonable person may make with a counterparty under similar circumstances on the basis of commercial negotiation without any influence of the Related Persons.

Furthermore, the Net Revenue Purchase and Transfer Agreement also requires that the Fund may pay the Incentive Fees to BTSC which will constitute a related party transaction. In this regard, the Management Company and the Fund Supervisor are of the view that the payment of remuneration (including incentive fees as incentives for the operation) to any service providers is the normal commercial term normally seen in other transactions in general. The payment of Incentive Fees to BTSC is therefore to encourage BTSC to operate the Core BTS SkyTrain System more efficiently and to control the O&M Costs. Therefore the agreement to pay the Incentive Fees is considered made at arm's length. Should the operation of the Core BTS SkyTrain System and the O&M Costs control be managed more efficiently, most of the benefits generated will inure to the Fund and will be beneficial to the Unitholders. Furthermore, the Fund must disclose the related transactions to the SET, as well as in the remarks of the financial statements as audited by the Fund's auditor, and in the annual report of the Fund.

12. Environmental Impacts

N/A

13. Risk Factors of the Fund

13.1 Risks Relating to the Organization and the Structure of the Fund

13.1.1 The Fund will be a newly established entity without any revenue-generating operations of our own or any assets other than contractual rights and, if the Fund purchases BTSC shares from the Sponsor upon the occurrence of an event of default, BTSC shares.

The Fund will be a newly established entity and a substantial majority of the net proceeds from the offering will be used to purchase the rights to the Sale Revenue under the Net Revenue Purchase and Transfer Agreement. In addition, BTSC and BTSG will grant the Fund the right to purchase the right to receive the revenues, right, benefits, title and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, rights, benefits, title and/or any investment in relation to the Identified Assets, the green field projects and brown field projects, including the Long Term O&M Agreement and any extension of the Concession Agreement, if any, for any Bangkok and Vicinity Mass Transit Systems of BTSC, BTSG or any of BTSG's affiliates. The right to purchase and right of first refusal granted by the Sponsor and BTSC are subject to the terms and conditions under the Sponsor Support and Guarantee Agreement and the Net Revenue Purchase and Transfer Agreement, respectively.

Upon purchasing its initial asset, being the right to the Sale Revenue, the Fund will not have any operating assets or conduct any business operations and the Fund's only assets at that time will be contractual rights. Given that the Fund will be primarily dependent upon a single source of revenue initially, the Fund will be subject to greater risks than a fund or company with more revenue sources. The Fund will rely on BTSC's due and punctual performance of BTSC's obligations under the Net Revenue Purchase and Transfer Agreement for the Fund's cash flow. Further, Unitholders' remedies upon the occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement is dependent upon the enforcement of such contractual rights. The performance of BTSC under the terms of the Net Revenue Purchase and Transfer Agreement is secured by a limited guarantee by the Sponsor, a pledge of the Sponsor's shares in BTSC and an agreement for the Sponsor to sell, and the Fund to buy, the Sponsor's shares in BTSC upon the occurrence of an event of default. As a result, the

occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement may result in our gaining control of BTSC, the business of which the Management Company and the Fund are not experienced in running, or the replacement of BTSC by a third party as operator of the BTS SkyTrain which may also not be as experienced as BTSC.

If the Fund only owns contractual rights and/or BTSC shares, as the case may be, and becomes insolvent, the Management Company may not be able to sell the contractual rights and/or BTSC shares, as the case may be, on terms sufficient to permit the Fund to meet all its outstanding obligations, or at all, should the Fund be required to do so. Further, if the Fund is dissolved in accordance with the terms of the Fund Scheme, the Unit holders' rights to distribution payments will be subordinated to certain third-party payments, including fees and expenses of the Fund Supervisor and the Management Company, as well as any obligations under external financing arrangements of the Fund, if any.

13.1.2 The Fund will initially have only one source of revenue; the expiry or termination of the Concession Agreement and any failure to purchase new revenue streams would materially and adversely affect our business, financial condition, results of operations and prospects, and may result in the dissolution of the Fund.

The Fund's source of revenue will initially be solely the Sale Revenue from the BTS SkyTrain Business derived from the Concession Agreement, which expires in December 2029 unless extended with the consent of the Ministry of Interior or terminated. However, BTSC and Krungthep Thanakom, a private company incorporated in Thailand controlled by the BMA with the main objectives to provide or operate the public services for the BMA, have entered into a Long Term O&M Agreement that, among other things, grants BTSC the right to operate and maintain the BTS SkyTrain after the expiry of the Concession Agreement in December 2029. The Sale Revenue does not include any revenues or fees under the Long Term O&M Agreement. We do not expect that the Concession Agreement, and hence the Sale Revenue that we will purchase using the proceeds of the Offering, will continue past December 2029. Pursuant to the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, BTSC and BTSG will grant us the right to purchase, and the right of first refusal to purchase, the rights to receive the revenues, rights, benefits and/or title under the Long-Term O&M Agreement, which includes the fees that BTSC expects to receive from operating and maintaining the BTS SkyTrain after December 2029. However, the consummation of such purchase is subject to the ability of the Fund and BTSC, the Sponsor or the Sponsor's affiliates, as the case may be, to reach an agreement on the final terms of such purchase and the Fund's ability to finance such purchase and to procure any requisite consents and approvals, including from Unitholders. It cannot be assured that the Fund and BTSC, the Sponsor or their affiliates, as the case may be, will be able to reach an agreement on the final terms of such purchase, that the Fund will be able to obtain such financing at commercially acceptable terms or at all, that all requisite consents and approvals will be obtained or that such transactions would be approved by, or acceptable to, the Unitholders.

In addition, on January 2, 2013, the Department of Special Investigation ("DSI") in Thailand announced that it would launch an investigation against the executives of the BMA, Krungthep Thanakom and its executives and BTSC and its executives, including Mr. Sukhumbhand Paribatra (the Governor of Bangkok), Mr. Keeree Kanjanapas (BTSC's Chairman), Mr. Surapong Laoha-Unya (a director and the Chief Operating Officer of BTSC) in relation to the BMA's awarding of the Long Term O&M Agreement. Subsequently, the Thai SEC requested that the DSI provide information to the Thai SEC on whether, in the DSI's view, its investigation into the Long Term O&M Agreement was connected to the establishment of the Fund. On February 19, 2013, Bangkok press (e.g. Bangkok Post and the Nation) reported that, from the information that the DSI had so far, the DSI believed the

investigation regarding the execution of the Long Term O&M Agreement had nothing to do with the assets (i.e. the future net farebox revenues from the Core BTS SkyTrain System under the Concession Agreement) that would be used to support the Fund. Accordingly, the DSI stated that the establishment of the Fund was found to have no connection with the allegation regarding the Long Term O&M Agreement.

However, the investigation relating to the Long Term O&M Agreement is ongoing, and if the DSI concludes that there is wrongdoing following the investigation, the DSI has the power to refer its investigative results to the public prosecutor who then has the power to institute legal proceedings in the relevant court if it concurs with the DSI's findings. Any unfavorable judgment by the relevant Court relating to Krungthep Thanakom's authority to enter into the Long Term O&M Agreement may result in the invalidation or termination of the Long Term O&M Agreement, which would diminish the value of our right to purchase and the right of first refusal to purchase the rights to receive the revenues, rights, benefits and/or title under the Long Term O&M Agreement unless an alternative contract for the operation and maintenance of the Extension BTS SkyTrain System and/or the operation and maintenance of the Core BTS SkyTrain System after December 2029 was awarded to BTSC.

If the Fund does not or is unable to exercise our rights under the Net Revenue Purchase and Transfer Agreement or the Sponsor Support and Guarantee Agreement to purchase new revenue streams from BTSC, the Sponsor or their affiliates, as the case may be, or fail to agree on the final terms for such purchase or invest in additional assets, we will no longer have any material revenues after December 2029, which would have a material adverse effect on the market price of the Investment Units and which could ultimately result in the dissolution of the Fund. The Fund cannot assure that the Unitholders will receive any return from the dissolution of the Fund.

13.1.3 The Fund may not have ownership over the future Sale Revenue at the time that it is sold to the Fund pursuant to the Net Revenue Purchase and Transfer Agreement, and the transfer of ownership of the future Sale Revenue under the Net Revenue Purchase and Transfer Agreement may be subject to challenge or subject to claims by other BTSC creditors or by BTSC shareholders.

Under the Net Revenue Purchase and Transfer Agreement, BTSC has sold, and is required to transfer, the future Sale Revenue from the BTS SkyTrain Business to the Fund. Such sale is governed by the laws of Thailand, and limitations and restrictions under such laws may materially and adversely affect the effectiveness of transfer of ownership of the future Sale Revenue and such sale may be subject to challenge under Thai law, in accordance with the legal analysis in Section 2.4 of the Prospectus.

In addition, existing or future creditors of BTSC, or any administrator, official receiver, or liquidator, may make claims against BTSC with respect to obtaining the cash comprising such Sale Revenue. If a creditor or other party makes a claim against BTSC, the Fund's right to claim against BTSC may not have priority over the rights of BTSC's other unsecured creditors, or any administrator, official receiver, or liquidator. Any successful challenge on the transfer of the future revenues pursuant to the Net Revenue Purchase and Transfer Agreement will result in the loss of our, initially, only revenue stream, the Sale Revenues, which would have a material adverse effect on our business, financial condition, results of operations and prospects, and on the Unitholders' rights to distributable payments. In such situation, the Fund's only remedies would be to file a legal action in the Thai courts to enforce its rights under the Net Revenue Purchase and Transfer Agreement and to claim for damages arising out of the Fund having made the purchase price payment in full to purchase the Sale Revenue, or to enforce its rights under the Sponsor Support and Guarantee Agreement.

In addition, the Sponsor has received a letter from two minority shareholders of BTSC holding an aggregate of 1,000,000 shares (or less than a 0.01% shareholding interest) in BTSC. In their letter, the

two minority shareholders made various allegations, including that the sale of the Sale Revenue and any future additional revenues of BTSC to the Fund amounted to unfair treatment of BTSC's minority shareholders. Under the Public Limited Company Act of Thailand B.E.2535 (1992) (the "PLCA"), if a shareholders' meeting was convened or a resolution was passed without compliance with or in violation of the articles of association of the company or the provisions of the PLCA, no fewer than five shareholders or any shareholder holding shares of not less than 1/5 of the total issues shares may request a Thai court to revoke the resolution of the shareholders meeting, but such action must be taken within one month from the date of the meeting. Based on legal advice obtained by the Sponsor, we understand the one-month period has expired, and we do not believe the two minority shareholders have any legal basis for their claims. However, we cannot predict what action these or any other minority shareholders of BTSC or of the Sponsor might take.

13.1.4 The Fund may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement.

Under the Sponsor Support and Guarantee Agreement, the Sponsor's guarantee is limited to the Sponsor transferring its 97.46% shareholding in BTSC to the Fund pursuant to the exercise of the Fund's right to purchase, or enforcing the pledge by the Sponsor of, such shares. If the Fund exercises its right to purchase the Sponsor's shareholding in BTSC, we cannot assure you that the Fund will be able to acquire control of BTSC. For example, the Sponsor may fail to transfer such shares to the Fund and revoke the authorization given to the Fund Supervisor to act as its agent to execute documents required for the transfer of shares to the Fund under the Agreement to Purchase and to Sell Shares, or if the validity of the Agreement to Purchase and to Sell Shares is challenged by any interested party, the Thai courts may consider that a sale and purchase arrangement under the Agreement to Purchase and to Sell Shares is invalid on grounds that it circumvents the enforcement process of the pledge of shares (which is sale by public auction). In such case, the Fund's remedies will be limited to claim for damages under Thai laws and regulations against the Sponsor for its failure to perform its obligations under the Agreement to Purchase and to Sell Shares, and enforcing its rights under the pledge of shares arrangement. If the Fund cannot purchase such shares in BTSC will not be able to acquire control of BTSC following an event of default under the Net Revenue Purchase and Transfer Agreement, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.1.5 The Fund does not have an established operating history and you have limited financial information on which to evaluate the Fund and your investment decision.

The Fund does not have any operating history by which its past performance may be judged, and investors may find it difficult to evaluate our performance and prospects. For informational purposes, this Offering Memorandum contains (1) historical carve-out financial statements of the BTS SkyTrain Business as of and for the fiscal years ended March 31, 2010, 2011 and 2012 and the nine months ended December 31, 2011 and 2012, (2) The Fund's unaudited pro forma financial information as of and for the fiscal year ended March 31, 2012 and as of and for the nine months ended December 31, 2012 and (3) profit and cash flow projections of the Fund for the Projection Period 2013 and Projection Fiscal Year 2014.

The historical carve-out financial statements of BTS SkyTrain Business have been extracted from the books and records of BTSC. Certain financial statement items were maintained by BTSC on a combined basis, rather than on a property-by-property basis and, accordingly, it was necessary to make significant assumptions and allocations of amounts reported in the financial statements of BTSC in order to prepare the carve-out financial statements in respect of the BTS SkyTrain Business. If any of these assumptions or allocations are materially incorrect, such carve-out financial statements may

not give a true picture of the BTS SkyTrain Business' actual results of operations, financial position or cash flow.

While the BTS SkyTrain has been in operation since December 1999, we cannot assure you that the Sale Revenue generated by the BTS SkyTrain after their acquisition by the Fund will be consistent with the BTS SkyTrain Business carve-out financial statements included elsewhere in this Offering Memorandum. In reviewing the carve-out financial statements included in this Offering Memorandum, it is important to consider that although the carve-out financial statements of the BTS SkyTrain Business for the periods presented in this Offering Memorandum reflect the operations of such business for the periods presented, the Fund was not in existence during any of the periods presented. Such carve-out financial statements represent the results, financial position and cash flows of the BTS SkyTrain Business, which will differ significantly from the results, financial position and cash flows of the Fund, and such differences may be material. Neither BTSC nor the Fund intend to prepare carve-out financial statements of the BTS SkyTrain Business for any period after December 31, 2012.

