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BTS Rail Mass Transit Growth Infrastructure Fund

(to be registered in the Kingdom of Thailand as an infrastructure fund)

5,788,000,000 Investment Units

This Offering Memorandum relates to the initial public offering of new investment units, par value THB10.80 each ("Investment Units"), in BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF" or the "Fund") by BBL Asset Management Company Limited (the "Management Company"), the management company of BTSGIF, with an objective to use the proceeds from the initial public offering to purchase the Sale Revenue (as defined herein) in accordance with the rules and regulations of the Capital Market Supervisory Board of Thailand (the "CMSB"). The offering consists of (i) the sale of Investment Units (a) outside the United States to, or for the account or benefit of, non-U.S. persons (as defined in Regulation S under the Securities Act of 1933, as amended (the "Securities Act")) in reliance on Regulation S under the Securities Act, (b) outside the United States to U.S. persons (as defined in Regulation S) who are "qualified purchasers" (as defined below) and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A")) and (c) within the United States in reliance on Rule 144A only to persons who are both "qualified institutional buyers" and "qualified purchasers" within the meaning of Section 2(a)(51) under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") through Morgan Stanley & Co. International plc and UBS AG, Hong Kong Branch (the "Initial Purchasers" or the "Joint International Bookrunners") (the "International Offering"), (ii) a concurrent public offering of Investment Units in Thailand (the "Thai Offering") and (iii) a subscription by BTS Group Holdings Public Company Limited (the "Sponsor Subscription" and, together with the Thai Offering and the International Offering, the "Combined Offering"). Completion of the International Offering, the Thai Offering and the Sponsor Subscription are each conditional on the completion of the others. The Combined Offering will consist of an aggregate of 5,788,000,000 Investment Units.

In addition, as part of the Combined Offering, each of the Cornerstone Investors (as defined herein) has entered into a subscription agreement to subscribe for an aggregate of 2,333,400,000 Investment Units (the "Cornerstone Units") at the Offering Price conditional upon, *inter alia*, the purchase agreement, the underwriting agreement and the Sponsor Subscription agreement in relation to the International Offering, the Thai Offering and the Sponsor Subscription, respectively, having been entered into, and not having been terminated, pursuant to its terms on or prior to the closing date of the Combined Offering.

This Offering Memorandum is only being used in connection with the International Offering in respect of 2,469,000,000 Investment Units. The Thai Offering is being made pursuant to a separate prospectus in the Thai language which was filed with and prepared based on the Fund Scheme approved by the Office of the Securities and Exchange Commission of Thailand (the "Thai SEC" or the "Office of the SEC"). For information on the methods of sale, see "Plan of Distribution". The Investment Units offered in the Combined Offering may be reallocated between the International Offering and the Thai Offering, subject to the allocation criteria of the Thai SEC.

Prior to the offerings described above, there has been no trading market for the Investment Units within or outside Thailand. The Management Company will apply to the Stock Exchange of Thailand (the "SET") for the Investment Units to be listed and quoted on the SET. Assuming the Investment Units are approved for listing, the Investment Units will be listed on the SET and quoted in Thai Baht. For a description of the SET, see "The Thai Securities Market".

Investing in the Investment Units involves certain risks. See "Risk Factors" beginning on page 30. Investors should carefully review the information in this Offering Memorandum before making an investment decision.

Offering Price: THB10.80 per Investment Unit.

In addition to the Offering Price, international investors will be required to pay a brokerage fee of up to 1% of the Offering Price in connection with their purchase of Investment Units purchased in the International Offering. For a description of this brokerage fee, see "Plan of Distribution".

THE INVESTMENT UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. IN ADDITION, BTSGIF IS NOT REGISTERED, AND WILL NOT BE REGISTERED, UNDER THE INVESTMENT COMPANY ACT, IN RELIANCE UPON THE EXCEPTION PROVIDED BY SECTION 3(c)(7) THEREOF. THE INVESTMENT UNITS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY PERSON THAT IS A "U.S. PERSON" WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT UNLESS, AMONG OTHER THINGS, THE PURCHASER IS BOTH (1) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A AND (2) A "QUALIFIED PURCHASER" WITHIN THE MEANING OF SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER, ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTION BUYER THAT IS ALSO A QUALIFIED PURCHASER (AND MEETS THE OTHER REQUIREMENTS SET FORTH HEREIN). THE INVESTMENT UNITS OFFERED HEREBY TO PERSONS THAT ARE NOT U.S. PERSONS ("NON-U.S. PERSONS") WILL BE OFFERED AND SOLD IN "OFFSHORE TRANSACTIONS" WITHIN THE MEANING OF REGULATION S. THE INVESTMENT UNITS ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER "TRANSFER RESTRICTIONS". EACH PURCHASER OF INVESTMENT UNITS IS HEREBY NOTIFIED THAT (A) SELLERS OF THE INVESTMENT UNITS MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A, AND (B) BTSGIF WILL NOT BE REGISTERED UNDER, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF, THE INVESTMENT COMPANY ACT. FOR A MORE COMPLETE DESCRIPTION OF THE RESTRICTIONS ON REALES, PLEDGES, EXCHANGES AND OTHER TRANSFERS OF INVESTMENT UNITS, AS WELL AS CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS THAT INVESTORS MUST MAKE OR WILL BE DEEMED TO MAKE IN CONNECTION WITH THE PURCHASE AND TRANSFERS OF INVESTMENT UNITS, SEE "TRANSFER RESTRICTIONS".

Joint Global Coordinators and Joint International Bookrunners
(in alphabetical order)

Morgan Stanley



Joint Global Coordinator, Thai Lead Underwriter and Sole Domestic Bookrunner



The date of this Offering Memorandum is April 4, 2013.

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You should rely only on the information contained in this Offering Memorandum in making an investment decision with respect to the Investment Units. None of BTSGIF, the Management Company, Standard Chartered Bank (Thai) Public Company Limited (the “Fund Supervisor”), Bangkok Mass Transit System Public Company Limited (“BTSC” or the “BTS SkyTrain Operator”, as the case may be), BTS Group Holdings Public Company Limited (“BTSG” or the “Sponsor”), the Initial Purchasers or Phatra Securities Public Company Limited (the “Thai Lead Underwriter”) have authorized anyone to provide you with any additional or different information. This Offering Memorandum may only be used where it is legal to offer and sell the Investment Units. The information in this Offering Memorandum may only be accurate as of the date of this Offering Memorandum. You should be aware that since the date of this Offering Memorandum there may have been changes in our business, financial condition, results of operations, prospects or otherwise that could affect the accuracy or completeness of the information set out in this Offering Memorandum.

