

BTS Rail Mass Transit Growth Infrastructure Fund
Review report and interim financial information
For the three-month period ended 30 June 2023

Independent Auditor's Report on Review of Interim Financial Information

To the Unitholders of BTS Rail Mass Transit Growth Infrastructure Fund

I have reviewed the accompanying the statement of financial position and the details of investments of BTS Rail Mass Transit Growth Infrastructure Fund as at 30 June 2023, the related statements of comprehensive income, changes in net assets and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively "interim financial information"). The Fund's management is responsible for the preparation and presentation of this interim financial information in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand.

Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 11 August 2023

BTS Rail Mass Transit Growth Infrastructure Fund**Statement of financial position****As at 30 June 2023**

		(Unit: Thousand Baht)	
	Note	30 June 2023	31 March 2023
		(Unaudited but reviewed)	(Audited)
Assets			
Investment in the Net Revenue Purchase and Transfer Agreement at fair value (at cost: Baht 61,725 million (2023: Baht 61,725 million))	4	38,370,000	38,630,000
Investments in securities at fair value (at cost: Baht 1,089 million (2022: Baht 1,220 million))	5	1,091,028	1,221,457
Cash and cash equivalents	6	63,682	53,084
Accounts receivable from the Net Revenue Purchase and Transfer Agreement	10	135,070	36,569
Accrued interest		2	40
Other assets		3,867	5,774
Total assets		39,663,649	39,946,924
Liabilities			
Other payables and accrued expenses		10,730	9,890
Specific business tax payable		323	761
Other liabilities		2,046	1,667
Total liabilities		13,099	12,318
Net assets		39,650,550	39,934,606
Net assets			
Paid-in capital from unitholders	7	51,542,140	52,595,556
Deficits	8	(11,891,590)	(12,660,950)
Net assets		39,650,550	39,934,606
		-	-
Net asset value per unit		6.8504	6.8995
Number of units issued at the end of period/year (Thousand Units)		5,788,000	5,788,000

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

.....
(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Statement of comprehensive income

For the three-month period ended 30 June 2023

(Unit: Thousand Baht)

	Note	2023	2022
Investment income			
Income from the investment in the Net Revenue Purchase and Transfer Agreement	10	1,040,082	581,949
Interest income		5,623	685
Total income		<u>1,045,705</u>	<u>582,634</u>
Expenses			
Management fee	10	8,042	7,869
Trustee fee		2,144	2,098
Registrar fee		1,067	1,067
Professional fees		3,848	4,093
Tax expense from investment		13	6
Other expenses		1,214	4,931
Total expenses		<u>16,328</u>	<u>20,064</u>
Profit from net investments		<u>1,029,377</u>	<u>562,570</u>
Net losses from investments			
Net losses from changes in fair value of investments		(260,017)	(769,997)
Total net losses from investments		<u>(260,017)</u>	<u>(769,997)</u>
Changes in net assets resulting from operations		<u>769,360</u>	<u>(207,427)</u>

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

.....
(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Statement of changes in net assets

For the three-month period ended 30 June 2023

(Unit: Thousand Baht)

	Note	2023	2022
Changes in net assets resulting from operations during the period			
Profit from net investments		1,029,377	562,570
Net losses from changes in fair value of investments		(260,017)	(769,997)
Changes in net assets resulting from operations		769,360	(207,427)
Payments of investment unit value from capital reduction during period	7	(1,053,416)	(358,856)
Changes in net assets during the period		(284,056)	(566,283)
Net assets at the beginning of period		39,934,606	39,347,691
Net assets at the end of period		39,650,550	38,781,408

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(Unit: Thousand Unit)

Changes in investment units

Investment units as at beginning of the period	5,788,000	5,788,000
Investment units as at end of the period	5,788,000	5,788,000

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

.....
(Mr. Winai Hirunpinyopard)

Managing Director

(Unaudited but reviewed)

BTS Rail Mass Transit Growth Infrastructure Fund

Statement of cash flows

For the three-month period ended 30 June 2023

(Unit: Thousand Baht)

	2023	2022
Cash flows from operating activities		
Changes in net assets resulting from operations	769,360	(207,427)
Adjustments to reconcile the changes in net assets resulting from operations to net cash provided by operating activities		
Net losses from changes in fair value of investments	260,017	769,997
Purchases of investments in securities	(2,198,052)	(754,448)
Sales of investments in securities	2,334,000	720,000
Increase in accounts receivable from the Net Revenue Purchase and Transfer Agreement	(98,501)	(166,053)
Decrease in accrued interest	38	4
Decrease in other assets	1,907	1,631
Increase (decrease) in other payables and accrued expenses	840	(7,109)
Decrease in specific business tax payable	(438)	-
Increase in other liabilities	379	16
Amortisation of discounts on investments	(5,536)	(642)
Net cash from operating activities	1,064,014	355,969
Cash flows from financing activities		
Payments of investment unit value from capital reduction	(1,053,416)	(358,856)
Net cash used in financing activities	(1,053,416)	(358,856)
Net increase (decrease) in cash and cash equivalents	10,598	(2,887)
Cash and cash equivalents at the beginning of period	53,084	17,465
Cash and cash equivalents at the end of period	63,682	14,578

