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Leading / Thinking / Performing

American Appraisal

**PRIVATE & CONFIDENTIAL**

August 3, 2023

BTS Rail Mass Transit Growth Infrastructure Fund
175 Sathorn City Tower, 7th, 21st and 26th Floor,
South Sathorn Road, Sathorn, Bangkok 10120

Attention: Fund Manager

Dear Sirs:

Re: AATL File No. 2023/322
Letter of the Fair Value Update

We refer to our appraisal report dated May 11, 2022 (AATL File No. 2022/199). We updated our value conclusion based on the following information:

1. Information prepared by Bangkok Mass Transit System Public Company Limited as follows:
   - Revised revenue and expense budget for FY2023/2024
   - Updated expenses and capital expenditure
   - Updated revenue and additional investment for Saphan Taksin (S6) station
2. Revenue forecast, prepared by Systra MVA (Thailand) Limited on May 6, 2022
3. Expense forecast, prepared by InfraAsia (Thailand) Limited on May 6, 2022
4. Revised revenue forecast for FY2024/2025, and
5. Revised discount rate.

Based on the updated information, we conclude that the fair value of the net farebox revenue that could be generated by Bangkok Mass Transit System Public Co., Ltd. is Baht 38,370,000,000 (Baht Thirty Eight Thousand Three Hundred and Seventy Million) appraised as of June 30, 2023.

Yours faithfully,

**AMERICAN APPRAISAL (THAILAND) LTD.**

| | |
|---|---|
| **Rodolfo L. Vergara** | Chompoonuch. **Chompoonuch Chatmahakulchai** |
| **Managing Director** | **Manager - Financial Valuation** |
| Key Valuer Approved by the Office of the SEC | Thai Valuers Association Member |
| Examiner and Qualified Senior Valuer - วฒ. 022 | No. 02-1-0814-63 |

Appraised By: Wanpen Thongwattana

**BTS Rail Mass Transit Growth Infrastructure Fund**

**Cash Flow Projection**

Valuation date:30/06/2023

| (Unit: Million Baht) | | FY2023/24 7/23-3/24 | FY2024/25 4/24-3/25 | FY2025/26 4/25-3/26 | FY2026/27 4/26-3/27 | FY2027/28 4/27-3/28 | FY2028/29 4/28-3/29 | FY2029/30 4/29-11/29 |
|---|---|---|---|---|---|---|---|---|
| **Effective Fare (EF)** | | 34.58 | 34.63 | 35.81 | 35.86 | 37.45 | 37.26 | 38.96 |
| | *(growth)* | | *0.34%* | *3.40%* | *0.14%* | *4.42%* | *-0.49%* | *4.55%* |
| **Daily Weekday Ridership (thousand pax/day) --by MVA** | | 772 | 778 | 819 | 883 | 929 | 951 | 975 |
| | *(growth)* | | *9%* | *5%* | *8%* | *5%* | *2%* | *3%* |
| | Ridership Annualization Factor (days) | 248 | 330 | 330 | 330 | 330 | 330 | 224 |
| **Annual Ridership (Million trips)** | | **191.25** | **256.78** | **270.53** | **291.59** | **306.93** | **314.06** | **218.79** |
| | *(growth)* | | 9% | 5% | 8% | 5% | 2% | -30% |
| | Fare Box Revenue | 6,613 | 8,893 | 9,688 | 10,457 | 11,494 | 11,703 | 8,524 |
| | *(growth)* | | *9%* | *9%* | *8%* | *10%* | *2%* | *-27%* |
| **Total Revenues** | | **6,613** | **8,893** | **9,688** | **10,457** | **11,494** | **11,703** | **8,524** |
| | Siemens Maintenance Contract | | 385 | 394 | 403 | 412 | 421 | 235 |
| | Overhaul & Refurbishment(for Rolling stocks) | | 265 | 207 | 246 | 217 | 183 | 9 |
| | P&C Maintenance cost (Outsourced and InHouse) | | 145 | 146 | 149 | 152 | 156 | 108 |
| **Total Repair and Maintenance Expenses** | | **781** | **795** | **747** | **797** | **781** | **759** | **351** |
| | Staff Costs | 450 | 669 | 704 | 723 | 765 | 801 | 576 |
| | Utilities Expenses | 355 | 403 | 429 | 453 | 466 | 478 | 332 |
| | Other Direct Operating Costs | 300 | 481 | 606 | 693 | 783 | 851 | 657 |
| | Point Costs | 269 | 410 | 527 | 607 | 694 | 758 | 592 |
| | Indirect Operating Costs | 155 | 181 | 185 | 189 | 194 | 198 | 137 |
| **Operating Expenses** | | **1,261** | **1,734** | **1,924** | **2,059** | **2,207** | **2,328** | **1,702** |
| **Total Expenses** | | **2,042** | **2,529** | **2,670** | **2,856** | **2,988** | **3,087** | **2,053** |
| **EBITDA** | | **4,572** | **6,365** | **7,018** | **7,601** | **8,506** | **8,616** | **6,471** |
| Less: | Capital Expenditures - Others | 60 | 147 | 164 | 147 | 183 | 172 | 104 |
| | Additional Investment - S6 Station | | 60 | 215 | 125 | - | - | - |
| **Free Cash Flow** | | **4,511** | **6,158** | **6,639** | **7,329** | **8,323** | **8,444** | **6,367** |
| | Adjustment Factor for the Year | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Adjusted Free Cash Flow | 4,511 | 6,158 | 6,639 | 7,329 | 8,323 | 8,444 | 6,367 |
| | Discount Period | 0.38 | 1.25 | 2.25 | 3.25 | 4.25 | 5.25 | 6.09 |
| | Discount Factor | 0.976 | 0.922 | 0.864 | 0.810 | 0.759 | 0.711 | 0.674 |
| | **Present Value as at 30/06/2023** | **4,403** | **5,678** | **5,738** | **5,936** | **6,318** | **6,007** | **4,289** |