This Offering Memorandum is being provided on a confidential basis in connection with an offering exempt from registration under the Investment Company Act and applicable U.S. state securities laws solely for the purpose of enabling prospective investors to consider the purchase of the Investment Units. None of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter are authorizing the use of this Offering Memorandum for any other purpose. The information contained in this Offering Memorandum has been provided by BTSC, the Sponsor and other sources identified in this Offering Memorandum. No representation or warranty, express or implied, is made by the Management Company, the Fund Supervisor, the Initial Purchasers or the Thai Lead Underwriter as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Management Company, the Fund Supervisor, the Initial Purchasers or the Thai Lead Underwriter. Any reproduction or distribution of this Offering Memorandum, in whole or in part, and any disclosure of its contents or use of any information herein is prohibited, except to the extent such information is otherwise publicly available.

The distribution of this Offering Memorandum and the offer and sale of the Investment Units offered hereby are restricted by law in certain jurisdictions. You should inform yourselves about and comply with all applicable laws and regulations in force in any jurisdiction in connection with the distribution of this Offering Memorandum and the offer and sale of the Investment Units. None of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter nor any of their respective affiliates, directors, officers, employees, agents or advisors are making any representation or undertaking to any investor regarding the legality of an investment in the Investment Units.

In making an investment decision, you should rely on your own examination of BTSGIF and the terms of the International Offering, including the merits and risks involved. You should not construe the contents of this Offering Memorandum or its appendices as legal, business, financial or tax advice. You should consult your own attorney, business advisor, tax advisor or other professional advisor.

The Management Company, the Initial Purchasers and the Thai Lead Underwriter are entitled to withdraw the Combined Offering at any time before closing, subject to compliance with certain conditions set out in the purchase agreement relating to the International Offering, and the underwriting agreement relating to the Thai Offering. The Combined Offering is being made subject to the terms described in this Offering Memorandum, the purchase agreement and the underwriting agreement relating to the Investment Units described in “Plan of Distribution”.

This Offering Memorandum is not a prospectus within the meaning of the Securities and Exchange Act B.E. 2535 (A.D. 1992) of Thailand, as amended (the “SEC Act”). In connection with the Thai Offering, the Thai SEC has approved the establishment of BTSGIF and the management of BTSGIF as a mutual fund on March 14, 2013, and a prospectus, written in the Thai language, was filed with the Thai SEC on November 19, 2012. Thai law requires the distribution of a prospectus upon the Thai SEC approving the establishment of BTSGIF and the management of BTSGIF as a mutual fund by the Thai SEC in connection with any public offering of the Investment Units in Thailand. This Offering Memorandum may not be used in lieu of a prospectus in connection with any public offering of the Investment Units in Thailand.

BTSGIF, the Management Company, the Initial Purchasers and the Thai Lead Underwriter are not offering to sell the Investment Units in any jurisdiction where the offer or sale is not permitted. This Offering Memorandum does not constitute an offer of, or an invitation to purchase, any of the Investment Units in any jurisdiction in which such offer or invitation would be unlawful. No action has been taken in any jurisdiction that would permit a public offering to occur in any jurisdiction other than Thailand.

In this Offering Memorandum, all references to:

- “Baht” or “THB” refer to the legal currency of Thailand;
- “BMA” refer to the Bangkok Metropolitan Administration;
- “BSS” refer to Bangkok Smartcard System Co., Ltd.;
- “BTSC” refer to Bangkok Mass Transit System Public Company Limited;
- “BTSG” or “Sponsor” refer to BTS Group Holdings Public Company Limited;
- “BTS SkyTrain” refer to the core lines of the Bangkok Mass Transit System originally granted under the concession agreement between BTSC and BMA dated as of April 9, 1992, covering 23.5 km, and where the context requires, the Core BTS SkyTrain System and the Extension BTS SkyTrain System;
- “BTS SkyTrain Business” refer to the business of BTS SkyTrain;

- “Concession Agreement” refer to 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 December 5, 1999 and expiring on the Concession Expiry Date unless the Concession Agreement is extended;
- “Core BTS SkyTrain System” refer to 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 (the “Core Sukhumvit Line”), and the 6.5 kilometre Silom line from National Stadium to Taksin Bridge (the “Core Silom Line”);
- “Extension BTS SkyTrain System” refer to 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 “Silom Line Phase 1 Extension”), the 5.25 kilometre Sukhumvit extension line from On-Nut to Bearing (the “Sukhumvit Line Extension”, and together with the Core Sukhumvit Line, the “Sukhumvit Line”), and the 5.3 kilometre Silom extension line southwards from the Silom Line along Pet Kasem Road from Wongwein Yai to Bang Wa, which is expected to commence operations in 2013 (the “Silom Line Phase 2 Extension”, and together with the Silom Line Phase 1 Extension”, the “Silom Line Extensions”, and together with the Core Silom Line, the “Silom Line”);
- “Fund Supervisor” refer to Standard Chartered Bank (Thai) Public Company Limited;
- “Government” refer to the Government of Thailand, and “Cabinet” refer to the Thai cabinet;
- “Long Term O&M Agreement” refer to 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;
- “Management Company” refer to BBL Asset Management Company Limited;
- “NAV” refer to the net asset value of BTSGIF;
- “O&M Costs” refer to the costs, expenses, excise 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, (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;

- “Sale Revenue” refer to 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, and all cash relating to all claims, awards, judgments, suits, causes of action in favor of BTSC and any other rights of BTSC arising out of or in connection with such revenues 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);
- “Thailand” or “Thai” refer to the Kingdom of Thailand;
- “U.S. Dollar” or “US\$” refer to the legal currency of the United States of America;
- “we”, “our”, “ourselves” or “us” refer to BTSGIF; and
- “you” or “your” refer to potential investors or purchasers of the Investment Units.

Certain of the terms defined above are also defined in the “Glossary” contained elsewhere in this Offering Memorandum.