In addition, the Fund's unaudited pro forma financial information as of and for the fiscal year ended March 31, 2012 and the nine months ended December 31, 2012 is presented for informational purposes only and, because of its nature, may not give a true picture of the Fund's actual results of operations, financial position and cash flows. Such pro forma financial information is not intended to and does not purport to represent, or be indicative of, what its actual results or financial condition would have been if the Fund had been in existence and operational as of and for the periods presented. In addition, such unaudited pro forma financial information is based in part on certain assumptions regarding the Fund that the Management Company believes are reasonable.

As a result of the above, there is limited financial information on which to evaluate the Fund and investors should not place undue reliance upon the pro forma financial information included elsewhere in this Offering Memorandum given how they are calculated and the possibility that actual results may differ materially from the underlying estimates and assumptions.

13.1.6 Our actual results may be materially different from the expectations expressed or implied in the financial projections.

This document also includes financial profit and cash flow projections of the Fund. These financial projections are only estimates of possible future operating results and not guarantees of future performance. The financial projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions, though considered reasonable by the Management Company and the Sponsor, may not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, many of which are beyond the control of the Fund. The actual future operating results of the Fund will be affected by numerous factors, including those discussed in this section 13. Accordingly, we cannot assure you that we will be able to achieve the projections or make the distributions set out in Section 4.4 of the Prospectus.

As a result, you should not rely upon the financial projections in making an investment decision given how they are calculated and the possibility that actual results may differ materially from the underlying estimates and assumptions.

13.1.7 The Management Company may not be able to successfully implement our investment strategies and may agree to amendments or modifications to transaction agreements, grant waivers or grant consents without seeking consent from the Unitholders.

The Management Company will undertake the day-to-day management or control of our business, which will be monitored by the Fund Supervisor. The Unitholders may not have the opportunity to evaluate the Management Company's decisions regarding specific strategies used or the investments made by us or the terms of any such investment. The failure of the Management Company to successfully implement our strategies could have a material adverse effect on our business, financial condition, results of operations and prospects.

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

In particular, the Fund's investment mandate allows us to invest in a wide range of infrastructure businesses that are not related to the mass transit industry and/or which are located outside Thailand, and in relation to which the Fund may not have any investment or operating experience. Such permitted infrastructure businesses include electricity generation and distribution, waterworks, tollroads, airports, deep-sea ports, telecommunications, alternative energy, water management system or irrigation and natural disaster prevention system. In addition, if the Fund were to invest in any such businesses, we expect the Fund would require the engagement of a third party operator to operate such business. We cannot assure you that the Fund would be able to engage an appropriate third party operator with the necessary experience on commercially acceptable terms or at all.

In addition, other than with respect to certain reserved matters specified in the Net Revenue Purchase and Transfer Agreement, the Management Company will have the right to exercise, or to consent to the exercise of, all rights and remedies to be taken with respect to BTSC and the BTS SkyTrain Business or to consent to certain amendments and modifications or grant waivers to any of the transaction documents in its sole discretion (other than in relation to a reserved matter which require consent or approval from Unitholders for the benefit of the Fund), which may not be consistent with the interest of all Unitholders. Any such actions taken by the Management Company will be binding on the Unitholders and may not be in the best interests of a particular Unitholder.

13.1.8 The Management Company and THE FUND are not experienced in mass transit operations, and the failure of the Management Company to manage us and/or BTSC to operate the BTS SkyTrain in an effective and efficient manner could have a material adverse effect on our business, financial condition, results of operations and prospects.

We will be managed by the Management Company. In turn, the Management Company will depend on BTSC in respect of the management of the BTS SkyTrain. Following the sale of Sale Revenue by BTSC to the Fund, BTSC will remain the operator of the BTS SkyTrain, subject to the supervision and monitoring by the Management Company, acting on behalf of the Fund, pursuant to the mechanics made available to the Fund under the Net Revenue Purchase and Transfer Agreement and other relevant transaction documents. The Management Company and the Fund do not have any experience or expertise in operating a mass transit system, and they may not be effective in supervising BTSC. The failure of BTSC to manage the BTS SkyTrain properly may adversely affect the Sale Revenue, and, together with any failure by the Management Company to supervise and monitor BTSC's performance in the operation of the BTS SkyTrain Business and/or to manage the Fund in an effective and efficient manner, could in turn affect our business, financial condition, results of operations and prospects, and our ability to pay distributions to Unitholders and pay amounts due on any indebtedness incurred. In addition, any adverse changes in the Management Company's relationship with BTSC and/or the Sponsor could hinder their respective abilities to manage the

Fund's operations and the BTS SkyTrain. In addition, if BTSC is unable to perform its duties pursuant to the Concession Agreement, the Fund may be unable to appoint another entity to manage the BTS SkyTrain as effectively as BTSC or at all, which could have an adverse effect on our business, financial condition, results of operations and prospects.

13.1.9 The step-in right of the Fund under the Concession Agreement is subject to the BMA's recognition of the Fund as a major creditor of BTSC and compliance with its obligations under the Concession Agreement.

The Management Company and BTSC have notified the BMA that the Fund is a major creditor of BTSC. Under the Concession Agreement, if the BMA exercises its right to terminate the Concession Agreement in accordance with its terms, the BMA is obligated to allow the Fund not less than six months to designate a person to accept the transfer of the Concession Agreement from BTSC. Obtaining the BMA's confirmation of the Fund's step-in right is a condition precedent to the purchase of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement. However, we cannot assure you that the BMA will comply with such confirmation if the BMA exercises its right to terminate the Concession Agreement. If the BMA does not comply with such confirmation, the Fund will have limited recourse against the BMA, which will have a material adverse effect on our business, financial condition, results of operations and prospects.

13.1.10 The Sale Revenue that we will purchase and receive will depend on the BTS SkyTrain ridership and passenger fares.

The Management Company will use a substantial majority of the net proceeds of the Offering to purchase the Sale Revenue generated from the BTS SkyTrain, but not from the Long Term O&M Agreement (which includes the Silom Line Extensions and the Sukhumvit Line Extension). The Sale Revenue generated from the BTS SkyTrain Business is currently our only expected source of income and cash flows. Accordingly, any factor reducing passenger volumes or fare revenues relating to the BTS SkyTrain or increasing the cost of farebox or capital expenditures, either individually or collectively, would have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on BTSC to maintain ridership volumes and raise fares. Ridership trends are influenced by several factors, many of which are beyond our control, including the degree of development of feeder networks feeding passengers to the BTS SkyTrain, passengers' commuting needs, confidence in security, level of traffic congestion, economic conditions in general, fuel prices, availability and quality of alternative modes of transportation, real estate developments surrounding our stations, Government plans for the extension of other transportation systems, political protest or rallies and terrorist threats. The amount and frequency of BTSC's passenger fare adjustments are subject to the terms and conditions set out in the Concession Agreement, as well as political, social and other reasons relating to competitive dynamics in the mass transit industry and commuter preferences.

Accordingly, we cannot assure you that the BTS SkyTrain passenger volume and fare revenues, and hence the Sale Revenue, will increase or will not decrease in the future. If the BTS SkyTrain passenger volumes and/or fare revenues decrease or do not increase, our business, financial condition, results of operations and prospects would be adversely affected.

13.1.11 The limited guarantee provided by the Sponsor is limited to the transfer of BTSC shares owned by the Sponsor, and the ownership of the shares, may not compensate the Fund in full for any damages it may incur.

Under the Sponsor Support and Guarantee Agreement, the Sponsor has agreed to provide a guarantee of BTSC's obligations under the Net Revenue Purchase and Transfer Agreement, including BTSC's

payment obligations. However, such guarantee is limited to, and the guarantee obligations will terminate upon, the Sponsor transferring all of the shares that it holds in BTSC (excluding the Excluded Assets, which will be transferred to BTSC or its designated person pursuant to the Net Revenue Purchase and Transfer Agreement) pursuant to any exercise of the Fund's rights to purchase, or foreclosing upon the pledge by the Sponsor of, such shares. The ownership by the fund of such shares may not compensate the Fund in full for any damages it may incur, and under the Sponsor Support and Guarantee Agreement, the Sponsor will not be liable for any additional amounts to compensate the fund in full. If the fund is unable to obtain such additional amounts from BTSC's operating business in the future, our business, financial condition, results of operations and prospects may be materially and adversely affected.

13.1.12 The assumptions in "Profit and Cash Flow Projections of the fund" are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks and uncertainties that could cause actual results to differ materially from those projected.

This Offering Memorandum contains forward-looking statements regarding, among other things, the projections set forth in "Profit and Cash Flow Projections of the fund" of our operating results and distributions for the Projection Period 2013 and the Projection Fiscal Year 2014, respectively. The financial projections are subject to a number of assumptions which are set out in Annex 6 of the Prospectus. Although the projections have been prepared after due and careful deliberation by the Management Company, the assumptions underlying the projections are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks, uncertainties and contingencies, many of which are outside of our control and subject to change. In addition, our investment income is dependent on a number of factors, including the Sale Revenue, which may decrease for a number of reasons discussed in sections 13.1 "Risks Relating to the Organization and the Structure of the Fund" and 13.2 "Risks Relating to the BTS SkyTrain Business".

These factors may adversely affect our ability to achieve the projected operating results and distributions as some or all of the events and circumstances assumed may not occur as expected, or events and circumstances that are not currently anticipated may arise. We cannot assure you that the assumptions will be realized or that actual distributions will be as projected. If we do not achieve the projected operating results, we may not be able to make the expected distributions, in which case the market price of the Investment Units may decline materially.

Furthermore, these projections were not prepared with a view toward compliance with Thai GAAP or U.S. GAAP. The Fund and the Management Company will not, and disclaims any obligation to, furnish updated business plans or projections to unitholders, or to otherwise make public such information.

13.1.13 Operating risks inherent in the mass transit industry and increases in cost of farebox (excluding depreciation and amortization expenses), capital expenditures and other expenses relating to the BTS SkyTrain would have an adverse effect on our business, financial condition, results of operations and prospects.

The Sale Revenue that we expect to receive, and therefore our ability to make distribution payments to Unitholders, could be affected if the cost of farebox (excluding depreciation and amortization expenses), capital expenditures and other expenses of the BTS SkyTrain Business increase without a corresponding increase in farebox revenues.

BTSC's cost of farebox (excluding depreciation and amortization expenses) accounted for 71.6% and 70.1% of BTSC's total operating expenses (excluding depreciation and amortization expenses) from the BTS SkyTrain Business in the fiscal year ended March 31, 2012 and in the nine months ended

December 31, 2012, respectively. BTSC's cost of farebox may increase due to factors beyond its control, including the following:

- compliance with BTSC's obligations to maintain, renew and replace the operating assets and infrastructure of the BTS SkyTrain in order to meet the standards prescribed by the BMA from time to time;
- compliance with safety and operating performance standards from the BTS SkyTrain which may be enhanced by the BMA;
- any requirement to operate at a certain level of service despite reduced demand (such as operating trains for a certain minimum number of hours and with prescribed frequency);
- 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 insurance premiums;
- any increase in mandatory employee benefits;
- any increase in the amounts BTSC may have to pay to Siemens under the Maintenance Agreement, which are based on a specified annual mileage run per train and adjustable upwards to take into account additional mileage and other events, or to any other third party contractor; or
- any change in Government fiscal or other policies that affect transportation operations or demand.

Under the Concession Agreement, the BMA is only required to compensate BTSC against expenses incurred by BTSC in limited circumstances, and aside from those limited circumstances, BTSC has no right to obtain reimbursement of expenses from the Government or the BMA. We cannot assure you that BTSC will be able to obtain compensation of these expenses from the BMA or 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 Sale Revenue and, consequently, adversely affect our business, financial condition, results of operations and prospects.

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 revenue sufficient to meet cost of farebox, capital expenditures and other expenses related to the BTS SkyTrain Business, our Sale Revenue and ability to make distribution payments will be materially and adversely affected.

13.1.14 We may face repayment and refinancing risks with respect to any future debt and may not be able to obtain any required future financing on acceptable terms or at all.

We may need to expend capital periodically for periodic maintenance and upgrading of the BTS SkyTrain. In addition, we may require a significant amount of capital or debt financing in order to fund the acquisition of additional investments, including the exercise of the Fund's right to purchase and/or right of first refusal under the Net Revenue Purchase and Transfer Agreement and Sponsor Support and Guarantee Agreement, as the case may be.

In order to comply with the Fund Scheme and the SEC Act, if the Fund has an adjusted net profit in a given year, it is required to pay not less than 90% (or any other percentage as may be permitted by the

SEC Act from time to time) of the adjusted net profit for the year as dividend distributions to Unitholders. If the Fund has accumulated profits, it may pay distributions to Unitholders out of such accumulated profits and capital reduction. Dividend distributions may not be made in the case of accumulated loss. As a result of this dividend distribution requirement and in light of our stated policy of making dividend distribution payments amounting to no less than 90% of our adjusted net profit, we may not be able to meet all of our obligations to repay any future borrowings through our cash flow. We may be required to repay maturing debt with funds from additional debt or equity financing or both.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds from other capital sources, such as the issuance of new Units, we will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

Refinancing and additional debt or equity funding may not be available as and when required or on terms acceptable to us. We may be subject to the risk that the terms of any refinancing undertaken will be less favorable than the terms of the original borrowings. We may also be subject to certain covenants that may limit or otherwise adversely affect our ability to make distributions to Unitholders. Such covenants may also restrict our ability to undertake additional investments and may require us to set aside funds for maintenance or repayment of security deposits. The Fund is subject to a debt to equity ratio limit of no more than three times (3:1) or such other ratio as may be amended or prescribed by the Thai SEC from time to time. If debt is incurred, we will have a debt service obligation. This obligation may increase in the future due to rising interest rates. Any failure by us to service our indebtedness, maintain any required security interests or otherwise perform our obligations under financing agreements could lead to a termination of one or more of our credit facilities, trigger cross default provisions, penalties or acceleration of amounts due under such facilities, any or all of which may adversely affect our business, financial condition, results of operations and prospects.