| | |
|---|---|
| **Discount Rate** | **6.70%** |
| **Net Present Value (Million Baht)** | 38,371 |
| **Rounded to (Million Baht)** | **38,370** |

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

**Singapore Cost of Equity**

| Guideline Company | Published Levered Beta (a) | Book Value Interest-Bearing Debt (b) (SGD Millions*) | Liquidation Value Preferred Stock (b) (SGD Millions*) | Stock Price per Share (b) (SGD*) | Common Shares Outstanding (b) (SGD Millions) | Market Value of Common Equity (c) (SGD Millions*) | Total Invested Capital ("TIC") (d) (SGD Millions*) | Debt to TIC (e) | Equity to TIC (f) |
|---|---|---|---|---|---|---|---|---|---|
| ComfortDelgro Corporation (CMDG.SI) | 1.01 | 351.0 | 0.0 | 1.16 | 2,166.11 | 2,512.7 | 2,863.7 | 12% | 88% |
| AVERAGE | 1.01 | 351.0 | 0.0 | 1.16 | 2166.11 | 2,512.7 | 2,863.7 | 12% | 88% |
| MEDIAN | 1.01 | 351.0 | 0.0 | 1.16 | 2166.11 | 2,512.7 | 2,863.7 | 12% | 88% |

* Data is presented in millions of SG dollars for all guideline publicly traded companies unless noted otherwise.

**Concluded Variables**

| | | |
|---|---|---|
| Capital Structure for the Subject Company | | |
| Percent Debt | 0% | |
| Percent Equity | 100% | |
| Tax Rate for the Subject Company | 0.0% | (g) |
| Levered/Relevered Beta for the Subject Company | 0.90 | |

**Computation of Unlevered Beta for Guideline Companies**

BU = BL / [1 + (1 - T) x (Wd / We)]

| | BU | Tax Rate |
|---|---|---|
| ComfortDelgro Corporation (CMDG.SI) | 0.90 | 17.0% |
| AVERAGE | 0.90 | |
| MEDIAN | 0.90 | |

**Computation of Relevered Beta for Subject Company**

BL = BU x [1 + (1 - T) x (Wd / We)]

| | |
|---|---|
| Concluded Unlevered Beta | 0.90 |
| Relevered Beta for Subject Company | 0.90 |

Definitions:
BU = Beta unlevered
BL = Beta levered
T = Income tax rate for the company
Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt and preferred stock
We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity

Notes:
(a) Five-year beta, if available, from Bloomberg
(b) Data are based on information from Bloomberg
(c) Market Value of Common Equity = Stock Price per Share x Common Shares Outstanding
(d) Total Invested Capital ("TIC") = Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock + Market Value of Common Equity
(e) (Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock) / TIC
(f) Market Value of Common Equity / TIC
(g) This is the estimated effective tax rate for the subject company.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