NOTE TO PROSPECTIVE PURCHASERS IN THE UNITED STATES

The Investment Units have not been, and will not be, registered under the Securities Act, or any U.S. state securities laws. BTSGIF is also not registered, and will not be registered, as an investment company under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. Subject to certain exceptions, the Investment Units may not be offered, sold or delivered within the United States or to any national, resident or citizen of the United States. Pursuant to the Combined Offering, the Investment Units may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S except that the Investment Units may be offered or sold to (i) persons who are both “qualified institutional buyers” as defined in Rule 144A and “qualified purchasers” within the meaning of Section 2(a)(51) of the Investment Company Act in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (ii) non-U.S. persons in offshore transactions in reliance on Regulation S. The Investment Units are not transferable except in accordance with the restrictions described under “Transfer Restrictions”. Each purchaser of Investment Units will be required to make or will be deemed to have made certain acknowledgements, representations and agreements. For a description of these and certain other restrictions on offers, sales and transfers of the Investment Units and distribution of this Offering Memorandum, see “Plan of Distribution” and “Transfer Restrictions”.

The Investment Units may not be sold or transferred to any Benefit Plan Investor (as defined in “Transfer Restrictions”), and no Benefit Plan Investor is permitted to purchase or hold any of the Investment Units. See “Transfer Restrictions”.

The Investment Units which we are offering have not been approved or disapproved by the United States Securities and Exchange Commission, any U.S. state securities commission, any other U.S. regulatory authority or any foreign securities commission or regulatory authority. The foregoing authorities have not confirmed the accuracy or determined the adequacy of this Offering Memorandum, nor have they passed upon or endorsed the merits of the Combined Offering. Any representation to the contrary is a criminal offense in the United States. In addition, until 40 days after the commencement of the Combined Offering, an offer or sale of the Investment Units offered hereby within the United States by a dealer, whether or not participating in the Combined Offering, may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATION OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

U.S. INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

Pursuant to U.S. Internal Revenue Service Circular 230, we hereby inform you that the description in this Offering Memorandum with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code of 1986, as amended. Such description was written to support the marketing of the Investment Units. Each taxpayer should seek advice based on their particular circumstances from an independent tax advisor.

AVAILABLE INFORMATION

Subject to the following sentence, and for so long as the Investment Units remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act, we will furnish, upon the request of any shareholder, such information as is specified in paragraph (d)(4) of Rule 144A under the Securities Act, to such holder or beneficial owner or to a prospective purchaser of such Investment Units or interest therein who is a “qualified institutional buyer” within the meaning of Rule 144A, in order to permit compliance by such holder or beneficial owner with Rule 144A in connection with the resale of such Investment Units or beneficial interest therein in reliance on Rule 144A. Notwithstanding the above, we will not provide such information if, at the time of such request, we are subject to the reporting requirements of Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), or we are exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

ENFORCEABILITY OF CIVIL LIABILITIES

BTSGIF will be established and regulated as an individual mutual fund under the laws of Thailand. The Management Company is incorporated in Thailand and is licensed by the Ministry of Finance of Thailand to undertake the securities business of mutual fund management in Thailand. Each of BTSC and the Sponsor is incorporated in Thailand. All the assets to be acquired or invested in, by BTSGIF are or will be located in Thailand. As a result, you may not be able to:

- effect service of process upon BTSGIF, the Management Company, the directors and officers of the Management Company, the Sponsor, BTSC, the Fund Supervisor or other entities involved in the management and operation of BTSGIF outside Thailand; or
- enforce against BTSGIF, the Management Company, the directors and officers of the Management Company, the Sponsor, BTSC, the Fund Supervisor or other entities involved in the management and operation of BTSGIF in Thai courts judgments obtained in courts outside of Thailand, including judgments based on the securities laws of other countries, including the federal securities laws of the United States.

Thai courts will not enforce any judgment or order obtained outside Thailand, but a judgment or order from a foreign court may, in the discretion of a court in Thailand, be admitted as evidence of an obligation in a new proceeding instituted in that court, which would consider the issue on the evidence before it. Thus, to the extent investors are entitled to bring legal action against these persons, investors may be limited in their remedies and any recovery in any Thai proceedings may be limited at the relevant court’s discretion. See “Risk Factors – Risks Relating to Thailand”.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The historical carve-out financial statements of BTSC, representing the operations of the BTS SkyTrain Business, included in this Offering Memorandum have been prepared by BTSC to present the financial position, results of operations and cash flows of the BTS SkyTrain Business as of and for each of the fiscal years ended March 31, 2010, 2011 and 2012, and as of and for the nine months ended December 31, 2011 and 2012. These historical carve-out financial statements have been prepared and presented in accordance with generally accepted accounting principles in Thailand (“Thai GAAP”). The historical carve-out financial statements as of and for each of the fiscal years ended March 31, 2010, 2011 and 2012 have been audited by Ernst & Young Office Limited, a member firm of Ernst & Young Global, which expressed an unqualified opinion on those carve-out financial statements. The historical carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 have been reviewed by Ernst & Young Office Limited, which did not express an audit opinion on these carve-out financial statements.

This Offering Memorandum also includes unaudited pro forma financial information of BTSGIF as of and for the fiscal year ended March 31, 2012 and as of and for the nine months ended December 31, 2012. The unaudited pro forma financial information of BTSGIF has been prepared based on certain assumptions as set out in Annex D of this Offering Memorandum. Such pro forma financial statements of BTSGIF are provided to illustrate what the financial position, cash flows and profits of BTSGIF might be if BTSGIF had been established, and the execution of the Net Revenue Purchase and Transfer Agreement had taken place, on April 1, 2011. The unaudited pro forma financial information of BTSGIF is not indicative of the actual financial position, cash flows or profits that would have been attained by BTSGIF. See “Unaudited Pro Forma Financial Information of BTSGIF” for more details.

Thai GAAP differs in certain material respects from generally accepted accounting principles in the United States (“U.S. GAAP”). For a description of significant accounting differences between Thai GAAP and U.S. GAAP that are relevant to the carve-out financial statements included in the Offering Memorandum, see “Summary of Significant Differences between Thai GAAP and U.S. GAAP”.