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

(Mr. Winai Hirunpinyopard)

Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Details of investments

As at 30 June 2023

Details of investments classified by asset classes

				30 June 2023			31 March 2023		
				(Unaudited but reviewed)			(Audited)		
Type of investment				Cost	Fair value	Percentage of investment	Cost	Fair value	Percentage of investment
				(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)
Investment in the infrastructure business (Note 4)									
Investment in the Net Revenue Purchase and Transfer Agreement to acquire the net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration and Bangkok Mass Transit System Public Company Limited from 17 April 2013 until the expiration of the Concession Agreement (4 December 2029)									
				61,724,528	38,370,000	97.24	61,724,528	38,630,000	96.93
Total investment in the infrastructure business				61,724,528	38,370,000	97.24	61,724,528	38,630,000	96.93
Type of investment	Maturity date	Yield rate		Par value	Fair value	Percentage of investment	Par value	Fair value	Percentage of investment
		(Percent per annum)		(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)
Investments in securities									
Treasury bills									
Ministry of Finance	TB23510A	10 May 2023	1.4200	-	-	-	209,000	208,683	0.52
Ministry of Finance	TB23524A	24 May 2023	1.2800	-	-	-	80,000	79,852	0.20
Ministry of Finance	TB23607A	7 June 2023	1.3300	-	-	-	70,000	69,830	0.18
Total investments in Treasury bills				-	-	-	359,000	358,365	0.90
Type of investment	Maturity date	Yield rate		Par value	Fair value	Percentage of investment	Par value	Fair value	Percentage of investment
		(Percent per annum)		(Thousand Baht)	(Thousand Baht)	(Percent)	(Thousand Baht)	(Thousand Baht)	(Percent)
Bond									
Bank of Thailand	CB23525A	25 May 2023	1.4823	-	-	-	755,000	753,406	1.89
Bank of Thailand	CB23608A	8 June 2023	1.4409	-	-	-	35,000	34,906	0.09
Bank of Thailand	CB23615B	15 June 2023	1.4000	-	-	-	75,000	74,780	0.19
Bank of Thailand	CB23810A	10 August 2023	1.7300	329,000	328,377	0.83	-	-	-
Bank of Thailand	CB23817A	17 August 2023	1.7557	140,000	139,684	0.35	-	-	-
Bank of Thailand	CB23824A	24 August 2023	1.8000	80,000	79,788	0.20	-	-	-
Bank of Thailand	CB23907B	7 September 2023	1.8000	545,000	543,179	1.38	-	-	-
Total investments in bond				1,094,000	1,091,028	2.76	865,000	863,092	2.17
Total investments in securities				1,094,000	1,091,028	2.76	1,224,000	1,221,457	3.07
Total investments				62,818,528	39,461,028	100.00	62,948,528	39,851,457	100.00

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

(Mr. Winai Hirunpinyopard)

Managing Director

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to interim financial statements

For the three-month period ended 30 June 2023

1. General information

Description of BTS Rail Mass Transit Growth Infrastructure Fund

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

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

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

As at 30 June 2023, the Fund’s major unitholder is BTS Group Holdings Public Company Limited holding 33.33% of the Fund units issued.

2. Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with the Accounting Guidance for Property Funds, Real Estate Investment Trusts, Infrastructure Funds and Infrastructure Trusts issued by the Association of Investment Management Companies and approved by the Securities and Exchange Commission of Thailand. The Fund has chosen to present condensed interim financial statements in accordance with TAS 34, Interim Financial Reporting. However, the Fund has presented the statement of financial position, details of investments, comprehensive income, changes in net assets, and cash flows in the same format as that will be used for the annual financial statements.

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

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

3. Significant accounting policies

The interim financial statements are prepared under the Accounting Guidance which using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2023.

4. Investment in the Net Revenue Purchase and Transfer Agreement (“NRTA”) at fair value

Movement of the investment in the NRTA during the three-month period ended 30 June 2023 is summarised below.

	(Unit: Thousand Baht)
Investment in the NRTA at the beginning of period	38,630,000
Less: Loss on valuation of investment during the period	<u>(260,000)</u>
Investment in the NRTA at the end of period	<u><u>38,370,000</u></u>

During the period, the investment in the NRTA decreased amounting to Baht 260 million as a result of the assessment of fair value using the income approach by an independent appraiser.