If prevailing interest rates or other factors at the time of any refinancing (such as the possible reluctance of lenders to make loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting our cash flows and the amount of funds available for distribution to Unitholders.

13.1.15 The insurance coverage for the BTS SkyTrain may not be sufficient to cover all potential losses, and the Fund will be required to cover any shortfall in insurance proceeds and any uninsured amounts.

BTSC maintains insurance policies for the BTS SkyTrain covering third party insurance, general third party liability and product liability insurance, and property “all risks”, machinery breakdown and business interruption insurance, as required by the conditions specified in the Concession Agreement, as well as property terrorism insurance. The primary beneficiaries of these insurance policies are currently the BMA and BTSC and, under the Concession Agreement, insurance proceeds are required to be used for repairs to or reconstruction of the BTS SkyTrain, as the case may be.

Under the terms of the Net Revenue Purchase and Transfer Agreement, BTSC is required to obtain endorsements for each of its insurance policies relating to the BTS SkyTrain Business in order to include the Fund as co-beneficiary and additional co-insured, and the Fund is required to transfer such proceeds to BTSC to make repairs to or reconstruction of the BTS SkyTrain, as the case may be. However, the insurance policies do not provide coverage against the full amount of losses and some types of losses may be uninsured. Therefore, such insurance proceeds may not be sufficient to cover the full costs of such repairs or reconstruction, or the costs of such repairs or reconstruction may not be covered by insurance at all. Under the Net Revenue Purchase and Transfer Agreement, the fund is required to pay BTSC for any shortfall in insurance proceeds or compensate BTSC for any uninsured

amounts as long as the damage or loss is not caused by gross negligence or willful misconduct of BTSC. Accordingly, the occurrence of any loss, liability or damage which is not covered by BTSC's insurance policies, or which exceed the specified maximum coverage amount, or which are uninsured, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Further, the business interruption insurance coverage for the BTS SkyTrain relates only to business interruption that occurs as a direct result of damage to property or equipment, is subject to a declared value at risk based on BTSC's estimates of gross profit for the BTS SkyTrain for 12 months and to deductibles and limits, and may not fully compensate for all losses due to business interruption. Therefore, the Fund may not be fully compensated for the actual losses incurred. To the extent that actual losses incurred by the Fund exceeds the amount insured or declared value at risk, the Fund could have to bear substantial losses, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, we cannot assure you that BTSC will be able to renew its existing insurance coverage or obtain new insurance coverage at economically acceptable premiums or at all. BTSC's insurance premiums have increased significantly following the political demonstrations in April and May 2010 and the widespread flooding that occurred in Thailand, including Bangkok, between September and December 2011. We cannot assure you that BTSC's insurance premiums will not increase in the future. Any material increase in insurance premiums will increase BTSC's cost of farebox and reduce the Sale Revenue that the Fund receives, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.1.16 Our rights and the rights of Unitholders to recover claims against the Management Company and the Fund Supervisor are limited.

The commitment under the Fund Scheme between the Management Company and the Unitholders and the Fund Supervisor Appointment Agreement between the Management Company and the Fund Supervisor limit the liability of the Management Company and the Fund Supervisor, as the case may be, to any matter or thing done or suffered or omitted to be done by them in good faith in the absence of fraud, wilful default, breach of trust or where the Management Company or the Fund Supervisor fails to exercise due care (as defined in the Fund Scheme and agreement, as the case may be). In addition, the commitment under the Fund Scheme and the Fund Supervisor Appointment Agreement provides that the Management Company and the Fund Supervisor are entitled to be indemnified against actions, costs, claims, damages, expenses or demands to which it may be subject as the manager or supervisor of the Fund, respectively, so long as such action, cost, claim, damage, expense or demand is not occasioned by fraud, wilful default, breach of trust or where the Management Company or the Fund Supervisor fails to exercise due care. As a result, our rights and the rights of Unitholders to recover claims against the Management Company and the Fund Supervisor may be limited.

13.1.17 The Independent Appraisal Reports, and any underlying Reports, are not opinions on the commercial merits of the Fund nor are they opinions, expressed or implied, as to the future trading price of the Investment Units or the financial condition of the Fund upon listing, and the valuation contained therein may not be indicative of the true value of the Fund's assets.

American Appraisal (Thailand) Limited and FN Asia Advisory Co., Ltd. have been appointed as the independent appraisers (the "Independent Appraisers") to undertake independent appraisals of the Core BTS SkyTrain Business. The Independent Appraisers have each issued a report (each, an "Independent Appraisal Report"), and the executive summary of each Independent Appraisal Report is included in Annexes 2 and 3 of the Prospectus, respectively, each of which sets out its respective

opinion as to the valuation of the net future revenues of the Core BTS SkyTrain Business. The executive summaries of the Independent Appraisal Reports are summaries only and should not be considered to be a full description of the contents of the Independent Appraisal Reports. In order to issue their respective Independent Appraisal Reports, the Independent Appraisers based their assumptions regarding the underlying farebox revenue and cost on revenues forecast (based on projected ridership of the BTS SkyTrain Business), prepared by Systra MVA (Thailand) Ltd., dated November 2012, and on operational and maintenance expenses forecast, prepared by InfraAsia (Thailand) Co. Ltd., dated February 2013 (together with the report prepared by Systra MVA (Thailand) Ltd. and the Independent Appraisal Reports, the “Reports”). Each Report is based on various estimates and assumptions with respect to the Core BTS SkyTrain Business including its present and future financial condition, business strategies and environment in which it will operate in the future. These assumptions are based on information provided by and discussions with or on behalf of the management of the Management Company, BTSC and the Sponsor, and reflect current expectations and views regarding future events and therefore, necessarily involve known and unknown risks and uncertainties. The Reports contain forecasts, projections and other “forward-looking” statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to in these forward-looking statements involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. Furthermore, not all assumptions used in the preparation of the Reports have been included herein.

Each Report is not an opinion on the commercial merits and structure of the Core BTS SkyTrain Business, nor is it an opinion, expressed or implied, as to the future trading price of the Investment Units in or the financial condition of the Fund upon listing.

Each Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Core BTS SkyTrain Business or an investment in the Fund or the Investment Units. The Reports are not based on a comprehensive review of the business, operational or financial condition of the Fund and accordingly, make no representation or warranty, expressed or implied, in this regard. The Reports do not confer rights or remedies upon investors or any other person, and do not constitute and should not be construed as any form of assurance as to the financial condition or future performance of the Fund or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsor, BTSC, the Management Company, the Fund or the Initial Purchasers.

Further, we cannot assure you that the valuation prepared by the Independent Appraisers reflect the true value of the net future revenues of the Core BTS SkyTrain Business or that other independent appraisers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the Fund’s assets. The Reports have not been updated since the date of their issue, do not take into account any subsequent developments and should not be considered as a recommendation by the Sponsor, BTSC, the Fund, the Management Company, the Joint Bookrunners or any other party that any person should take any action based on the Reports. Accordingly, investors should not rely on any of such Reports, including the executive summaries of the Independent Appraisal Reports, in making an investment decision to purchase Investment Units in the Fund.

13.1.18 BTSC and the Sponsor may not be able to generate sufficient cash flows to meet their respective debt service obligations, thereby triggering an event of default under the Net Revenue Purchase and Transfer Agreement.

As of December 31, 2012, BTSC's aggregate total liabilities on a consolidated basis (including indebtedness not attributable to the BTS SkyTrain and therefore not reflected in BTSC's carve-out financial statements) amounted to THB12,046.1 million (US\$393.3 million), whereas the Sponsor's aggregate total liabilities on a consolidated basis are THB16,986.3 million (US\$554.6 million). In addition, on January 30, 2013, BTSC drew down THB 1,037.0 million (US\$33.9 million) under a bridging loan used to repurchase a portion of the Long Term Debentures, and an additional THB650.0 million (US\$21.2 million) under a loan used for BTSC's working capital. These bridging and working capital loans were refinanced in the amount of THB917.0 million (US\$29.9 million) and THB600.0 million (US\$19.6 million), respectively, in March 2013 and February 2013, respectively. In relation to BTSC's indebtedness, BTSC intends to use THB 10,637.6 million from the net proceeds from the sale of the Sale Revenue to request that a commercial bank issues a bank guarantee to secure BTSC's principal and interest obligations with respect to its Long Term Debentures, of which THB 9,461.0 million (US\$308.9 million) was outstanding as of December 31, 2012. BTSC's and the Sponsor's ability to make scheduled payments on, or to refinance their respective debt obligations, will depend on their respective financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond their control.

Under the terms of the Net Revenue Purchase and Transfer Agreement, the O&M Costs that are to be deducted from the Sale Revenue do not include any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC. BTSC and the Sponsor may not generate sufficient cash flow from operations and future sources of capital may not be available to BTSC or the Sponsor in an amount sufficient to enable each of them to service its respective indebtedness, or to fund its respective other liquidity needs. If BTSC or the Sponsor, as the case may be, is unable to generate sufficient cash flow and capital resources to satisfy its respective debt obligations or other liquidity needs, BTSC or the Sponsor may have to undertake alternative financing plans, such as refinancing or restructuring its respective debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financial could be obtained on acceptable terms, if at all.

In the absence of such operating results and resources, BTSC or the Sponsor could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its respective debt service and other obligations. Other credit facilities and the Net Revenue Purchase and Transfer Agreement will restrict the ability of BTSC or the Sponsor to dispose of assets and use the proceeds from the disposition. BTSC or the Sponsor may not be able to consummate those dispositions or to obtain the proceeds which could be realized from them and these proceeds may not be adequate to meet any debt service obligations then due. BTSC's and the Sponsor's inability to generate sufficient cash flows to satisfy its respective debt obligations, or to refinance its respective indebtedness on commercially reasonable terms and in a timely manner, could result in an event of default under the terms of its respective indebtedness, which would trigger an event of default under the Net Revenue Purchase and Transfer Agreement and result in the Fund taking control over BTSC, the business of which the Management Company and the Fund are not experienced in running.

In addition, BTSC's other creditors may make claims against BTSC with respect to the Sale Revenue.

13.1.19 Thai insolvency and bankruptcy laws and regulations may impair the enforceability of the Fund's rights under the Net Revenue Purchase and Transfer Agreement and the limited guarantee provided by the Sponsor, and may limit our ability to enforce our pledge or to enforce our rights under the Agreement to Purchase and to Sell Shares.

Under bankruptcy laws, fraudulent transfer laws, financial assistance, insolvency or unfair preference or similar laws in Thailand, where BTSC and the Sponsor are incorporated and where all of their significant assets are located, the enforceability of the transfer of the Sale Revenue and of the relevant security provided by the Sponsor, may be impaired if certain statutory conditions are met. In particular, the transfer of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement or the limited guarantee or the transfer of shares under the share pledge or the Agreement to Purchase and to Sell Shares may be revoked by the Thai court if at the time that BTSC or the Sponsor, as the case may be, incurred the relevant obligations:

- with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the Fund or the beneficiary of the limited guarantee, as the case may be, in a position which, in the event of BTSC's or the Sponsor's insolvency, as the case may be, would be better than the position the Fund or the beneficiary, as the case may be, would have been in had the transfer of the Sale Revenue or the limited guarantee not been made or given;
- by receiving less than reasonably equivalent value or fair consideration for the incurrence of such transfer of the Sale Revenue or such security;
- by receiving no commercial benefit;
- when BTSC or the Sponsor being insolvent or rendered insolvent by reason of such incurrence; or
- with intent to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

Limited Guarantee

If a court were to void the limited guarantee, or hold the limited guarantee unenforceable for any other reason, then the Fund would cease to have a claim against the Sponsor based upon such limited guarantee, and would solely be creditors of BTSC. We cannot assure you that there would be sufficient assets to satisfy the claims of the Fund after providing for all such prior claims.

Share Pledge

In addition, generally, secured creditors have priority in right of payment with respect to the collateral securing their claims notwithstanding the existence of a bankruptcy proceeding or business rehabilitation proceeding. However, the enforcement of security interest in Thailand during a bankruptcy proceeding or a business rehabilitation proceeding is subject to two principal restrictions. First, in a business rehabilitation proceeding, secured creditors will be subject to a stay on their right to enforce their security rights for the duration of the business rehabilitation plan except with the court's approval. There is no stay in a bankruptcy proceeding. If the Sponsor is involved in a business rehabilitation proceeding, this stay could delay the enforcement of our rights under the share pledge. In this case, the Fund will not be able to exercise its rights under the share pledge during the stay period to repossess and dispose of the BTSC shares without first seeking approval from the court. It is uncertain whether or when such approval would be granted. Second, if the debtor underwent a business rehabilitation proceeding, the secured creditors must exercise their rights to claim repayment within one month.