This Offering Memorandum also includes statistical data provided by BTSC, the Management Company and various third parties, and cites third-party projections regarding growth and performance of the industry BTSGIF invests in. This data is taken or derived from information published by industry sources and from the internal data of BTSC and the Management Company. In each such case, the source is acknowledged in this Offering Memorandum, provided that where no source is acknowledged, it can be assumed that the information originates from BTSC. The Management Company believes that the statistical data and projections cited in this Offering Memorandum are useful in helping prospective investors understand the major trends in the markets in which BTSGIF operates. However, none of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers nor the Thai Lead Underwriter has independently verified these figures. None of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers nor the Thai Lead Underwriter makes any representation as to the correctness, accuracy or completeness of such data and accordingly prospective investors should not place undue reliance on the statistical data cited in this Offering Memorandum. Similarly, third-party projections cited in this Offering Memorandum are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the estimated figures will be achieved, and prospective investors should not place undue reliance on the third-party projections cited in this Offering Memorandum.

Solely for the convenience of the reader, unless otherwise indicated, certain Baht amounts in this Offering Memorandum have been translated to U.S. Dollars, and certain U.S. Dollar amounts have been translated to Baht, in each case based on the average buying (telex transfer) and selling exchange rate of commercial banks in Bangkok announced by The Bank of Thailand (the “BOT”) as of December 31, 2012, which was THB30.63 = US\$1.00. On April 2, 2013, such rate was THB29.33 = US\$1.00. In addition, certain Euro amounts have been translated to U.S. Dollars based on the reference rate announced by the European Central Bank as of December 31, 2012, which was €1.00 = US\$1.32, and certain Chinese Renminbi amounts have been translated to U.S. Dollars based on the noon middle exchange rate announced by Bank of China as of December 31, 2012, which was RMB6.28 to US\$1.00. No representation is made that the Baht or U.S. Dollar amounts referred to in this Offering Memorandum could have been or could be converted into U.S. Dollars or Baht, as the case may be, at any particular rate or at all. See “Exchange Rates Information” for certain historical information on the reference rate between the Baht and the U.S. Dollar.

Figures and percentages are rounded to one or two decimal places, where appropriate. Any discrepancies in the tables included in this Offering Memorandum between the amounts listed and the totals are due to rounding.

The information on BTSGIF’s or the Management Company’s websites, the websites of BTSG, BTSC and their respective subsidiaries, or any website directly or indirectly linked to such websites, is not incorporated by reference into this Offering Memorandum and should not be relied upon.

INDUSTRY AND MARKET DATA

This Offering Memorandum includes market share and industry data and forecasts that we have obtained from industry publications and surveys, publicly available documents and government publications. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. While reasonable actions have been taken to ensure that the information is extracted accurately and in its proper context, neither BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers, the Thai Lead Underwriter nor their affiliates have independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. As a result, you are cautioned against undue reliance on such information.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains “forward-looking” statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. All statements, other than statements of historical fact contained in this Offering Memorandum, including, without limitation, “Profit and Cash Flow Projections of BTSGIF”, those regarding the future financial position and results of operations of BTSGIF, BTSGIF’s strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “plan”, “aim”, “intend”, “will”, “may”, “project”, “estimate”, “forecast”, “anticipate”, “predict”, “seek”, “should” or similar words or expressions, are forward-looking statements.

These forward-looking statements include, without limitation, statements relating to:

- estimated financial information regarding, and the future development and economic performance of, BTSGIF;
- future earnings, cash flow and liquidity;
- potential growth opportunities;
- financing plans;
- the investment strategy of BTSGIF;
- the competitive position and the effects of competition on BTSGIF’s investments;
- development of additional revenue sources;
- the amount and nature of future capital expenditures required by the BTS SkyTrain and BTSGIF;
- the general transportation industry environment; and
- regulatory changes and future Government policy relating to the transportation industry in Thailand.

The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- ridership and the ability of BTSC to raise passenger fares;
- termination of BTSC’s concession agreements;
- fluctuations in BTSC’s cost of farebox, in particular, those that are beyond BTSC’s control;
- dependence on third parties for the supply of equipment, including rolling stock, and fluctuations in the price thereof;

- compliance by third parties of their obligations under agreements to which BTSC and they are a party;
- compliance costs and potential liability for remedial actions under existing or future environmental obligations;
- changes in the value of the Baht against other currencies, including the U.S. Dollar;
- changes in interest rates;
- war or political unrest in the Middle East or elsewhere, or acts of international or domestic terrorism;
- changes in general economic, business, political and regulatory conditions in Thailand;
- changes in the laws, regulations, taxation, accounting standards or practices, or policies of the Government which apply to us;
- labor unrest or other similar situations;
- the availability to obtain and retain skilled personnel;
- the availability of insurance coverage at commercially acceptable premiums;
- accidents, public disorder, natural disasters, severe weather or outbreaks of infectious diseases such as the Influenza A (H1N1) virus;
- BTSC's success at managing the risks of the above factors; and
- other factors not yet known to the Management Company.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Profit and Cash Flow Projections of BTSGIF". When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made. Accordingly, none of BTSGIF, the Management Company, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Each of BTSGIF, the Management Company, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, you should not place undue reliance on any forward-looking statements.

SUMMARY

This summary may not contain all the information that may be important to you in deciding to invest in the Investment Units. You should read the entire Offering Memorandum, including BTSC's historical carve-out financial statements of the Core BTS SkyTrain System, pro forma financial information of BTSGIF and related notes contained elsewhere in this Offering Memorandum and the section entitled "Risk Factors" beginning on page 30 of this Offering Memorandum, before making an investment decision.

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results of BTSGIF to differ materially from those projected (see "Forward-Looking Statements" for further details). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by BTSGIF, the Management Company, the Fund Supervisor, the Sponsor, BTSC, the Initial Purchasers, the Thai Lead Underwriter or any other person or that these results would be achieved or are likely to be achieved. Investing in the Investment Units involves risks. You are advised not to rely solely on this section, but to read this Offering Memorandum in its entirety and, in particular, the sections from which the information in this section is extracted and the section "Risk Factors" to better understand the Combined Offering and BTSGIF's business and risks.

Overview

BTSGIF will be a publicly traded infrastructure fund in Thailand and provides Unitholders with an attractive opportunity to invest in the revenues generated from BTSC's exclusive concession to operate the BTS SkyTrain. BTSG or the Sponsor, a public company incorporated in Thailand, is a major shareholder of BTSC and will become a major Unitholder of BTSGIF, holding not more than one-third of the total number of Investment Units. The Sponsor will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects and brownfield projects for Bangkok and Vicinity Mass Transit Systems in which BTSG or any of its affiliates has entered into the relevant agreement in respect of the relevant projects. The Management Company intends to manage BTSGIF's business with the key objective of generating sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return.