(Unaudited but reviewed)

Key assumptions used in the valuation of investment are summarised below:

	30 June 2023	31 March 2023
		(Audited)
Discount rate (% per annum)	6.7	7.0
Farebox revenue (Million Baht per year)	6,613 - 12,545	8,417 - 12,545

5. Investments at fair value through profit and loss (Only investments in securities)

(Unit: Million Baht)

Balance as at 1 April 2023	1,221
Purchases of investments	2,198
Sales of investments	(2,334)
Interest income	6
Balance as at 30 June 2023	1,091

6. Cash and cash equivalent

Bank/account type	Principal		Interest rate	
	(Thousand Baht)		(% per annum)	
	30 June	31 March	30 June	31 March
	2023	2023	2023	2023
		(Audited)		(Audited)
Bangkok Bank Public Company Limited/ Savings account	38,516	37,183	0.500	0.400
Standard Chartered Bank (Thai) Public Company Limited/ Savings account	25,166	15,901	0.150	0.150
Total	63,682	53,084		

7. Registered capital

Movements of the investment units and capital from unitholders during the three-month period ended 30 June 2023 are summarised below.

	Number of units	Value per unit	Registered capital
	(Thousand unit)	(Baht)	(Thousand Baht)
Beginning balance as at 1 April 2023	5,788,000	9.0870	52,595,556
Reduction of investment unit value	-	(0.1820)	(1,053,416)
Ending balance as at 30 June 2023	5,788,000	8.9050	51,542,140

(Unaudited but reviewed)

During the period, the Fund declared the reduction in the value of the investment units without any change in the number of units, in order to decrease excess liquidity from loss on valuation of investment which is non-cash expenses. The details are as follows:

Declared date	Value per unit	Amount
	(Baht)	(Thousand Baht)
29 May 2023	0.1820	1,053,416
Total	0.1820	1,053,416

8. Deficits

	(Unit: Thousand Baht)	
	For the three-month	
	period ended	For the year ended
	30 June 2023	31 March 2023
Accumulated net investment income	35,565,018	32,165,168
Accumulated net realised gains on investments	2	2
Accumulated net losses on valuation of investments	(23,094,474)	(22,984,534)
Less: Accumulated distributions to unitholders	(25,131,496)	(25,131,496)
Deficits at the beginning of the period/year	(12,660,950)	(15,950,860)
Less: Changes in net assets resulting from operations		
during the period/year	769,360	3,289,910
Deficits at the ending of the period/year	(11,891,590)	(12,660,950)

9. Expenses

Management fee, Trustee fee and Registrar fee have details as described in Note 12 to the financial statements for the year ended 2023.

10. Related party transactions

During the period, the Fund had significant business transactions with related parties which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Fund and those companies. There were no significant changes in the transfer pricing policy of transactions with related parties. Below is a summary of those transactions.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month periods
ended 30 June

	2023	2022
BBL Asset Management Company Limited		
(the Management Company)		
Management fee	8,042	7,869
Bangkok Mass Transit System Public Company Limited		
(a subsidiary of the major unitholder)		
Net fare box revenues received	1,040,082	581,949
Reserve for incentive fee expense	-	3,941
Reimbursement of the specific business tax	3,064	-

As at 30 June 2023 and 31 March 2023, the Fund has the following significant outstanding balance with its related companies.

(Unit: Thousand Baht)

	30 June 2023	31 March 2023
		(Audited)
BBL Asset Management Company Limited		
Accrued management fee	2,616	2,722
Bangkok Mass Transit System Public Company Limited		
Accounts receivable from the Net Revenue Purchase and Transfer Agreement	135,070	36,569

11. Investments trading information

The Fund's investments trading transactions during the three-month period ended 30 June 2023, excluding cash at banks and investments in promissory notes, amounted to approximately Baht 4,532 million, or 11.28% of the average net assets value during the period (2022: Baht 1,474 million, or 3.75%).

12. Commitments

12.1 The Fund is committed to pay expenses and fees to counterparties under the basis and conditions as disclosed in the Note 14 to the financial statements of the year 2023.

12.2 The Fund had commitments which respect to service contracts. Minimum fees required under service contracts were as follows.

	(Unit: Million Baht)	
	<u>30 June 2023</u>	<u>31 March 2023</u>
		(Audited)
Payable:		
In up to 1 year	5	5
In over 1 and up to 5 years	16	16
In over 5 years	3	7

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

13. Segment information

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

14. Fair value hierarchy

As at 30 June 2023, the Fund had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in the Net Revenue Purchase and Transfer Agreement	-	-	38,370	38,370
Investments in securities	-	1,091	-	1,091

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

15. Approval of interim financial statements

These interim financial statements were authorised for issue by an authorised person of the Management Company on 11 August 2023.