Net Revenue Purchase and Transfer Agreement and Agreement to Purchase and to Sell Shares

Our ability to exercise of our rights under the Net Revenue Purchase and Transfer Agreement or the Agreement to Purchase and to Sell Shares, as the case may be, is subject to various fraudulent transfer or preferential transfer laws. Under the Thai Bankruptcy Act B.E. 2483 (1940), as amended (the “Bankruptcy Act”) and the Thai Commercial and Civil Code, a transfer involving assets of a company undergoing a bankruptcy proceeding or a business rehabilitation can be voided by court order, where:

- such transfer of assets and/or transaction involving assets of the debtor is carried out with the debtor’s knowledge that it will prejudice creditors (except (a) in the event the relevant beneficiary is not aware that such act or transaction would prejudice the debtor’s creditors and (b) such transfer or transaction is made with appropriate consideration) (each, a “Fraudulent Transfer”); or
- such transfer of the debtor’s assets that intentionally provides preference to one or more of its creditors over other creditors, (a) is made in the three-month period prior the filing of the petition for bankruptcy or business rehabilitation, or (b) in the event the creditors granted such preference are the debtor’s insiders, is made within one year period prior to the filing of the petition for bankruptcy or business rehabilitation (each, a “Preferential Transfer”).

The term “debtor’s insiders” is defined under the Bankruptcy Act to include, among other things, a director, manager, auditor, person who is responsible for the operation of business or a shareholder (or his spouse and minor children) holding more than 5% of the total issued shares of the debtor. In any event, a cancellation of a Preferential Transfer will not affect the rights of third parties who acquire such rights in good faith and with consideration before the relevant bankruptcy petition or rehabilitation petition was filed.

The Bankruptcy Act provides that the following events invoke the presumption that BTSC or the Sponsor as the debtor and the Fund as the beneficiary are aware that such transfer or act would prejudice the debtor’s creditors, and thus is a Fraudulent Transfer: (i) the relevant transfer or act was made within one year before the filing of the bankruptcy petition or rehabilitation petition, as the case may be; or (ii) the transfer was gratuitous or a transfer from which BTSC or the Sponsor as the debtor received an unreasonably small amount. If this presumption is invoked, the burden of proof is on BTSC or the Sponsor, as the case may be, (as the debtor) and the Fund (as the beneficiary) to show that the Sponsor and the Fund were not aware that such transfer or act would be prejudicial and is not a Fraudulent Transfer.

13.1.20 Future changes in laws, regulations or enforcement policies in Thailand could adversely affect us.

Laws, regulations and enforcement policies in Thailand, including those regulating us, are evolving and are subject to future changes. Different regulatory authorities may have different interpretations and enforcement practices. Changes in laws, regulations, policies or government attitude towards our industry or the industry of the BTS SkyTrain Business could have adverse effects on our business, financial condition, results of operations and prospects.

If there is any future change in applicable laws or regulations, or interpretations of applicable laws or regulations, we may be required to obtain further approvals or to meet additional regulatory requirements. Compliance with the requirements could impose substantial additional costs to us which could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.1.21 Litigation costs and expenses could have a material adverse effect on our business, financial condition, results of operations and prospects.

Costs and expenses relating to any litigation or other proceedings that BTSC may incur relating to the BTS SkyTrain Business, including any damages awarded against BTSC in any such proceedings,

could be significant. Any such costs and expenses would affect the amount of Sale Revenue that we expect to receive and, if significant, could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.2 Risks Relating to the BTS SkyTrain Business

13.2.1 BTSC's ability to raise fares is limited and, in some circumstances, BTSC may be forced to decrease fares.

We rely on BTSC to determine and raise fares. 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. If the proposed adjustment is not agreed by the parties within 30 days, then an advisory committee established under the Concession Agreement (the "Advisory Committee") may be requested to decide whether such increase or decrease proposal is acceptable. If at such time it is against the Government's policy to permit a fare increase, BTSC will not be allowed to increase fares, although the Government may provide certain remedial measures to mitigate BTSC's loss. However, we cannot assure you that the Government will provide such a remedy or that any such remedy will flow through from BTSC to us to compensate us sufficiently. In any event, this remedy provision is broad and untested, and specific terms for such relief are undefined in the various agreements. Failure to amicably resolve issues with the BMA and the Ministry of Interior may require significant amounts of management time and may adversely affect our business, financial condition, results of operations and prospects.

In addition, 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 Sale Revenue. The last increase in Effective Fare was made by BTSC in March 2007 and accordingly, it cannot predict or estimate the impact any proposed fare increase might have in the future.

13.2.2 The Concession Agreement and the Long Term O&M Agreement can be terminated by the BMA or Krungthep Thanakom, respectively, subject to the triggering of certain events specified in such agreements.

Pursuant to the Concession Agreement, the occurrence of certain events or events triggered by the BMA would allow the BMA or BTSC, respectively, to terminate the Concession Agreement, unless these events are remedied within the specified cure period. Specifically, the BMA is entitled to terminate the Concession Agreement upon BTSC's bankruptcy or its wilful, continuous and material breach of the Concession Agreement. The BMA is required to provide BTSC with one month's prior

written notice before termination (in case of an incurable default) or six months' prior written notice before termination (in case of a curable default). If BTSC is unable to cure the default within the cure period, BTSC's creditors (which will include the Fund after BMA acknowledges the Fund as a BTSC creditor) will be entitled to a further six months in which to procure another party to accept an assignment of rights and obligations under the Concession Agreement. If the creditors do not find a suitable party to accept the assignment within such period, the BMA will be entitled to terminate the Concession Agreement. In that case, BTSC must compensate the BMA for damages, and the ownership of all equipment, controlling equipment and other assets situated on them land used for the BTS SkyTrain will be transferred to the BMA. Certain of BTSC's undertakings under the Concession Agreement are subject to interpretation. As a result, it may not be clear whether BTSC has satisfied its obligations under such undertakings. Although the BMA has not indicated that BTSC is in breach of any obligation under the Concession Agreement, we cannot assure you that BTSC has complied with or satisfied all the requirements under the Concession Agreement. If there is a wilful, continuous and material breach by BTSC of the Concession Agreement, the BMA may exercise its rights under the Concession Agreement, including its termination rights. If the Concession Agreement is terminated, BTSC would not be able to operate the BTS SkyTrain, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the Long Term O&M Agreement contains provisions entitling Krungthep Thanakom to terminate the Long Term O&M Agreement, similar to those under the Concession Agreement. If the Long Term O&M Agreement is terminated, BTSC would not be able to operate the Silom Line Extensions and the Sukhumvit Line Extension. If another operator operates these extensions, BTS SkyTrain passengers may experience increased inconvenience if these passengers commence travel within the Silom Line Extensions or the Sukhumvit Line Extension, as the case may be, and terminate travel outside the Silom Line Extensions or Sukhumvit Line Extension, as the case may be, or vice versa. Such inconvenience may result in reduced ridership within the original BTS SkyTrain network, which could have a material adverse effect on the Sale Revenue and our business, financial condition, results of operations and prospects. In addition, BTSC may also be liable for damages in connection with the Long Term O&M Agreement if there is a breach or termination of such agreement. Any party making a successful damages claim against BTSC may become a creditor of BTSC and seek to enforce their judgment by making further claims against BTSC with respect to the Sale Revenue.

13.2.3 The BTS SkyTrain faces competition from other forms of public transportation that may result in fare pricing pressures and reduced revenues.

The BTS SkyTrain faces substantial competition from other forms of transportation in Bangkok, which may cause pricing pressures and reduced revenues. The BTS SkyTrain has a variety of competitors in the mass transit industry, including Government-subsidised buses, minibuses and vans, most of which are less expensive than the BTS SkyTrain. Many of these other forms of transportation also cover more routes throughout Bangkok and its vicinities, and provide commuters with alternative access to Bangkok and its surrounding areas. In addition, other forms of transportation, such as the Bangkok MRT Subway, may also provide more comfort or a wider route network. We cannot assure you that the BTS SkyTrain will be able to compete with existing and new forms of transportation effectively in respect of each of these factors, or at all. Such competition and any resulting loss of the BTS SkyTrain's competitive advantages may have a material adverse effect on our business, financial condition, results of operations and prospects.

13.2.4 The BTS SkyTrain offers a limited coverage area and interchange stations, and relies on a feeder system linked to other forms of transportation.

The BTS SkyTrain runs along 23.5 km of rail lines with 23 elevated stations, including one common interchange or central station at the BTS Siam station. The BTS SkyTrain has, and will continue to have, a limited service route based on its elevated track, and relies on other transit feeder systems for a substantial portion of its ridership. The development of these feeder networks, including the various Silom Line and Sukhumvit Line current and future extensions, the Bangkok MRT Subway and its future subway lines, as well as the bus network, are outside our and BTSC's control.

Our Sale Revenue and, as a result, our future growth may be adversely affected if these feeder systems discontinue, break down, their development is delayed, or if the feeder network coverage area is not expanded. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

The BMA is considering the addition of a second track at the Taksin Bridge station that may involve the permanent dismantling of the station. BTSC has not received any written notification from the BMA regarding the closure of the Taksin Bridge station or any timeframe with respect to any such closure. We cannot assure you that the construction of the second railway track and any closure of the station would not have a material adverse impact on our net farebox revenues, would not result in any material disruptions to the operations of the BTS SkyTrain, or would not otherwise adversely affect our business, results of operations, financial condition and prospects.

13.2.5 Power is critical to the operations of the BTS SkyTrain and BTSC is dependent on the Bangkok Metropolitan Electricity Authority (the "MEA") for BTS SkyTrain's power supply.

The operations of the BTS SkyTrain are dependent on the availability of power, which is supplied from the MEA. Two supply distribution stations are used, one at the depot at Mo Chit and the other at Soi Paisingto, Rama IV Road. The BTS SkyTrain was designed to operate from both or from either of these supply stations. Emergency power supplies are available in the event of a power failure but only for purposes of maintaining the operation of safety systems, preserving certain data and the data system necessary for the resumption of services, and the movement of trains to the nearest station in the event of a normal power interruption. However, such auxiliary power supplies are not sufficient to restart the operations of the trains. Because the MEA is the sole supplier of power, power outages, or any significant interruption or delay in the supply of power or its inability to supply power in the required amounts in a timely manner would disrupt the BTS SkyTrain's operations. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.2.6 Neither we nor BTSC owns the BTS SkyTrain or the property on which the BTS SkyTrain stations and railways are located.

Pursuant to the Net Revenue Purchase and Transfer Agreement, we have purchased only the Sale Revenue derived from the Concession Agreement. Pursuant to the Concession Agreement, the BTS SkyTrain was constructed on public land provided to BTSC by the BMA. The BMA provides BTSC with the exclusive right to use the land during the term of the concession, but continues to retain its ownership of the land. Since BTSC completed construction of the BTS SkyTrain, legal ownership of the immovable property constructed on the land which becomes a fixture on the land or a component part thereof was transferred to the BMA. In addition, on expiry of the Concession Agreement, equipment and controlling equipment situated on the immovable properties and, if required by the BMA, equipment and controlling equipment constructed on the land other than the land procured by the BMA, and any other office equipment used for purposes of the BTS SkyTrain will become the property of the BMA. All rights in relation to software, copyright or patent rights BTSC has in

relation to the BTS SkyTrain Business will also be transferred at that time. If these limits on BTSC's ownership and rights over property are maintained against BTSC, BTSC's use of the property for the BTS SkyTrain may be severely limited, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

13.2.7 Defects within the BTS SkyTrain, poor maintenance of the BTS SkyTrain, or failure to comply with operational procedures may result in injury, damage or financial loss.

Defects within the BTS SkyTrain, poor maintenance of the BTS SkyTrain or failure to comply with operational procedures could cause BTSC to fall short of certain performance standards prescribed by the Concession Agreement and incur increased cost of farebox. BTSC may be assessed heavy fines and penalties by the BMA for any failure to comply with the prescribed minimum performance and reliability standards. Additionally, these events could decrease revenues as a result of service delays or interruptions to the BTS SkyTrain, or could render BTSC liable to pay damages if any such event causes any injury to a passenger or an employee.

If one of the 35 trains purchased from Siemens is damaged, under the Maintenance Agreement, Siemens as the maintenance contractor is obligated to repair, and as necessary, retrofit any defective portion of the electrical and mechanical works. Siemens Limited ("**Siemens**") is required to pay liquidated damages capped at 5% of the annual lump sum maintenance fee for the failure to meet certain performance standards. We cannot assure you that any such compensation will be sufficient to compensate for all our losses associated with operational and maintenance deficiencies, or at all. In addition, the Maintenance Agreement does not cover the additional 12 trains purchased from Chanchun Railway Vehicles ("**CRC**"). BTSC provides for such maintenance itself. Accordingly, BTSC will not receive any compensation for losses associated with operational and maintenance deficiencies of such trains.

13.2.8 Compliance with, and changes in, health and environmental laws and regulations may adversely affect BTSC and our Sale Revenue.

BTSC is subject to extensive environmental, health and safety laws and regulations governing noise control, waste management and other aspects of its mass transit operations. A violation of these laws and regulations or permit conditions can result in substantial fines, criminal sanctions, permit revocations and operational shutdowns.

BTSC has incurred, and BTSC expects to continue to incur, costs to comply with such environmental, health and safety laws and regulations. In addition, new laws and regulations or stricter enforcement of, or changes to, existing laws and regulations may give rise to liabilities to the Government or to third parties and may require BTSC to incur substantial costs beyond those currently anticipated, which may decrease the Sale Revenue payable to us and have a material adverse effect on our business, financial condition, results of operations and prospects.

13.2.9 The BTS SkyTrain is subject to various Government laws and policies that may adversely affect us and BTSC and a Thai government agency has made allegations against Krungthep Thanakom, BTSC and certain BMA and Krungthep Thanakom and BTSC executives.

BTSC conducts the Core BTS SkyTrain System in accordance with the Concession Agreement and the Extension BTS SkyTrain System in accordance with the Long Term O&M Agreement. While revenues under the Long Term O&M Agreement are not part of the Sale Revenue, that agreement affects the operations of the Extension BTS SkyTrain System, which feed passengers to the BTS SkyTrain. Circumstances may arise where the parties have different interpretations on the terms and conditions of, or the laws governing, these agreements.