BTSC is the sole operator of the BTS SkyTrain. The BTS SkyTrain is an electric elevated railway with two separate lines running above certain of central Bangkok's major public roadways. Under the Concession Agreement, BTSC has the right to operate the BTS SkyTrain through two lines, the Core Sukhumvit Line and the Core Silom Line, together forming part of the Green Line, covering 23 stations with a combined track length of 23.5 km, and the right to collect the full amount of fare derived from the existing 23.5 km route under the Concession Agreement. For further details on the Concession Agreement, see "BTSGIF and the BTS SkyTrain Business and Extensions – The BTS SkyTrain Business – The Concession Agreement". The Core Sukhumvit Line consists of 17 stations and runs northwards and eastwards from central Bangkok for 17.0 km, connecting Mo Chit and On Nut. The Core Silom Line consists of seven stations and runs through one of Bangkok's central business districts for 6.5 km, connecting National Stadium and Taksin Bridge (Saphan Taksin). The two lines intersect at Siam station, which is the BTS SkyTrain's single shared interchange station.

In May 2012, Krungthep Thanakom and BTSC entered into the Long Term O&M Agreement covering the Silom Line Extensions and the Sukhumvit Line Extension, replacing the then existing three short term agreements. The Long Term O&M Agreement also covers the Core Sukhumvit Line and the Core Silom Line after the expiration of the Concession Agreement, scheduled in December 2029, until May 2042. The Silom Line has been, and is being, extended in two stages, while the Sukhumvit Line has been, and will continue to be, extended in various stages. These extensions, the Silom Line Extensions and the Sukhumvit Line Extension, do not form part of the business from which the Sale Revenue is derived.

BTSGIF's investment mandate is to invest in infrastructure businesses, which will initially be the Sale Revenue. The fares derived from the Extension BTS SkyTrain System and the fares derived from the Core BTS SkyTrain System after December 2029 are not covered under the Concession Agreement, and such fares are, therefore, not included in the Sale Revenue that has been sold to BTSGIF. However, BTSC will grant BTSGIF the right to purchase the right to receive the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the rights to receive the revenues, 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 in which BTSC or any of its subsidiaries has entered into the relevant agreement in respect of the relevant projects including (i) any extension of the Concession Agreement and, (ii) the Long Term O&M Agreement, of BTSC. See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement.

In the fiscal year ended March 31, 2012 and the nine months ended December 31, 2012, the BTS SkyTrain carried a total of 176.0 million passengers and 146.3 million passengers, respectively. BTSC's farebox revenues from the BTS SkyTrain Business amounted to THB4,296.8 million (US\$140.3 million) in the fiscal year ended March 31, 2012 and THB3,633.0 million (US\$118.6 million) in the nine months ended December 31, 2012.

Strategies of BTSGIF

BTSGIF's principal investment mandate is to invest in infrastructure businesses which have the capability to generate sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return. BTSGIF will adopt the following strategies.

Growth in Initial Asset and Active Business Management

The Management Company's principal investment strategy for BTSGIF is to acquire and actively manage the Sale Revenue to support growth. See "Summary – Structure of BTSGIF" and "Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement" for details of the acquisition. In particular, the Sponsor intends to seek opportunities to increase ridership of the BTS SkyTrain, make farebox adjustments and benefit from the growth of Bangkok's mass transit system by supporting BTSC's business strategies in relation to the BTS SkyTrain Business. See "– Business Strategies of the BTS SkyTrain Business" for details of BTSC's business strategies.

The Management Company intends to actively monitor the operation, and the revenue and expenses, of the BTS SkyTrain Business through daily and other periodic reports from BTSC, the review and approval of the annual budget and the quarterly review of actual expenses incurred for reconciliation purposes. The Management Company also has the ability to monitor material aspects of BTSGIF through its one-third representation in BTSC's Board of Directors. The Management Company intends to nominate persons with appropriate qualifications and the Management Company to be appointed as directors of BTSC to complement the Management Company's efforts

in monitoring the BTS SkyTrain Business. Moreover, under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, BTSGIF has the ability to block agreed “reserved matters” in relation to BTSC, including but not limited to, the incurrence of capital expenditure or new debt over specified amounts and the undertaking of any new lines of business. Under the terms of the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, the passing of any “reserved matter” requires the vote of at least two directors elected by BTSGIF. The Management Company expects BTSGIF’s role in the Board of Directors to facilitate efficient identification and resolution of any issues or events which may affect the value of the Investment Units. Such issues or events include, but are not limited to, the achievement of BTSC’s annual budget targets and the performance of BTSC’s obligations under material agreements. See “Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement” and “Certain Agreements Relating to BTSGIF – Sponsor Support and Guarantee Agreement” for further details.

Acquisition Growth

The Management Company may also invest in other infrastructure assets and other assets, securities and/or other instruments as permitted by applicable Thai securities laws. See “Information Concerning the Investment Units and BTSGIF” for a list of investments permitted by such laws.

The Management Company believes that there are potential opportunities in Bangkok’s mass transit system. The planned expansion projects under the Government’s Mass Transit Network Development Plan (2010-2029) comprise over 12 routes and 300 stations for a total track length of 508 km. Such expansion is expected to require a total investment of approximately THB1,755.2 billion. See “Industry – Industry Outlook – Thai Government Promotes Mass Transport Infrastructure as a National Agenda”.

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

The right to purchase and the right of first refusal over the Sponsor’s and BTSC’s pipeline in Bangkok mass transit.

To demonstrate support for BTSGIF, BTSC and BTSG will grant BTSGIF the right to purchase, and/or the right of first refusal to purchase, the right to receive the revenues, rights, benefits, title and/or any investment in relation to the greenfield projects and brownfield 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. See “Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement” and “Certain Agreements Relating to BTSGIF – Sponsor Support and Guarantee Agreement” for summaries of these agreements.

Leverage on the expertise of the Sponsor and BTSC.

The Management Company expects the Sponsor’s and BTSC’s expertise in the mass transit industry to provide the Sponsor and BTSC with a competitive advantage in tenders for the future development of extensions to the BTS SkyTrain. If the Sponsor, BTSC or their affiliates are selected

in such future tenders, the Management Company expects to benefit through the right to purchase and the right of first refusal under the Sponsor Support and Guarantee Agreement and the Net Revenue Purchase and Transfer Agreement, as the case may be.