| **Cost of Equity** | | | | Source |
|---|---|---|---|---|
| Risk-Free Rate of Return (h) | | | 2.41% | This is based on yield on 6.43-year Government Bond from Thai Bond Market Association. |
| Equity Risk Premium: | | | | |
| Thailand Market Volatility | 2.33 | | | SET index volatility (Standard Deviation of Return on Market) |
| SG Market Volatility | 2.03 | | | STI index volatility (Standard Deviation of Return on Market) |
| Relative Volatility Adjustment Factor (2.33/ 2.03) | | 1.15 | | Thailand market volatility / SG market volatility |
| SG Equity Risk Premium | | 5.00% | | |
| Equity Risk Premium (1.15 x 5.00%) | | | 5.74% | Relative Volatility Adjustment Factor x SG Equity Risk Premium |
| Levered/Relevered Beta for the Subject Company | | | 0.90 | Relevered 5-year beta from Bloomberg |
| Concluded Equity Risk Premium (5.74% x 0.90) | | | 5.18% | Equity Risk Premium x Levered/Relevered Beta for the Subject Company |
| Specific Company Risk Adjustment | | | 1.0% | |
| Indicated Cost of Equity (2.41%+5.18% +1.0%) | | | 8.60% | |
| **Concluded Cost of Equity** | | | 8.60% | |

Notes:

(h) This is based on yield on 6.43-year Government Bond from Thai Bond Market Association.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

**Hong Kong Cost of Equity**

| Guideline Company | Published Levered Beta (a) | Book Value Interest-Bearing Debt (b) | Liquidation Value Preferred Stock (b) | Stock Price per Share (b) | Common Shares Outstanding (b) | Market Value of Common Equity (c) | Total Invested Capital ("TIC") (d) | Debt to TIC (e) | Equity to TIC (f) |
|---|---|---|---|---|---|---|---|---|---|
| | | (HKD Millions*) | (HKD Millions*) | (HKD*) | (HKD Millions) | (HKD Millions*) | (HKD Millions*) | | |
| MTR Corporation Ltd. (0066.HK) | 0.60 | 47,986.0 | 0.0 | 36.00 | 6,202.1 | 223,274.2 | 271,260.2 | 18% | 82% |
| AVERAGE | 0.60 | 47,986.0 | 0.0 | | | 223,274.2 | 271,260.2 | 18% | 82% |
| MEDIAN | 0.60 | 47,986.0 | 0.0 | | | 223,274.2 | 271,260.2 | 18% | 82% |

* Data is presented in millions of HKD for all guideline publicly traded companies unless noted otherwise.

| **Concluded Variables** | |
|---|---|
| Capital Structure for the Subject Company | |
| Percent Debt | 0% |
| Percent Equity | 100% |
| Tax Rate for the Subject Company | 0.0% (g) |
| Levered/Relevered Beta for the Subject Company | 0.51 |

**Computation of Unlevered Beta for Guideline Companies**

BU = BL / [1 + (1 - T) x (Wd / We)]

| | BU | Tax Rate |
|---|---|---|
| MTR Corporation Ltd. (0066.HK) | 0.51 | 16.5% |
| AVERAGE | 0.51 | |
| MEDIAN | 0.51 | |

**Computation of Relevered Beta for Subject Company**

BL = BU x [1 + (1 - T) x (Wd / We)]

| | |
|---|---|
| Concluded Unlevered Beta | 0.51 |
| Relevered Beta for Subject Company | 0.51 |

Definitions:
BU = Beta unlevered
BL = Beta levered
T = Income tax rate for the company
Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt and preferred stock
We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity

Notes:
(a) Five-year beta, if available, from Bloomberg
(b) Data are based on information from Bloomberg
(c) Market Value of Common Equity = Stock Price per Share x Common Shares Outstanding
(d) Total Invested Capital ("TIC") = Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock + Market Value of Common Equity
(e) (Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock) / TIC
(f) Market Value of Common Equity / TIC
(g) This is the estimated effective tax rate for the subject company.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

| **Cost of Equity** | | | | Source |
|---|---|---|---|---|
| Risk-Free Rate of Return (h) | | | 2.41% | This is based on yield on 6.43-year Government Bond from Thai Bond Market Association. |
| Equity Risk Premium: | | | | |
| Thailand Market Volatility | 2.33 | | | SET index volatility (Standard Deviation of Return on Market) |
| HK Market Volatility | 3.16 | | | HSI index volatility (Standard Deviation of Return on Market) |
| Relative Volatility Adjustment Factor (2.33/ 3.16) | | 0.74 | | Thailand market volatility / HK market volatility |
| HK Equity Risk Premium | | 5.91% | | |
| Equity Risk Premium (0.74 x 5.91%) | | | 4.4% | Relative Volatility Adjustment Factor x HK Equity Risk Premium |
| Levered/Relevered Beta for the Subject Company | | | 0.51 | Relevered 5-year beta from Bloomberg |
| Concluded Equity Risk Premium (4.4% x 0.51) | | | 2.20% | Equity Risk Premium x Levered/Relevered Beta for the Subject Company |
| Specific Company Risk Adjustment | | | 1.0% | |
| Indicated Cost of Equity (2.41% + 2.22%+1%) | | | 5.62% | |
| **Concluded Cost of Equity** | | | 5.62% | |