For example, on January 2, 2013, the Department of Special Investigation in Thailand announced that it would launch an investigation against the executives of the BMA, Krungthep Thanakom and its executives and BTSC and its executives, including Mr. Sukhumbhand Paribatra (the Governor of Bangkok), Mr. Keeree Kanjanapas (BTSC's Chairman), Mr. Surapong Laoha-Unya (a director and the Chief Operating Officer of BTSC), alleging that the Long Term O&M Agreement was not legally executed and therefore these persons have conducted business without authorization or concession from the Minister of Interior, which is in violation of the Announcement No. 58 of the National Executive Council dated January 26, 1972. If the DSI concludes that there is wrongdoing following the investigation, the DSI may refer its investigative results to the public prosecutor who then has the power to institute legal proceedings in the relevant court if it concurs with the DSI's findings. We cannot predict whether any proceeding, conviction or further civil action will be initiated or made against BTSC or its management as a result of such investigation and for how long such proceedings (if any) will last or when it may be completed. If convicted under criminal charges, such persons may be subject to a maximum of one year's imprisonment or a fine of up to THB 20,000 or both. Any unfavorable judgment by the relevant Court relating to the BMA's or Krungthep Thanakom's authority to enter into the Long Term O&M Agreement may result in the invalidation or termination of the Long Term O&M Agreement and/or the conviction of such persons, which may materially and adversely affect our business, financial condition, results of operations and prospects. In addition, if the Long Term O&M Agreement were to be invalidated and BTSC were to be ordered to return the fees that it will have earned under the Long Term O&M Agreement prior to such invalidation, we cannot assure you that BTSC will be compensated. Also, BTSC could be ordered to pay damages or compensation in any civil action in relation to the invalidation of the Long Term O&M Agreement. Any claims against BTSC for such O&M fees and damages or compensation in relation to the invalidation of the Long Term O&M Agreement and/or the violation of relevant laws may affect the ability to deliver the Sale Revenue to the Fund, and such an invalidation and order may materially and adversely affect our business, financial condition, results of operations and prospects and may result in an event of default under the Net Revenue Purchase and Transfer Agreement.

Moreover, if the Long Term O&M Agreement becomes invalid or is terminated and the Extension SkyTrain System is no longer operated by BTSC, certain O&M Costs of BTSC incurred for the operation of the entire BTS SkyTrain that are planned to be shared proportionately between the Core BTS SkyTrain System and the Extension SkyTrain System (e.g., BTS SkyTrain employee salaries), may need to be fully absorbed by the Fund, in which case the Net Revenue expected to be received by the Fund may be reduced.

In addition, the Government, through the BMA, the Ministry of Interior and other agencies, may seek to influence the BTS SkyTrain in order to pursue certain public interests and economic, political and social policies. The actions of the Government may not be consistent with the goal of maximizing profit and, therefore, may not be in BTSC's or our best interests. If the Government acts or causes BTSC to act in a way other than in its or our best interests, the Sale Revenue, our rights to purchase and right of first refusal in relation to the revenues, rights, benefits and/or title under the Long Term O&M Agreement, and hence our business, financial condition, results of operations and prospects, may be adversely affected.

13.2.10 BTSC is highly dependent on certain directors, members of senior management and employees skilled in rail operations who are in short supply in Thailand.

BTSC's directors and members of BTSC's senior management have been an integral part of BTSC, and the experience, knowledge, business relationships and expertise that would be lost if any such persons leave BTSC may be difficult to replace and may result in a decrease in BTSC's operating

efficiency, which could increase cost of farebox. If BTSC loses the services of any such person and is unable to attract, retain and motivate highly skilled, qualified and experienced personnel, the BTS SkyTrain could suffer reduced profitability. Mr. Keeree Kanjanapas (BTSC's Chairman) and Mr. Surapong Laoha-Unya (a director and the Chief Operating Officer of BTSC) have been notified to hear accusations and possible charges made by the DSI in relation to the execution of the Long Term O&M Agreement. If Mr. Keeree Kanjanapas and Mr. Surapong Laoha-Unya were to be sentenced to imprisonment by a final court judgment, they may be disqualified from acting as directors and executive officers of BTSC. Even if BTSC were to be successful in attracting and retaining such personnel, competition for such employees may significantly increase its compensation costs. Any or all of these factors would decrease the amount of Sale Revenue that is payable to us and adversely affect our business, financial condition, results of operations and prospects.

BTSC relies on its skilled and dedicated employees to manage and operate the BTS SkyTrain. BTSC is the first operator of a mass rapid transportation system in Thailand, BTSC incurred high costs in selecting, employing, and training its personnel to manage and operate the BTS SkyTrain. In addition, BTSC faces competition from other mass transportation operators for its specialist employees. To the extent these mass transportation operators expand their operations and other forms of mass transportation systems open, BTSC's ability to attract and retain employees may be adversely affected. If BTSC encounters a significant loss of skilled employees, it will have to consider employing staff from outside Thailand or recruit new staff who will have to undergo specialist skills training, which will increase BTSC's costs and decrease the amount of Sale Revenue that is payable to us.

13.2.11 BTSC could be adversely affected by strikes, work stoppages or increased wage demands by its employees or any other kind of disputes with its employees.

As of December 31, 2012, BTSC employed 1,958 employees. Although none of BTSC's employees is unionized and BTSC has not experienced any collective work stoppages, there can be no assurance that operations of the BTS SkyTrain will not be disrupted due to disputes or other problems with BTSC's work force. Further, efforts by labor unions to organise BTSC's employees, similar to those that occurred with respect to employees of other mass transit companies around the world, may divert management's attention and increase BTSC's operating expenses. BTSC may be unable to negotiate acceptable collective bargaining agreements with those who have chosen to be represented by unions. The foregoing could lead to union-initiated work stoppages, including strikes, which could adversely affect the operations of the BTS SkyTrain, and which would adversely affect the amount of Sale Revenue that is payable to us and our business, performance, results of operations and prospects.

13.2.12 Terrorist attacks, rumours or threats of terrorist attacks, war, natural disasters or actual conflicts or accidents may negatively impact our business, financial condition, results of operations and prospects.

On December 31, 2006, and into January 1, 2007, several bombs exploded in central Bangkok and its vicinities, killing at least three people and injuring more than 35 people. Though the BTS SkyTrain was not targeted, some explosions occurred near the BTS SkyTrain lines and major retail, business, hotels, residential and tourist areas of central Bangkok. In March 2010, anti-Government protestors launched new protests aimed at removing the coalition Government and holding new elections. The protesters first occupied areas around Government House and moved to an encampment in Bangkok's city centre. Over the course of two months, the demonstrations turned violent and the Government declared a state of emergency in Bangkok on April 7, 2010. As a result, BTSC suspended operations of the BTS SkyTrain for eight full days and provided limited service for an additional 19 days from April to May 2010. We cannot assure you that such events will not occur in Bangkok in the future.

Any future occurrence of such events may cause BTSC to suspend or provide limited BTS SkyTrain services, which would materially and adversely affect our business, financial condition, results of operations and prospects.

Moreover, terrorists have targeted and attacked public transportation systems around the world, including those in London and Madrid. On March 11, 2004, explosions occurring aboard four commuter trains in Madrid killed over 190 people and injured more than 1,700 people. Subsequently, in July 2005, bombs set off in London's underground and bus systems killed more than 50 people and injured more than 700 people. It is possible that terrorists will seek to attack or launch other attacks on or affecting the mass transportation system in Bangkok, including the BTS SkyTrain. In addition, attacks involving the BTS SkyTrain can cause personal injury and loss of life. We cannot assure you that the amount of BTSC's insurance liability coverage will be adequate in the event of an accident. Any such attacks or accidents will have a material and adverse effect on our business, financial condition, results of operations and prospects.

In addition, the widespread flooding that occurred in Thailand, including Bangkok, between September and December 2011 adversely affected passenger volumes.

13.3 Risks Relating to the Investment Units

13.3.1 There has been no prior market for the Investment Units.

The Management Company will apply to have the Investment Units approved for listing and trading on the SET after the registration of the pool of assets (the proceeds derived from the Offering) to establish the Fund with the Thai SEC. According to Thai securities law, registration to establish the Fund must occur no later than 15 Business Days from the completion of the Offering. However, the Investment Units comprise a new issue of securities for which there is currently no public market. We cannot provide any assurances as to the liquidity of any market that may develop for the Investment Units, the ability of holders to sell their Investment Units or the prices at which holders would be able to sell their Investment Units. The Investment Units could trade at prices that may be lower than the offering price depending on many factors, including prevailing economic and financial conditions in Thailand, our operating results and the market conditions for similar securities.

Furthermore, the market for infrastructure funds in Thailand is an emerging market, which could lead to a lack of liquidity for the Investment Units and a general lack of investor demand. In addition, the trading price of the Investment Units may not reflect our actual operating results and it may not be possible to compare our performance against either domestic or international benchmarks. We cannot assure you that an active market for infrastructure funds will develop in Thailand.

13.3.2 The price of the Investment Units could fluctuate significantly and you may not be able to resell the Investment Units at or above the offering price.

The trading price of the Investment Units after the Offering may be at prices significantly below the offering price of the Investment Units. The price of the Investment Units will depend on factors, including:

- the perceived prospects of our performance and investments and the Thai mass transit industry;
- difference between our actual financial and operating results and those expected by investors and analysts;
- the issue of new or changed securities analysts' reports or recommendations;
- changes in general economic, political or market conditions;

- the market value of our assets;
- the perceived attractiveness of the Investment Units against those of other equity securities, including those not in the mass transit sector;
- the balance of buyers and sellers of the Investment Units;
- any sale or intended sale of a substantial amount of Investment Units by existing Unitholders;
- the future size and liquidity of the Thai mass transit sector or other infrastructure businesses;
- legal and regulatory developments and changes, including the tax system, both generally and specifically in relation to Thai infrastructure funds and investments in Thailand or overseas;
- foreign exchange rate fluctuations;
- litigation and governmental investigations;
- broader market fluctuations, including any weakness of the equity market and increases in interest rates; and
- any inability on our part to implement successfully our investment and growth strategies.

These and other factors may cause the market price and demand for our Investment Units to fluctuate substantially, or may result in the Investment Units trading in the secondary market at prices that are higher or lower than the NAV per Investment Unit. To the extent we retain profits for additional investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets higher than the NAV if we do not retain profits, may not correspondingly increase the market price of the Investment Units. Any failure on our part to meet market expectations with regard to future earnings and distributions may adversely affect the market price of the Investment Units, which may limit or prevent you from readily selling our Investment Units and may otherwise negatively affect the liquidity of our Investment Units. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company or entity that issued the stock. If any of the holders of Investment Units were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit or if the lawsuit is ultimately resolved against us, we could incur substantial costs in damages. Such a lawsuit could also divert the time and attention of the Management Company from our business.

In addition, the Investment Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If we are dissolved or liquidated, it is possible that you may lose all or a part of your investment in the Investment Units.

Furthermore, the current tax regulations in Thailand do not impose any corporate taxes on the income of mutual funds, including the Fund. If there are any changes to the tax regulations, other laws or regulations such that the Fund and/or the Unitholders become subject to taxes, BTSC is not required to reimburse such tax payments and such tax payments may have a material and adverse effect on our business, financial condition, results of operations and prospects and the Unitholders' investment in the Fund and may also result in a lower level of distributions to Unitholders and/or higher tax liabilities to the Unitholders.

13.3.3 Certain Unitholders may not have favorable tax treatment if the Fund does not fulfill or comply with the implementing secondary tax regulations.

The royal decree dated October 9, 2012 (the “Royal Decree”) issued pursuant to the Thai Revenue Code grants an exemption from the payment of income taxes to individual unitholders of infrastructure mutual funds (except unitholders who are ordinary partnerships or non-juristic groups of persons) in respect of dividends received from infrastructure mutual funds for a period of ten years from the registration of such infrastructure mutual funds. However, according to the Royal Decree, such tax exemption granted to individual unitholders of infrastructure mutual funds is subject to implementing secondary regulations as issued by the Director-General of the Revenue Department.

On March 7, 2013, the Revenue Department issued an announcement which sets out the conditions to be met by infrastructure mutual funds in order for their unitholders to enjoy personal income tax exemptions on dividend income. However, there is one condition that the Fund could not have complied with, which is the requirement that the Management Company notify the Revenue Department within 30 days from the date on which the Management Company filed the application for establishment and management of the Fund with the Thai SEC, which was November 19, 2012. The Management Company was unable to comply with this requirement because the announcement of the Revenue Department became effective on March 7, 2013, which is after such required notification period. The Fund or the Management Company will consult with or request a waiver (if necessary) from the Revenue Department. We cannot assure you that the Management Company or the Fund will be able to comply with the conditions which may be required by the Revenue Department or such waiver will be granted. If the Management Company or the Fund cannot comply with the conditions or the waiver is not granted, individual Unitholders may be subject to full income tax on distributions in respect of the Investment Units, and the tax benefit expected to be enjoyed by individual Unitholders in investing in the Investment Units may be adversely impacted.

13.3.4 Future sales of the Investment Units, and the availability of large amounts of Investment Units for sale, could adversely affect the trading price of the Investment Units.

Upon completion of the Offering, BTSG will own an aggregate of 33.33% of the issued and outstanding Investment Units of the Fund. BTSG has agreed with the Management Company on behalf of the Fund that from the Closing Date until the date that is 10 years from the Closing Date, BTSG will not, without the written consent of the Fund, offer, sell or otherwise dispose of any securities of the same class as the Investment Units offered in the Offering or any securities convertible into or exchangeable for the Investment Units of the same class as the Investment Units offered in the Offering. Under the lock-up provisions agreed with the Management Company on behalf of the Fund, BTSG will be free to sell the Investment Units it controls any time after April 2023.