Competitive Strengths of the BTS SkyTrain Business

BTSGIF's initial investment is the purchase of Sale Revenue arising from the BTS SkyTrain Business. We believe that the competitive strengths relating to the BTS SkyTrain Business are:

Exclusive concession to operate the BTS SkyTrain with a mechanism to adjust the fare structure and no revenue sharing requirement

Under BTSC's Concession Agreement with the BMA, BTSC was granted the exclusive right to operate the Core BTS SkyTrain System, on a build-operate-transfer basis, until December 2029 and the right to collect the farebox revenue derived from the Core BTS SkyTrain System. BTSC paid for the civil, mechanical and electrical works in the construction of the BTS SkyTrain. Therefore, BTSC benefits from receiving the full amount of the farebox revenue, without revenue sharing, for the 23.5 km route. Furthermore, the Concession Agreement permits BTSC to increase the Effective Fare no more than once every 18 months provided that the Effective Fare does not exceed the Authorized Fare, and contains normal and special fare adjustment provisions for increasing the Authorized Fare that can be charged. See "BTSGIF and the BTS SkyTrain Business – The Concession Agreement – Fares" for further details.

The BTS SkyTrain is the backbone of central Bangkok's mass transit system and covers key popular destinations

The BTS SkyTrain connects many of the major business, retail and tourist areas of central Bangkok, making it a popular mode of transportation for residents and tourists alike. The BTS SkyTrain network covers the Sathorn, Silom and Asoke business districts and the commercial areas of Siam and Sukhumvit. The central location of the BTS SkyTrain and its connections to many destinations in the heart of Bangkok enable the BTS SkyTrain to function as a "backbone" of central Bangkok's mass transit system, connecting with other modes of transportation such as the Bangkok MRT Subway, the SARL Red Line, buses and boats.

The BTS SkyTrain provides connections to business centers in the Silom and Sukhumvit areas as well as to several of Bangkok's largest and most popular shopping malls, including Siam Paragon, Central Chidlom, MBK, Central World Plaza and the Emporium. Moreover, a substantial number of hotels and a growing number of residential and commercial developments are within close proximity to the BTS SkyTrain and act as a driver for ridership growth. In addition to providing incremental revenue from fees generated from these linkages, these linkages also increase ridership as the added convenience further feeds passengers onto the BTS SkyTrain. Compared to road-based solutions available in central Bangkok, the BTS SkyTrain offers a journey that is not subject to traffic congestion, and in a comfortable environment with air conditioned trains. Safety and punctuality are also key favorable factors, compared with other mass transport alternatives such as buses and mini-buses. BTSC expects Bangkok to remain as a monocentric city, with the BTS SkyTrain network remaining as a key transportation link for passengers because of its coverage of key destinations within central Bangkok.

Resilient business with strong growth track record and prospects

Since opening, the BTS SkyTrain has proven to be an increasingly popular means of transportation in metropolitan Bangkok given its speed, efficiency and reliability. In the fiscal year ended March 31, 2012 it carried 176.0 million passengers, representing a 5.2% CAGR for the prior five year period. BTS SkyTrain also carried 55.0 million passengers during the period from December 5, 1999 to December 5, 2000 and 191.0 million passengers during the period from December 5, 2011 to November 18, 2012, showing an increase of 10.9% CAGR per year since commencing operations.

The BTS SkyTrain has been a resilient source of revenues and cash flow. Since the BTS SkyTrain commenced commercial operations in December 1999, its farebox revenues-net have increased each year, despite the recent flooding, global financial crisis and social unrest in Thailand.

The Thai Government has adopted policies to stimulate the local economy and resolve traffic problems in Bangkok by giving priority to the investment into and the expansion of the mass transit system. This is to make the transportation system more convenient and accessible. The most up-to-date master plan is the M-MAP prepared by the OTP, which contemplates the expansion of rail line coverage to 390.0 km by 2019 and 508.0 km by 2029. See “Industry – Overview of Rail Transportation in Bangkok – Planned Extensions” for further information on the M-MAP. The OTP further forecasts that along with this expansion, the proportion of passengers using mass transit rail services in Bangkok will increase from 5.8% in 2011 to 43.3% in 2037. As these planned mass transit expansion projects are interconnected, the BTS SkyTrain is in a good position to benefit from the entire network expansion as passengers who want to travel to central Bangkok are likely to pass through the BTS SkyTrain, leading to increased ridership.

Efficient operation with high operational leverage

The BTS SkyTrain was designed to allow BTSC to maintain low operational costs. This is mainly because BTSC’s system and its rolling stock use modern technology and efficient design. For example, BTS SkyTrain stations and railways are designed to reduce the use of the brake system which leads to low maintenance and electricity costs. Furthermore, labor and electricity (which is generated using natural gas) costs in Thailand are relatively low. In addition, as an elevated railway system, BTSC does not incur the cost otherwise necessary for air-conditioning its stations or ventilating long indoor tunnels, and the length of its escalators are shorter than those found in underground systems, all of which allow the BTS SkyTrain to have lower operational costs relative to underground transit systems.

As ridership and farebox revenues increase, BTSC expects its cost of farebox to increase at a lower rate, principally because, other than depreciation and amortization expenses, most of its other cost of farebox, such as utility costs and employee salary costs, are fixed costs which will not increase proportionately to increases in ridership. As a result, BTSC expects its operating margins to remain high because of such economies of scale.

Strong management expertise

BTSC’s management team is made up of personnel who have broad experience in the mass transit business. For over 10 years, its management team has operated the BTS SkyTrain without any major accidents. In recognition of the high standard of service, BTSC has received awards from various organisations such as the Certificate of Hygiene and Safety OHSAS 18001:2007, ISO9001:2008 for its management services and the Certificate of Safety Management Systems from Lloyd’s Register.