Notes:

(h) This is based on yield on 6.43-year Government Bond from Thai Bond Market Association.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of March 31, 2023

**Japan Cost of Equity**

| Guideline Company | Published Levered Beta (a) | Book Value Interest-Bearing Debt (b) | Liquidation Value Preferred Stock (b) | Stock Price per Share (b) | Common Shares Outstanding (b) | Market Value of Common Equity (c) | Total Invested Capital ("TIC") (d) | Debt to TIC (e) | Equity to TIC (f) |
|---|---|---|---|---|---|---|---|---|---|
| | | (JPY Millions*) | (JPY Millions*) | (JPY*) | (JPY Millions) | (JPY Millions*) | (JPY Millions*) | | |
| Tokyu Corporation (9005.T) | 0.92 | 1,224,158.0 | 0.0 | 1,734.5 | 602.3 | 1,044,755.3 | 2,268,913.3 | 54% | 46% |
| AVERAGE | 0.92 | 1,224,158.0 | 0.0 | 1,734.5 | 602.3 | 1,044,755.3 | 2,268,913.3 | 54% | 46% |
| MEDIAN | 0.92 | 1,224,158.0 | 0.0 | 1,734.5 | 602.3 | 1,044,755.3 | 2,268,913.3 | 54% | 46% |

* Data is presented in millions of JPY dollars for all guideline publicly traded companies unless noted otherwise.

**Concluded Variables**

| | | |
|---|---|---|
| Capital Structure for the Subject Company | | |
| Percent Debt | 0% | |
| Percent Equity | 100% | |
| Tax Rate for the Subject Company | 0.0% | (g) |
| Levered/Relevered Beta for the Subject Company | 0.51 | |

**Computation of Unlevered Beta for Guideline Companies**

BU = BL / [1 + (1 - T) x (Wd / We)]

| | BU | Tax Rate |
|---|---|---|
| Tokyu Corporation (9005.T) | 0.51 | 30.62% |
| AVERAGE | 0.51 | |
| MEDIAN | 0.51 | |

**Computation of Relevered Beta for Subject Company**

BL = BU x [1 + (1 - T) x (Wd / We)]

| | |
|---|---|
| Concluded Unlevered Beta | 0.51 |
| Relevered Beta for Subject Company | 0.51 |

Definitions:
BU = Beta unlevered
BL = Beta levered
T = Income tax rate for the company
Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt and preferred stock
We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity

Notes:
(a) Five-year beta, if available, from Bloomberg
(b) Data are based on information from Bloomberg
(c) Market Value of Common Equity = Stock Price per Share x Common Shares Outstanding
(d) Total Invested Capital ("TIC") = Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock + Market Value of Common Equity
(e) (Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock) / TIC
(f) Market Value of Common Equity / TIC
(g) This is the estimated effective tax rate for the subject company.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of March 31, 2023

| **Cost of Equity** | | | | Source |
|---|---|---|---|---|
| Risk-Free Rate of Return (h) | | | 2.41% | This is based on yield on 6.43-year Government Bond from Thai Bond Market Association. |
| Equity Risk Premium: | | | | |
| Thailand Market Volatility | 2.33 | | | SET index volatility (Standard Deviation of Return on Market) |
| JP Market Volatility | 2.94 | | | NKI index volatility (Standard Deviation of Return on Market) |
| Relative Volatility Adjustment Factor (2.33 / 2.94) | | 0.79 | | Thailand market volatility / JP market volatility |
| JP Equity Risk Premium | | 6.07% | | |
| Equity Risk Premium (0.79 x 6.07%) | | | 4.80% | Relative Volatility Adjustment Factor x JP Equity Risk Premium |
| Levered/Relevered Beta for the Subject Company | | | 0.51 | Relevered 5-year beta from Bloomberg |
| Concluded Equity Risk Premium (4.80% x 0.51) | | | 2.45% | Equity Risk Premium x Levered/Relevered Beta for the Subject Company |
| Specific Company Risk Adjustment | | | 1.0% | |
| Indicated Cost of Equity (2.41%+2.45% +1.0%) | | | 5.86% | |
| **Concluded Cost of Equity** | | | 5.86% | |

Notes:

(h) This is based on yield on 6.43-year Government Bond from Thai Bond Market Association.