Cornerstone investors are not subject to any lock-up restrictions with respect to their respective holdings of Investment Units.

Significant sales of the Investment Units by BTSG or by one or more cornerstone investors, or the perception that significant sales may occur, could adversely affect the trading price of the Investment Units. We cannot predict the effect, if any, that future sales, or the availability of Investment Units for future sale, will have on the market price of the Investment Units prevailing from time to time. Sales of substantial amounts of Investment Units in the public market following the Offering, or the perception that such sales may occur, could adversely affect the market price of the Investment Units on the SET. These sales may also make it more difficult for us to raise capital through the issue of new investment units at a time and at a price we deem appropriate.

13.3.5 Our Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Fund.

After the completion of the Offering, BTSG will own an aggregate of 33.33% of the issued and outstanding Investment Units of the Fund, subject to the Securities Law permitting the Management Company to set aside a portion of Investment Units for allocation to the Sponsor in the Offering. In addition, BTSG will continue to have substantial control over the BTS SkyTrain Business through its 97.46% shareholding in BTSC, and one-third representation on BTSC's Board of Directors. The Sponsor will therefore be in a position to exercise significant influence in matters which require the approval of Unitholders. The Sponsor will also exercise significant influence over any removal of the Management Company. In addition, certain directors of the Sponsor are also directors or executive officers of BTSC. The interests of BTSG and its directors may differ from and conflict with the interests of the Fund and our other Unitholders and BTSG is free to exercise its votes according to its interests.

We also rely on the Sponsor to comply with its obligations under the various transaction agreements to which it is a party.

If the Sponsor fails to perform its obligations, our ability to control BTSC will be adversely affected and we may not be able to be compensated in full or at all. This would have a material adverse effect on our business, financial condition, results of operations and prospects, and you may not be able to recover all or any part of your investment. We are subject to corporate disclosure and accounting requirements that differ from those in other countries.

13.3.6 We cannot assure you that we will be able to make distribution payments on the Investment Units or maintain any given level of distributions.

The Sale Revenue that we receive depends on, among other factors, the amount of farebox revenues received and the amount of operating and other expenses incurred in relation to the BTS SkyTrain. If the Sale Revenue and any other assets that we may acquire or hold from time to time do not generate sufficient income, our income, cash flow and ability to make distributions will be adversely affected.

We cannot provide any assurances that we will be able to pay distributions or maintain distribution levels pursuant to our stated distribution policy. Nor can we provide you with any assurance that the level of distributions will increase or be maintained over time, or that there will be increases in Sale Revenue, or that future acquisitions of investments will increase our income available for distribution payments to Unitholders.

13.3.7 Unitholders are unable to require the repurchase of their Investment Units.

As the Fund is a closed-end infrastructure fund, Unitholders are not able to require the Management Company to repurchase their Investment Units. Therefore, we cannot assure you that you will be able to dispose of your Investment Units at the price at which you purchased the Investment Units or any price, or at all. Accordingly, you may only be able to liquidate or dispose of your Investment Units through a sale of such Investment Units to third parties on the SET.

13.3.8 The proceeds from a dissolution of the Fund may be less than the amount invested by you in the Offering.

If the Fund is dissolved, depending on the circumstances under which we are wound up or dissolved and the terms upon which our assets are disposed of, we cannot assure you that you will recover all or any part of your investment.

13.3.9 *The Management Company may only be removed by a resolution of Unitholders representing not less than 50.0% of the Investment Units outstanding or the Thai SEC.*

Under the Fund Scheme, the Management Company may only be removed by Unitholders by way of a resolution of Unitholders representing not less than 50.0% of the Investment Units outstanding. All Unitholders will be able to vote on the resolution to remove the Management Company. However, the Sponsor, through its 33.33% holding in the Fund after the Offering, will have significant influence over any resolution to remove the Management Company. The SEC can remove the Management Company in the event that (i) the Management Company does not adhere to the Fund Scheme and (A) the SEC considers such breach to have an adverse effect on the interest of the shareholders and (B) the Management Company fails to remedy such breach as ordered by the SEC or (ii) the Management Company is no longer qualified as a mutual fund manager.

13.3.10 *The fund may have to be dissolved if no investment is made within the period specified by the law or upon the occurrence of an event which requires dissolution by law or provides grounds for the Office of the SEC to revoke the approval to establish and manage the Fund.*

After the Fund Registration Date, the occurrence of any one or more of the following events may require the Management Company to dissolve the Fund:

- the Fund fails to invest in its initial asset, which is required to amount to at least 75% of its total assets, within six months from the Fund Registration Date whether due to an inability to satisfy the conditions precedent under the Net Revenue Purchase and Transfer Agreement or to an inability to obtain sufficient funds to purchase infrastructure assets;
- the number of Unitholders is fewer than 35, unless approval from the Office of the SEC is obtained;
- the Fund disposes of the Sale Revenue and the Management Company is unable to make any further investment to meet the required investment of no less than THB1.5 billion, and amounting to at least 75% of the Fund's total assets, within one year from such disposition; and
- the Office of the SEC orders or revokes its approval for the establishment of the Fund.

Upon a dissolution of the Fund, the Unitholders may not be refunded in full for their subscription payment for the purchase of Investment Units, as the Fund would be required to undergo a liquidation process under which expenses related the establishment and management of the Fund will be deducted before a capital return is made to the Unitholders.

13.3.11 *The market price of the Investment Units may decrease if the value of additional Investment Units offered for sale has a lower price than the value of the Investment Units before such offering.*

After the initial public offering of the Investment Units, we may issue additional Investment Units at an Offering Price lower than the market price of the Investment Units before such offering. A lower Offering Price may cause the market price of the Investment Units to decrease.

Fund Dissolution

The fund shall be dissolved upon one of the following events:

- (i) The number of unitholders is less than 35, unless approval from the Office of the SEC is obtained.
- (ii) The fund capital is less than Baht 2,000,000,000 (calculating from the par value) as a result of a capital reduction by using proceeds from the disposition of infrastructure assets.

- (iii) When infrastructure assets are disposed and the management company cannot make any further investment to meet the required investment ratio (i.e. no less than Baht 1,500,000,000, amounting at least 75% of the total assets) within one year from such disposition.
- (iv) The Office of the SEC orders or revokes its approval for the establishment of fund.
- (v) End of the fund's term (if any).
- (vi) Other events where the management company shall notify the fund supervisor, the Office of the SEC, the SET and the unitholders in writing at least five business days in advance.
- (vii) The fund is unable to appoint a new management company within 90 days from the date on which the resignation of the management company is notified.
- (viii) Resolution of the unitholders.
- (ix) The Office of the SEC orders the cancellation of the fund according to Section 128 of the Securities and Exchange Act B.E. 2535 (as amended).

Procedures for Fund Dissolution

Upon dissolution of the fund, the management company or the liquidator, as the case may be, shall:

- (i) The management company shall either itself act as a liquidator or appoint another person as prescribed by the Office of the SEC as the fund's liquidator.
- (ii) Upon an appointment of the liquidator, the management company shall deliver and arrange for the fund supervisor to deliver to the liquidator the fund's accounts and related documents within five business days.
- (iii) The management company shall deliver the fund's certified financial statements as at the date of dissolution, audited and reviewed by the auditor and certified by the management company, to the liquidator within 15 business days.
- (iv) The liquidator shall dispose of the assets of the fund in manner that is in the best interest of the fund, pay the debts of the fund, collect and distribute money or assets to unitholders as determined by the management company in proportion to their respective unitholders according to the unitholders register book, as well as to do any other necessary acts to complete the liquidation in accordance with the rules, conditions and procedures as prescribed under the securities law.
- (v) After the liquidation is completed, the liquidator shall then apply for dissolution registration, and submit the liquidation results to the Office of the SEC.

Financial Advisory

Phatra Securities Public Company Limited

Fund Supervisor

Standard Chartered Bank (Thai) Public Company Limited

Registrar

Thailand Securities Depository (Thailand) Co., Ltd.

Auditor

Ernst & Young Limited

Accounting Period

From April 1 to March 31

Distribution Policy

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

- (1) Subject to the Securities Law, any proposed payment of dividend will be made to all unitholders from the "adjusted net profit", in aggregate for each financial year, at a rate of no less than 90% of the "adjusted net profit".

"Adjusted net profit" shall mean the net profit of the fund in the relevant financial year, adjusted by:

- (a) deduction of the unrealised gain from the appraisal of infrastructure assets and other adjustment items in accordance with the guideline of the Office of the SEC, to be in line with the cash basis of the fund;
- (b) deduction of provision for cash flow for repair, maintenance or improvement of the infrastructure business of the fund according to the plan clearly prescribed in the fund scheme and the prospectus or as informed by the management company to the unitholders in advance;
- (c) deduction of provision for cash flow for repayment of loans or obligations under the borrowing policy as informed by the management company to the unitholders in advance.

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

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

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

Unitholders’ restriction to receive dividend

Subject to the Investment Unit holding restrictions, if any Unitholder or his Persons within the Same Group or any Foreign Investor holds the Investment Units in excess of the limit permitted, the Management Company will not make a dividend payment to that individual or his Persons within the Same Group or such Foreign Investor only with respect to such excess portion unless the SEC has allowed otherwise.

Any Unitholder or his Persons within the Same Group or any Foreign Investor holding Investment Units in excess of the limit shall not be entitled to dividend with respect to such excess portion. The relevant amount of dividend shall be given to the State whereby all Unitholders shall be deemed to acknowledge and consent to such giving. While the Management Company is proceeding therewith, such dividend shall be segregated from other Assets of the Fund, and shall not be counted in the calculation of the NAV unless and until the Fund is dissolved.

In paying dividend to Unitholder or his Persons within the Same Group or any Foreign Investor who holds the Investment Units in excess of the limit permitted, the Management Company may pay the dividend to such Persons within the Same Group in respect of the portion of the Investment Units not exceeding the limit prorated to the respective holding of Investment Units of each of them.

Schedule and Methods of Distribution Payment

- (1) The management company will pay the dividend in Baht within 90 days from the end of relevant financial year or the relevant dividend period or in the case of interim dividend payment, within 90 days from the closing date of the registrar book for dividend payment. If the management company is not able to pay the dividends within such period, the management company shall notify the same to the unitholders and the Office of the SEC in writing.
- (2) The management company shall announce the payment of the dividends, the date of book closure, and the rate of dividends by:
 - (a) publishing in at least one daily newspaper;
 - (b) posting such announcement at every office or place of business of the management company;

- (c) sending a notice to the Unitholders whose names appears in the registrar book as at the date of book closure, the fund supervisor and the SET.

Only the unitholders whose names are recorded in the registrar book at the specified time will be entitled to receive the dividend as at the date of book closure.

- (3) The management company shall pay the dividends into the bank accounts of the unitholders or by an account payee only cheque in accordance with the list of the unitholders and their address as appears in the registrar book.
- (4) In the case that any of the unitholders does not exercise its rights to receive such the dividend distributions within the statutory prescription period, the management company will not utilise such dividend for any purpose other than for the benefit of the Fund.
- (5) The unitholders will also be entitled to receive the proceeds from the capital reduction in the event that the fund has excess liquidity and reduces its registered capital in addition to the dividend to be received by the unitholders. Such the capital reduction shall be made in accordance with Section 7.6 of the prospectus.

Procedures for Increasing/Reducing the Capital of the Fund

Procedures for Increasing the Capital of the Fund

(1) Rules and Procedures

A capital increase of the fund shall be proceeded as follows, and requires an approval from the Office of the SEC, save for a capital increase for offering newly issued units to existing unitholders on pro rata basis (i.e. rights offering) with payment of subscription price, in which case approval the Office of the SEC is not required.

- (i) a unitholders' resolution is obtained;
- (ii) the increase of capital shall not conflict or be contrary to the fund scheme or the securities law; and
- (iii) approval from the Office of the SEC is obtained, unless the exception is available.

(2) Unitholders' resolution

In the case of a capital increase for a rights offering, all newly issued units must be offered for sale to the existing unitholders within one year from the unitholders' resolution date; otherwise, a new resolution from the unitholders must be sought.

Upon a resolution of the unitholders, the management company may increase the fund's capital by offering units to certain specific unitholders, provided that there shall be no objection from the unitholders holding in aggregate more than 10% of the total units.

The procedures for requesting for a resolution for increase of capital of the fund from the unitholders shall be in accordance with those as set out in the Commitment, as well as the securities law.

The management company shall ensure that the following information is disclosed in the notice convening the unitholders' meeting or requesting a resolution from the unitholders, as the case may be:

- (i) In normal cases (other than for additional investment or acquisition of Assets as set out in (ii) below)
 - (a) purpose of the capital increase;
 - (b) number of newly issued investment units, offering price, offering procedures, and allocation of investment units;
 - (c) reason as to why the offering price for investors is lower than the price offered to the unitholders or the market price (if any); and

- (d) the impact on the unitholders or the fund as a result of such capital increase, together with information with respect to the price dilution, control or voting right dilution, and others information that could affect the decision of the unitholders;
- (ii) In the case of the increase of capital to invest in the infrastructure assets, in addition to the information as set out in (i) above, the management company shall ensure that the following information is disclosed in the notice convening the unitholders' meeting or requesting a resolution from the unitholders, as the case may be:
 - (a) features and characteristics of the relevant infrastructure assets;
 - (b) pricing methodology of such infrastructure assets;
 - (c) summary of appraisal report of such infrastructure assets, and the key assumptions thereunder;
 - (d) opinion of the management company with respect to the suitability of such assumptions used in the appraisal;
 - (e) summary of the key terms and arrangements with respect to the operation or utilisation of such infrastructure assets, and relevant other agreements; and
 - (f) financing and any impact on unitholders (if any), e.g. information regarding the source of funds, amount of borrowing, security to be granted by the fund, ranks of the lender compared to the unitholders.