Business Strategies of the BTS SkyTrain Business

We believe that the positive outlook of the BTS SkyTrain Business is supported by the following strategies of BTSC for the BTS SkyTrain:

Increase BTSC’s capability to service customers and to increase ridership

As of December 31, 2012, the 35 existing three-carriage trains and 12 existing four-carriage trains operating on the BTS SkyTrain are operating at almost full capacity, especially during morning peak hours. BTSC expects ridership will continue to grow with the opening of future extensions to the BTS SkyTrain network (whether operated by BTSC or not), from growth of its

existing network and from increased connections to destinations along its routes. Therefore, BTSC aims to capitalize on the growth in ridership in the core system by increasing the ridership capacity of the BTS SkyTrain by adding an additional carriage to the 35 existing three-carriage trains, adding five new four-carriage trains (delivery expected by the end of 2013) and adding 28 new carriages between 2018 and 2021. The purchase cost for additional rolling stocks to be used on the BTS SkyTrain, including the 12 out of the total 28 new carriages to be allocated between 2018 and 2021, is a part of the O&M Costs, which will be deducted when calculating the Sale Revenue.

Furthermore, BTSC continues to add connections to more buildings along the BTS SkyTrain route. It has also developed a common ticketing service that can be used as an electronic payment card in retail store partners, under the “Rabbit Card” brand. The common ticketing system allows for the use of a single card for payment on different types of transportation such as the BTS SkyTrain, the Bangkok MRT Subway and the Bus Rapid Transit (the “BRT”). BTSC believes that this will increase the convenience for passengers and induce increased usage of the BTS SkyTrain. The common ticketing system is now in use on the BTS SkyTrain, the Silom Line Phase 1 Extension and Sukhumvit Line Extension, the BRT and at retail store partners, and BTSC expects the system to be adopted by the Bangkok MRT Subway in 2013.

Adjustment of fare structure

The Concession Agreement permits BTSC to increase the Effective Fare no more than once every 18 months provided that the Effective Fare does not exceed the Authorized Fare, and contains normal and special fare adjustment provisions (principally in tandem with increases in inflation) for increasing the Authorized Fare that can be charged. See “BTSGIF and the BTS SkyTrain Business – The Concession Agreement – Fares” for further details. As of December 31, 2012, the Effective Fare ranges from THB15 to THB40, while the Authorized Fare ranges from THB18.79 to THB56.36 per ride, providing sufficient room for future Effective Fare increases. The last increase in Effective Fares was made by BTSC in 2007. Subject to market conditions and other factors, it is the intention of BTSC to increase fares in the first fiscal quarter of 2013/2014 (April 1, 2013 to June 30, 2013) following the cost increases since the last Effective Fare increase in March 2007 as well as the introduction into full service of the four-carriage trains on the Sukhumvit Line. In addition, BTSC expects to adjust its average Effective Fare in line with inflation over time.

Further enhance operating efficiency

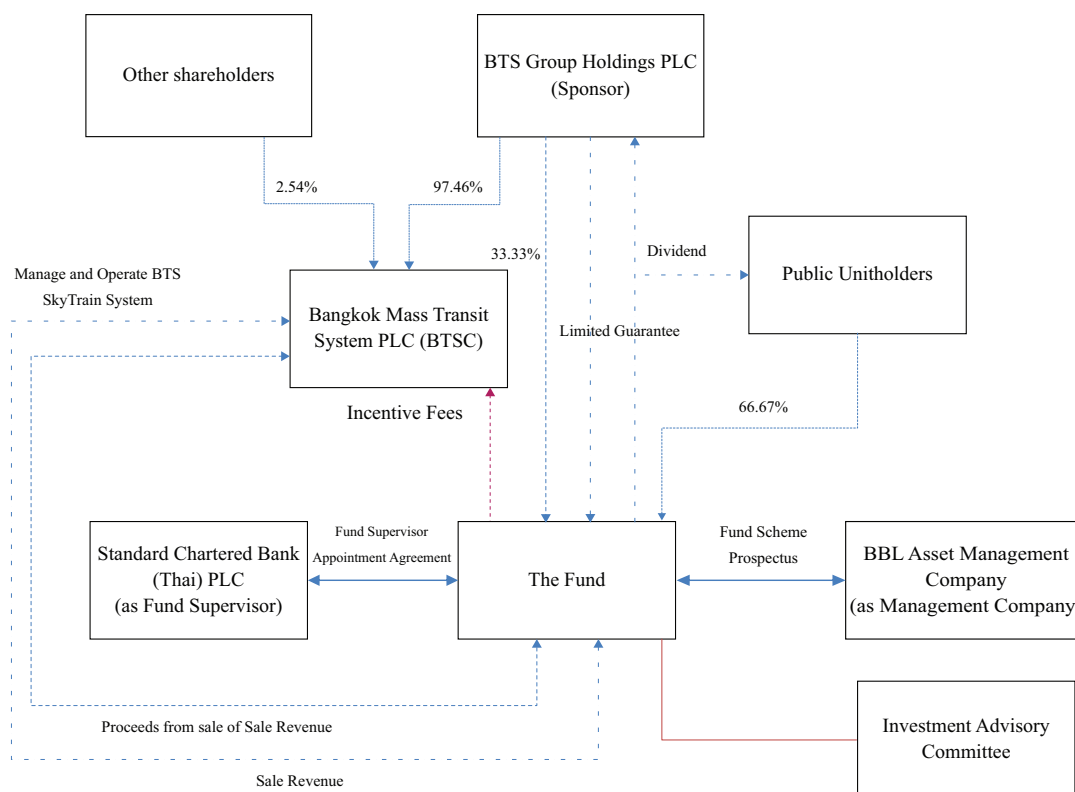
Although BTSC already enjoys a high degree of operating efficiency (see “– Competitive Strengths of the BTS SkyTrain Business – Efficient operation with high operational leverage” for details), BTSC continues to seek ways to continue to increase the operating efficiency of the BTS SkyTrain, including maintaining various vital systems itself instead of using third party service providers to ensure transfer of knowledge occurs from the supplier to the BTSC team and to enhance maintenance cost effectiveness. Thus far, BTSC has taken over the maintenance of major electrical and mechanical systems, including the automatic fare collection system in 2005 and the upgraded TETRA train radio system in 2010. BTSC has also fully performed the maintenance of the signaling system since August 2011 and, since the first deployment of the trains into revenue services, the maintenance of the 12 new trains purchased from Changchun Railway Vehicles that was put into service between December 2010 and October 2011. Furthermore, BTSC also intends to maintain its existing 35 three-carriage trains and other remaining mechanical and electrical systems after the expiry of the Maintenance Agreement with Siemens in December 2014.