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

**Thailand Cost of Equity**

| Guideline Company | Published Levered Beta (a) | Book Value Interest-Bearing Debt (b) (Baht Millions*) | Liquidation Value Preferred Stock (b) (Baht Millions*) | Stock Price per Share (b) (Baht*) | Common Shares Outstanding (b) (Baht Millions) | Market Value of Common Equity (c) (Baht Millions*) | Total Invested Capital ("TIC") (d) (Baht Millions*) | Debt to TIC (e) | Equity to TIC (f) |
|---|---|---|---|---|---|---|---|---|---|
| BTS Group Holdings Public Co., Ltd. (BTSG) | 1.01 | 155,532 | 0.0 | 7.45 | 13,167.6 | 98,098.6 | 253,630.8 | 61% | 39% |
| AVERAGE | 1.01 | 155,532 | 0.0 | 7.45 | 13,167.6 | 98,098.6 | 253,630.8 | 61% | 39% |
| MEDIAN | 1.01 | 155,532 | 0.0 | 7.45 | 13,167.6 | 98,098.6 | 253,630.8 | 61% | 39% |

* Data is presented in millions of Baht for all guideline publicly traded companies unless noted otherwise.

| **Concluded Variables** | |
|---|---|
| Capital Structure for the Subject Company | |
| Percent Debt | 0% |
| Percent Equity | 100% |
| Tax Rate for the Subject Company | 0.0% (g) |
| Levered/Relevered Beta for the Subject Company | 0.45 |

**Computation of Unlevered Beta for Guideline Companies**

BU = BL / [1 + (1 - T) x (Wd / We)]

| | BU | Tax Rate |
|---|---|---|
| BTS Group Holdings Public Co., Ltd. (BTSG) | 0.45 | 20.0% |
| AVERAGE | 0.45 | |
| MEDIAN | 0.45 | |

**Computation of Relevered Beta for Subject Company**

BL = BU x [1 + (1 - T) x (Wd / We)]

| | |
|---|---|
| Concluded Unlevered Beta | 0.45 |
| Relevered Beta for Subject Company | 0.45 |

Definitions:
BU = Beta unlevered
BL = Beta levered
T = Income tax rate for the company
Wd = Percentage of debt capital in the capital structure; debt capital is comprised of interest-bearing debt and preferred stock
We = Percentage of equity capital in the capital structure; equity capital is comprised of the market value of common equity

Notes:
(a) Five-year beta, if available, from Bloomberg
(b) Data are based on information from Bloomberg
(c) Market Value of Common Equity = Stock Price per Share x Common Shares Outstanding
(d) Total Invested Capital ("TIC") = Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock + Market Value of Common Equity
(e) (Book Value Interest-Bearing Debt + Liquidation Value Preferred Stock) / TIC
(f) Market Value of Common Equity / TIC
(g) This is the estimated effective tax rate for the subject company which reflects the combined effects of federal and state income tax payments.

**Cost of Equity**

| | | |
|---|---|---|
| Capital Asset Pricing Model | | |
| Risk-Free Rate of Return (h) | | 2.41% |
| Plus Equity Risk Premium | | |
| Market Risk Premium | 7.43% | |
| Times Levered/Relevered Beta | 0.45 | |
| Adjusted Market Risk Premium (7.43%x0.45) | | 3.31% |
| Plus Specific Company Risk Adjustment | | 1.0% |
| Indicated Cost of Equity (2.41%+3.31%+1.0%) | | 6.72% |
| **Concluded Thailand Cost of Equity** | | **6.72%** |

| **Cost of Debt** | |
|---|---|
| Concluded Pretax Cost of Debt | 3.90% (i) |
| Income Tax Rate | 0.00% |
| **Concluded After-Tax Cost of Debt** | **3.90%** |

Notes:
(h) This is based on yield on 6.43-year Government Bond from Thai Bond Market Association.
(i) Average long-term Thai corporate bond rate for A rating from Thai Bond Market Association

# BTS Rail Mass Transit Growth Infrastructure Fund

## Calculation of Country Specific Weighted Average Cost of Capital ("WACC")
## Valuation as of June 30, 2023

**<u>International Discount Rate Model</u>**

Subject Country: **Thailand**

WACC Calculation - Considering Specific Country/Political Factors

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| WACC | = | (% Debt) | x | Kd | + | (% Equity) | x | Ke |
| WACC | = | 0.0% | x | 3.90% | + | 100.0% | x | 6.70% |
| WACC | = | 0.00% | | | + | 6.70% | | |
| WACC | = | 6.70% | | | | | | |

**Concluded WACC: 6.70%**