However, if the management company in good faith and reasonably believes that it is necessary not to disclose certain items above as it may affect benefits of the fund and the unitholders as a whole, the management company may provide the reason and necessity of such non-disclosure in such notice, but shall disclose so as soon as such reason and necessity has lapsed without delay.

(3) Office of the SEC Approval

In submitting an application for a capital increase with the Office of the SEC, the management company is required to establish that the Fund is compliant with the characteristics as required under Thor Nor. 1/2554. Those characteristics are the same requirements as at the time of establishment of the fund. Also, the capital increase of the fund shall not conflict with the fund scheme, the securities law, as well as notifications, rules and orders issued by virtue thereof.

Approval of the Office of the SEC with respect to the increase of capital shall expire upon the following events:

- (i) The management company fails to commence the offering process for such purpose within one year from the approval date ;
- (ii) Capital raised from the offering of the investment units, together with those from financing arrangements (if any) is not sufficient to invest in infrastructure assets as approved by the unitholders. In such case, the management company shall return the proceeds, together with any benefit derived thereon, received to the respective subscribers in proportion to the subscription proceeds within 14 days, and inform the Office of the SEC within 15 days, from the last offering date. If failure to return so is caused by the management company's fault, it will result in an interest payment at the rate of 7.5 per annum from the date on which it became due until the actual payment.

After the completion of offering, the management company shall file an application for amendment of the fund's registered capital with the Office of the SEC within 15 business days from the last day of offering period.

The newly issued units from the capital increase are also subject to the amendment to the fund scheme requirements and the listing requirements.

Procedures for Reducing the Capital of the Fund

The fund may reduce its capital in the following cases:

- (i) the reduction of capital according to plans which may be determined by the fund;
- (ii) there is excess liquidity after sales of infrastructure assets and payment of dividend to the unitholders, provided that no retained earnings remain;
- (iii) the fund incurs non-cash expenses and such expenses need not be included for the calculation of the adjusted net profit of the fund; or
- (iv) other cases as resolved by the unitholders.

The capital reduction pursuant to (i) and (ii) above must be passed by a resolution from 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.

The procedures for requesting for a resolution for a capital reduction of the fund from the unitholders shall be in accordance with those as set out in the commitment, as well as the securities law. The capital reduction shall also be subject to the amendment to the fund scheme requirements.

The management company shall ensure that the following information is disclosed in the notice convening the unitholders' meeting or requesting the resolution from the unitholders, as the case may be:

- (a) reason of the capital reduction;
- (b) amount of registered capital and amount of registered capital per unit that will be reduced; and
- (c) impact on the unitholders or the fund as a result of such capital reduction.

In accordance with Thor Nor. 1/2554, the management company shall file an application for amendment of the fund's registered capital with the Office of the SEC within five business days from the date on which the capital is returned to the unitholders, and shall make a disclosure of each capital decrease on the website of the management company as well as in the fund's annual report.

Transferring Restrictions

There is no restriction on the transfer of investment units under Thai laws and regulations unless such transfer will lead to a breach of the holding limit of the investment units as set out under Thor Nor. 1/2554 and the fund scheme, the details of which are described below.

Holding Restrictions

The Management Company shall ensure that the allocation of the Units in the Offering and the holding of the Units of each person, including its Persons within the Same Group, thereafter is compliant with the rules and regulations prescribed by the SEC or the Office of the SEC. The Management Company will follow the provisions prescribed by the SEC or the Office of the SEC (including any amendments thereof) and the Securities Law in considering the identity of the Persons within the Same Group.

1. Persons within the Same Group

For the purpose of this Section, the persons with any of the following relationship ,or as may be further prescribed or amended by the Capital Market Supervisory Board, the SEC or the Office of the SEC, shall be the “Persons within the Same Group”:

- (A) spouse and *non sui juris* children;
- (B) any juristic person, and its shareholder or partner, holding shares or having a partnership interest in the juristic person directly or indirectly, of more than 50% of the total issued shares or partnership interest of such juristic person; and
- (C) any private fund of persons under (A) or (B) above, but excluding provident funds.

2. Holding Limit

At the Offering, the Management Company shall allocate no more than one-third of the total number of Investment Units offered for sale to any person (including its Persons within the Same Group) and shall proceed to ensure that the holding of the Units by any person (including its Persons within the Same Group) thereafter shall not exceed one-third of the total number of issued Investment Units except for the following cases:

- (i) an allocation of not exceeding 50% of the total number of Investment Units offered for sale to any of the following persons:
 - (a) the Thai Government Pension Fund, established under the Government Pension Fund Act B.E. 2539 (1996);
 - (b) a Provident Fund;
 - (c) a retail mutual fund, established under the Securities Law;
 - (d) the Social Security Fund as established under the Social Security Act B.E. 2533 (1990), as amended; or
 - (e) a juristic person established under Thai law which is exempted from corporate income tax payment.
- (ii) an allocation to an underwriting firm who subscribes for and holds Investment Units pursuant to its commitment under an underwriting agreement whereby such underwriting firm will hold Investment Units in excess of one-third of the total number of Investment Units offered for sale for a period of no more than one year from the subscription date. During such one year, the underwriting firm will be barred from casting votes in respect of the portion exceeding 50%. Such underwriting firm must not be the Person within the Same Group as BTSC.

3. Foreign Limit

No more than 49% of the total number of Investment Units may be allocated to Foreign Investors. The Management Company reserves the rights to comply with any amendment of the laws that imposes any foreign holding limit to the Fund.

The Management Company will appoint the Registrar to perform the duties as prescribed in the Fund Scheme and in accordance with Thor Nor. 1/2554 in order to control the holding limit of the Investment Units so to comply with relevant restrictions as applicable.

4. Consequence of Violation the Holding Restrictions

- (a) Management Company’s Duties
 - (i) The Management Company shall, within five Business Days from the date on which the Management Company knows or should have known, report to the Office of the SEC of the

holding of the Units by any person or its Persons within the Same Group at any time exceeding the limit.

- (ii) The Management Company shall inform such respective Unitholder or the Persons within the Same Group to dispose of such holding portion that exceeds the applicable holding limit.
 - (iii) The Management Company shall appoint the Registrar (Thailand Securities Depository (Thailand) Co., Ltd. has been currently appointed as the Registrar) to perform the duties as prescribed in the Fund Scheme and in accordance with Thor Nor. 1/2554 in order to control the holding limit of the Investment Units to the applicable limit. The Registrar may not accept any transfer or may not record any foreigner as a Unitholder if such acceptance of transfer or record could cause the holding of the Investment Units to exceed the applicable holding limit.
 - (iv) The Management Company shall ensure that the Unitholders who hold Investment Units in excess of the permitted holding limit or ratio will have no right to vote or to receive dividends with respect to such exceeding portion.
 - (v) If it appears to the Management Company that after an expiry of the one year period, the underwriting firm or its Persons within the Same Group still holds in excess of one-third of the total number of Investment Units sold, the Management Company will apply the proceedings specified above, *mutatis mutandis*.
- (b) Impact on Unitholders
- (i) The Unitholder who holds Investment Units in excess to the holding limit or ratio will not be entitled to attend a meeting of Unitholders nor to vote with respect to such exceeding portion.
 - (ii) The Unitholder who holds Investment Units in excess to the holding limit or ratio will not be entitled to receive dividends with respect to the exceeding portion. Such dividends derived from such exceeding portion shall be contributed as the State Revenue. The Unitholder whose dividends become State Revenue shall be deemed to acknowledge and consent to such arrangement. During the period in which the Management Company has not yet proceeded with such arrangement, the Management Company will prepare an account and segregate such unpaid dividends from the account and other assets of the Fund, and shall not include such unpaid dividends when calculating the Fund's NAV.
 - (iii) In paying dividend to Unitholder or his Persons within the Same Group who holds the Investment Units in excess of the limit permitted, the Management Company may pay the dividend to such Persons within the Same Group in respect of the portion of the Investment Units not exceeding the limit prorated to the respective holding of Investment Units of each of them.

Issuance and Delivery of Statement of Holding

Investment units for the fund will be in scripless form. Where necessary, unitholders may request the Registrar and/or the management company to issue the investment units in certificated form by submitting the application in the form prescribed by the Registrar and/or the management company and in compliance with rules, conditions and procedure prescribed by the Registrar and/or the management company. Upon such request being made by unitholders, the management company and/or the Registrar shall arrange to issue the updated certificate of units containing the required and sufficient information for unitholders to use as evidence of their rights and for reference against the management company and other third parties.

The Management Company shall procure that the Registrar record in the register of Unitholders the name of each subscriber who has been allotted Investment Units as a Unitholder pursuant to information provided by the subscriber in the Fund Account Opening and Subscription Form upon the full payment of the subscription amount by the subscriber.

The Registrar will arrange for the Investment Units to be deposited into a securities trading account of the subscriber (which will have been opened with a broker in advance) or asset account of the subscriber (which will have been opened with a custodian in advance), or with the Registrar, as notified in the Fund Account Opening and Subscription Form.

Calculation and Announcement of Net Asset Value of the Fund

(1) Calculation of Total Assets Value, NAV and Value of Investment Units

In calculating the NAV, the total assets, and the value of investment units, the management company shall use the value derived from the appraisal report or the most up-to-date audited report on the appraisal thereafter for the core investments. In respect of the non-core investments, the management company shall use other values as prescribed by the Association of Investment Management Companies (AIMC). However, during the first three years from the fund registration date, with respect to the infrastructure assets, the management company shall use the value of the infrastructure assets invested in by it, i.e. the purchase price.

The management company shall calculate the NAV and the value of investment units in accordance with the followings:

- (i) the NAV shall be calculated and announced with two decimal places in accordance with international standards;
- (ii) the value of investment units shall be calculated with five decimal places in accordance with international standards but announced with four decimal places (by simply deleting the fifth decimal place number).

The calculation method, period of calculation and announcement of the NAV and value of investment units shall be conducted by the management company as mentioned above except where the SEC, the Office of the SEC, the Capital Market Supervisory Board, and/or any other competent agencies have amended, modified, announced, required, instructed, approved and/or waived otherwise, the Management Company shall proceed therewith accordingly as if having been approved by the unitholders.

The NAV and value of investment units as announced by the management company are calculated on a basis of the latest appraisal report or appraisal review for determination of the value of the core asset of the Fund and such value may not be the value for actual trading of the said core asset.

(2) Disclosure of Total Assets Value, NAV and Value of Investment Units

The management company shall disclose a quarterly report with respect to the value of the total assets, the NAV and the value of investment units within 45 days from the end of quarter. Such value of the total assets, the NAV and the value of investment units shall be certified by the fund supervisor that the calculations were made in accordance with the securities law.

The management company also needs to publish in a local daily newspaper, and post at all business addresses of the management company and at the head office of the fund supervisor, where the name, type and location of the assets need to be specified.

Rules and Procedures in case of Incorrect Unit Price

- (1) In the event that the value or price of investment units is incorrect and such value is already disclosed, if the deviation is less than one Satang, or less than 0.5 percent of the correct value of the investment unit, the management company shall do the following:

- (i) prepare and submit a report in respect of such incorrectness to the fund supervisor with seven days from the date of which it is aware of such incorrectness. The report shall include the following items:
 - (a) incorrect value or price of the investment units;
 - (b) correct value or price of the investment units;
 - (c) cause of the incorrectness; and
 - (d) measure to prevent the incorrectness of value or price of the investment units (in case that such incorrectness is not caused by an uncontrollable an external factor).
 - (ii) if the cause of incorrectness affects the subsequent calculation of the value or price of the investment units, the management company shall correct the value or price from the date of which it is aware of the incorrectness.
- (2) In the event that the value or price of investment units is incorrect and such value is already disclosed, if the deviation is not less than one Satang, or not less than 0.5 percent of the correct value of the investment unit, the management company shall do the following:
- (i) re-calculate the value or price of investment units from the date on which it was incorrect; and
 - (ii) do the following only for the dates on which the deviation of the incorrect value or price of investment units is not less than one Satang, or not less than 0.5 percent of the correct value of the investment unit:
 - (a) prepare the report of the correctness of the value or price of investment units and submit such report to the fund supervisor within the next business day. The fund supervisor shall certify the report within the next business from the receipt of such report.

The report shall include the items as described in (1)(i) above.
 - (b) correct the value or price of investment units within the date on which the fund supervisor certifies the report in (a).

Rights of Unit holders

(1) Right to Dividend

(2) Right to Vote in a Unitholders' Meeting

Generally, in obtaining a resolution from the Unitholders, the Management Company shall provide sufficient information for the Unitholders' consideration, which shall include the opinion of the Management Company and the Fund Supervisor with respect to the matters being proposed to the Unitholders, and the impact that may affect the Unitholders in voting for such matters.

(3) Right to Distribution from Liquidation of the Fund

Unitholder is entitled to distribution from liquidation of the fund in proportion to its unitholding. The management company shall procure a liquidator as approved by the Office of the SEC to dispose the assets and repay the debt of the fund, as well as to distribute cash and/or assets to the unitholders in proportion to their unitholding pursuant to the conditions and procedure as set out under the fund scheme.

(4) Right to Transfer of Units

Unitholders may transfer their investment units, subject to conditions set out under the fund scheme.

(5) Right to Pledge of Units

Unitholders may pledge their investment units pursuant to the conditions and procedure prescribed by the management company and/or the Registrar.

Any unitholder who wishes to pledge its investment units shall present the relevant unit certificate and submit the application to the management company or the Registrar to request the issue of a new certificate for a purpose of the pledge

The Registrar may suspend the sale and purchase of the investment units until the pledge has been registered.

(6) Right to Distribution from Capital Reduction

Unitholders are entitled to distribution from the reduction capital of the fund pursuant the fund scheme.

(No. of Unit holders and Distribution of Units) (As of April 12, 2013)

	No. of unitholders	No. of units	% of outstanding units
1. Strategic unit holders			
1.1 Fund Management company, fund manager, and owner of the infrastructure asset having a control over the infrastructure business	-	-	-
1.2 Directors, managers, and executive management of person/entity in 1.1 (including associated persons)	13	232,800	0.0040
1.3 Unit holders who have a holding above 5%	3	4,398,000,000	75.9848
1.4 Controlling unit holders of infrastructure business	-	-	-
2. Unit Holders Holding > 1 Trading unit	57,011	1,389,767,200	24.0112
3. Unit Holders Holding < 1 Trading unit	-	-	-
Total unitholders	57,027	5,788,000,000	100.00

Major Unit Holders

As of April 12, 2013

No.	Name	No. of units held	% of total outstanding units
1	BTS Group Holdings Public Co., Ltd.	1,929,000,000	33.328
2	MORGAN STANLEY & CO. INTERNATIONAL PLC.	1,234,500,000	21.329
3	UBS SECURITIES PTE LTD.	1,234,500,000	21.329
4	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED	163,888,800	2.832
4.1	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED – AIA D-PLUS	79,888,800	1.380
4.2	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED – APEX	42,000,000	0.726
4.3	AMERICAN INTERNATIONAL ASSURANCE COMPANY LIMITED - TIGER	42,000,000	0.726
5	Krungthai-AXA Life Insurance Public Co., Ltd.	150,111,200	2.593
6	Thai Life Insurance Public Co., Ltd.	87,000,000	1.503
7	Bangkok Life Assurance Public Co., Ltd.	82,000,000	1.417
8	TON POH THAILAND FUND	15,741,100	0.272
9	Government Pension Fund	8,518,500	0.147
10	Registered Provident Fund of TOT	6,529,300	0.113

Public Co., Ltd's Employees

Total

4,911,788,900

84.86

Foreign Shareholders

As of April 12, 2013

No. of foreign unit holders: 175 unitholders

Total no. of units held: 2,652,440,474 units or 45.83 % of total outstanding units

(Note: The infrastructure fund has a limitation on the percentage of foreign unit holders stated in the notification of Capital Market Supervisory Board No. TorNor 1/2011 Re: Rules, Conditions and Procedures for Establishment and Management of Infrastructure Fund and the fund scheme.)

Others

Statistical Summary

Date	Net Asset Value		Distribution of Net Asset Value (Unit : thousand baht)		
	Per unit (baht)	Total (thousand baht)	Deposits	Investment securities	Other Liabilities
17 Apr 56	10.8017	62,520,506.0560	133,632.2827	-	-

Prepared By

BBL Asset Management Co., Ltd.

SCHEDULE

Definition

Additional Assets	: assets that may be acquired or invested in by the Fund after its acquisition of or investment in the Initial Assets, either a Core Investment or Non-core Investment, as specified in the Fund Scheme.
Annual Net Farebox Revenues Target	: annual Net Farebox Revenues target that BTSC is required to prepare and submit to the Fund for each financial year setting out the projected Net Revenue for each financial year.
Bangkok and Vicinity Mass Transit Systems	: any public transport services provided as an alternative to the use of private cars for commuting within Bangkok and vicinity, namely, the provinces of Nonthaburi, Samutprakan, Samutsakorn, Pathumthani and Nakhon Pathom.
BMA	: the Bangkok Metropolitan Administration, a government entity in charge of the administration of the Bangkok metropolitan area, including its successors and assigns.
BSS Agreement	BSS Card Scheme Service Agreement dated February 23, 2012 with respect to the operation of smartcard service entered into between BTSC and BSS
BTS SkyTrain System	the Bangkok Mass Transit System which is an electric elevated railway with two separate lines, consisting of the Sukhumvit Line and the Silom Line, both the Core BTS SkyTrain System and the Extension BTS SkyTrain System (generally known as the “Green Line”), running above certain areas of central Bangkok’s major public roadways.
BTSC Debentures	: Debentures of BTSC No. 1/2009 Series 1 due in B.E. 2555, Series 2 due in B.E. 2556, Series 3 due in B.E. 2557, Series 4 due in B.E. 2558 and Series 5 due in B.E. 2559.
Business Day	: a normal business day of the Management Company.
Business Day of the Parties	: a day (other than a Saturday, Sunday or a holiday announced by the Management Company or BTSC) on which banks are open for general business in Bangkok.
Closing Date	: the date as defined in Section 3.9.1 of the Prospectus.
Concession Agreement	: the concession agreement dated April 9, 1992 entered into between the BMA and BTSC with respect to the concession, to operate the Core BTS SkyTrain System and its amendments; having a concession period of 30 years commencing from the commencement date of commercial operation, which was 5 December 1999 and expiring on the Concession Expiry Date unless the Concession Agreement is extended.
Daily Sale Revenue	: Sale Revenue for any one day (from the Closing Date) after deducting the Projected Daily O&M Costs.
Excluded Assets	: BTSC’s assets, revenue, rights, benefits, title, and/or interest which include shares held by BTSC in BSS and shares held by BTSC in VGI Global Media Public Company Limited, all rights and benefits under the Long Term O&M Agreement and all rights and benefits under agreements with respect to the operation of the

	Bus Rapid Transit project Route Chong Nonsri – Krungthep Bridge (Chong Nonsri –Ratchapreuk), but excluding the Sale Revenue.
Extension BTS SkyTrain System	: the extension lines extended from the Core BTS SkyTrain System, where BTSC is a service provider providing operation and maintenance services to Krungthep Thanakom, currently covering the 2.2 kilometre Silom extension line from Taksin Bridge to Wongwein Yai, the 5.25 kilometre Sukhumvit extension line from On-Nut to Bearing, and the 5.3 kilometre Silom extension line along Pet Kasem Road from Wongwein Yai to Bang Wa.
Foreign Investors	: investors who are foreigners which includes: <ul style="list-style-type: none"> (i) a natural person who does not have Thai nationality; (ii) a juristic person incorporated outside Thailand; (iii) a juristic person incorporated in Thailand having half or more of its share capital held by the persons in (i) or (ii), or a juristic person having the persons in (i) or (ii) investing with a value of half or more of the total capital of the juristic person; (iv) a partnership incorporated in Thailand whose managing partner or manager is a person in (i); or (v) a juristic person incorporated in Thailand having half or more of its share capital held by the persons in (i), (ii), (iii) or (iv), or a juristic person having the persons in (i), (ii), (iii) or (iv) investing with a value of half or more of the total capital of the juristic person.
Fund Scheme	: the BTS Rail Mass Transit Growth Infrastructure Fund Scheme approved by the Office of the SEC, and the amendments thereto.
Fund Supervisor	: a supervisor of the Fund having the qualifications and possess no prohibited characteristics according to the notification of the Office of the SEC regarding qualifications of the supervisors of funds, and the amendments thereto, whose name is appeared in Section 1.3 of the Prospectus “ <i>Fund Supervisor</i> ”.
Fund Supervisor Appointment Agreement	: an agreement for the appointment of the Fund Supervisor to be entered into between the Management Company and the Fund Supervisor before the Offering.
Identified Assets	: The following projects: (a) Green Line: (Mochit-Kukod), (b) Green Line: (Bearing-Samut Prakarn), (c) Green Line: (National Stadium-Yodse), (d) Green Line: (Kukod-Lamlukka) (e) Green Line: (Samutprakarn – Bangpu),(f) Long Term O&M Agreement and (g) any extension of the Concession Agreement, entered into and/or to be entered into, undertaken or owned by BTSC, BTSG or its affiliates.
IFF Revenue Account	: The Fund’s bank account to be opened for receiving the Sale Revenue.
Incentive Fees	: fees that the Fund agrees to pay BTSC under the Net Revenue Purchase and Transfer Agreement as an incentive to operate the Core BTS SkyTrain System.
Infrastructure Assets	: shall have the same meaning as defined in Thor Nor. 1/2554, which currently includes investment in Infrastructure Businesses by an acquisition of: <ul style="list-style-type: none"> (a) ownership, possession rights, or lease of land, building, construction, machine, equipment, or other assets for the operation of an Infrastructure

Business;

- (b) concession rights to operate an Infrastructure Business;
- (c) rights to receive future revenues or rights pursuant to the future profit sharing arrangements of Infrastructure Businesses, or those derived from the management of Infrastructure Businesses or management of other assets in connection with Infrastructure Businesses;
- (d) rights or claims under agreements to purchase, sell and install machine and equipment, construction contracts, or agreements to purchase and sell relevant products or services of an Infrastructure Business;
- (e) shares or debt instruments issued by a company (either a private limited company or a public limited company) incorporated in Thailand, provided that (i) such company invests in, or has income from the operation or management of, assets in (a)-(d) of at least 75% of its total assets, or of its total income in such financial year, as the case may be, and (ii) more than 75% of the total number of the issued voting shares of such company is held by the Fund; and
- (f) other infrastructure assets as announced by the SEC, the Office of the SEC and/or the Capital Market Supervisory Board from time to time.

- Infrastructure Business : shall have the same meaning as defined in ThorNor. 1/2554, which includes (i) rail transit systems, (ii) electricity generation and distribution, (iii) waterworks, (iv) road, express/toll ways, or concession ways, (v) airports, (vi) deep-water/sea ports, (vii) telecommunications, (viii) alternative energy, (ix) water management system or irrigation and (x) natural disaster protection system including warning system and manage system to minimise gravity of natural disaster impact, or other business as amended from time to time by the SEC, operated for the benefit of, or servicing to, people of Thailand in general, regardless of the location or jurisdiction of the operation, or for other purposes in accordance with the Securities Law.
- Initial Assets : the assets that are initially invested by the Fund are the Sale Revenue from BTSC with respect to the Core SkyTrain System which the Fund will acquire initially, details of which are set out in Section 2.1 of the Prospectus “*Overview of the Fund*”.
- Instruction to the BMA : The two instruction letters jointly issued by BTSC and the Management Company, and agreed to be irrevocable by BTSC, to the BMA, comprising (1) the instruction letter in relation to the transfer of Sale Revenue to the Fund and (2) the instruction letter in which BTSC designates the Fund as creditors’ representative of BTSC for the purpose of exercising step-in right under the Concession Agreement.
- Investment Advisory Committee : a body of natural persons advising and offering recommendations to the Management Company in respect of investment and management of Infrastructure Assets.
- Krungthep Thanakom : Krungthep Thanakom Co., Ltd., a company incorporated in Thailand and controlled by the BMA.
- Long Term O&M Agreement : the service agreement for operating and maintaining the Extension BTS SkyTrain

	System and, after the concession expiry date under the Concession Agreement, the Core BTS SkyTrain System, dated May 3, 2012 between Krungthep Thanakom as system manager and BTSC as service provider.
Maintenance Agreement	: Maintenance Agreement dated December 30, 2004 between BTSC and Siemens (as amended)
Management Company	: a securities company licensed to undertake a securities business in the category of mutual fund management.
NAV	: the value of the total asset of the Fund, less liabilities which are calculated according to the method prescribed in Section 7.10.1 of the Prospectus “ <i>Total Assets Value, NAV and the Value of Investment Units</i> ”.
Net Farebox Revenues	: all farebox revenues to be generated from the operation of the Core BTS SkyTrain System on and from the Closing Date until the Concession Expiry Date less the O&M Costs.
Net Revenue Purchase and Transfer Agreement	: an agreement to be entered into between BTSC and the Fund in relation to the transfer of the Sale Revenue to the Fund.
Offering	: the initial public offering of the Investment Units.
Persons within the Same Group	: shall have the meaning prescribed under Thor Nor. 1/2554, as set out in Section 7.4.7 Item 1 of the Prospectus “ <i>Persons within the Same Group</i> ”.
Project Agreements	: (a) the Concession Agreement; (b) the Maintenance Agreement; (c) the Signalling System Agreement dated February 22, 2007 between BTSC and Bombardier; and (d) the BSS Agreement
Related Persons	: shall have the meaning prescribed under Thor Nor. 1/2554
Reserved Matters	: shall have the meaning as set out in Section 7.7.2 Item 4 of the Prospectus – “ <i>Procedures in Granting Consent on Reserved Matters and Negative Undertakings</i> ”.
SEC	: the Securities and Exchange Commission of Thailand.
Securities and Exchange Act	: the Securities and Exchange Act B.E. 2535 (1992) of Thailand, as amended.
Securities Law	: the Securities and Exchange Act, the notifications of the SEC, the notifications of the Capital Market Supervisory Board and the notifications of the Office of the SEC, including circular letters, relaxation letters, clarification letters, approval letters, rules, regulations, and any other documents having the force of law issued by virtue of the Securities and Exchange Act and/or other relevant laws currently in force as well as the amendments thereto.
SET	: the Stock Exchange of Thailand.
Sponsor	: BTSG, a major shareholder in BTSC.
Thor Nor. 1/2554	: 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 January 10, 2011, and the amendments thereto (where the provisions amended or added by Notification of the Capital Market

Supervisory Board's Notification No. Thor Nor. 4/2556 Re: Rules, Conditions and Procedures of Establishment and Management of Infrastructure Fund (No. 3) dated February 26, 2013 will come into effective on March 16, 2013).

- Transaction Documents : (i) the Net Revenue Purchase and Transfer Agreement;
- (ii) the Sponsor Support and Guarantee Agreement;
- (iii) the Share Pledge Agreement;
- (iv) the Agreement to Purchase and to Sell Shares;
- (v) the Endorsement of Insurances;
- (vi) the Instruction to the BMA; and
- (vii) the Conditional Assignment of O&M Costs Account.
- Unitholder : a holder of Investment Units of the Fund.