In addition, BTSC intends to continue to increase collaboration with the Sponsor, who is purchasing the other businesses previously operated by BTSC. For example, BTSC plans to launch a smart-card for the Sponsor’s residential projects’ tenants that can be used for ticketing on the mass transit system, as an exclusive key-card for the Sponsor’s residential projects and for e-money payment at various places such as department stores. Also, the introduction of the smart-card will improve BTSC’s cost efficiency because the system used to operate the smart card requires less maintenance than the magnetic card system it currently uses.

Structure of BTSGIF

On March 14, 2013, the Management Company obtained approval from the Thai SEC to establish BTSGIF through a public offering of the Investment Units in Thailand, including approval of the Fund Scheme and the prospectus with respect to the Thai Offering, and to manage BTSGIF thereafter. The Management Company will register the pool of assets to establish BTSGIF with the Thai SEC after the proceeds from the Combined Offering have been received in full by the Fund Supervisor, which will not be later than the date falling fifteen Business Days after the end of the subscription period. BTSGIF will thereafter acquire the Sale Revenue on the completion date under the Net Revenue Purchase and Transfer Agreement. For details on the Net Revenue Purchase and Transfer Agreement, see “Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement”.

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 the total number of the Investment Units of the Fund after the Combined 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.



The Management Company: BBL Asset Management Company

The Management Company, BBL Asset Management Company Limited, was incorporated in Thailand on March 1992. It has a paid-up registered capital of THB 100 million. Its registered office is located at 175 Sathorn City Tower, 7th, 21st and 26th floor, South Sathorn Road, Sathorn, Bangkok 10120, Thailand, and its telephone number is +662-674-6488. The Management Company has been issued a securities business license from the Ministry of Finance to engage in the mutual fund and private fund management business.

Certain Fees and Charges

Fees and Charges Payable Directly by Unitholders

The following table describes the fees and charges that investors may incur on the sale and purchase of the Investment Units:

Fee for transfer of subscription proceeds.....	At a rate specified by a commercial bank (if any).
Transfer of Investment Units (charged by the Investment Unit Registrar)	At a rate specified by the Investment Unit Registrar.
Issuance of evidence certifying transfer of Investment Unit.....	At a rate specified by the Investment Unit Registrar.
Registration of pledge of Investment Units and the release thereof	At a rate specified by the Investment Unit Registrar.

For further information on the brokerage fees and charges investors may incur from the trading of Investment Units on the SET, see “The Thai Securities Market – Oversight” and refer to the SET website at www.set.or.th.

Fees and Charges Payable by BTSGIF

The following table describes certain fees and charges payable by BTSGIF in connection with the establishment and on-going management and operation of BTSGIF:

Management Fee to Management Company	Not exceeding 0.1% of the NAV per annum, subject to a minimum fee of THB10.0 million per annum.
Fund supervisor fee to Fund Supervisor	Not exceeding 0.1% of the NAV per annum, subject to a minimum fee of THB350,000 per month.
Registrar Fee to Investment Unit Registrar.....	Not exceeding 0.10% of the NAV per annum.
Fund Advisor Fee to Fund Advisor.....	To be charged as incurred.
Incentive Fee to BTSC	Variable, depending on actual Sale Revenue when compared to the annual budgeted Sale Revenue, as follows:

<u>Actual as % of Budget</u>	<u>Incentive Fee</u>
(1) 100% or less	No Incentive Fee
(2) From, but excluding, 100% to, and including, 125%	10% of the Sale Revenue in respect of the amount exceeding the 100% but not exceeding 125% of the budgeted Sale Revenue
(3) More than 125%	Fee from item (2) plus 15% of the Sale Revenue in respect of the amount above 125% of the budgeted Sale Revenue

Application fee for the Thai SEC approval allowing the establishment of BTSGIF	At an amount specified by Thai Securities Law.
Fund establishment registration fee	At an amount specified by Thai Securities Law.
Application fee for the SET listing approval.....	At an amount specified by the SET.
Initial listing fee	At the rate of 0.05% of BTSGIF's registered capital, in any case no less than THB100,000, but no more than THB3,000,000. If the listing is made during 2013, such rate will be fixed at THB100,000. If the listing is made during 2014 and 2015, such rate will be reduced by 50% of the normal rate.
Annual listing fee	<p>The Fund must pay an annual fee at the following rate:</p> <ul style="list-style-type: none"> (a) 0.035% of the first THB200,000,000 registered capital; (b) 0.030% for the capital that exceeds THB200,000,000 up to THB1,000,000,000; (c) 0.025% for the capital that exceeds THB1,000,000,000 up to THB5,000,000,000; (d) 0.020% for the capital that exceeds THB5,000,000,000 up to THB10,000,000,000; and (e) 0.010% for the capital that exceeds THB10,000,000,000, <p>or at any rate the may be amended from time-to-time by the SET, subject to a minimum rate of not less than THB50,000 and a maximum rate of not more than THB3,000,000.</p> <p>If the listing is made by end of 2013, the annual listing fee shall be fixed at THB100,000 per year for the first three years commencing from the first date on which the Investment Units are traded on the SET, and if the listing is made during 2014 and 2015, the above rate will be reduced 50% for the first three years commencing from the first date on which the Investment Units are traded on the SET.</p>

See "Information Concerning the Investment Units and BTSGIF" for further details.

The Offering

Fund	On March 14, 2013, the Management Company obtained approval from the Thai SEC to establish BTS Rail Mass Transit Growth Infrastructure Fund through a public offering of Investment Units in Thailand and to manage BTSGIF thereafter. Upon the Fund Supervisor's receipt in full of the subscription amount from the Combined Offering, the Management Company will register the establishment of BTSGIF with the Thai SEC, which is expected to be on or about April 17, 2013.
The Management Company....	BBL Asset Management Company Limited.
The Fund Supervisor	Standard Chartered Bank (Thai) Public Company Limited.
The Sponsor	BTS Group Holdings Public Company Limited, a public limited company incorporated in Thailand. The Sponsor is the parent company of BTSC, holding 97.46% of the total issued shares in BTSC.
The Financial Advisor	Phatra Securities Public Company Limited.
Combined Offering	A total of 5,788,000,000 Investment Units are being offered in a Combined Offering comprising the International Offering, Thai Offering and the Sponsor Subscription. Completion of the International Offering, Thai Offering and the Sponsor Subscription are each conditional on the completion of the other.
International Offering.....	<p>Concurrently with the Thai Offering, 2,469,000,000 Investment Units are being sold by the Initial Purchasers outside the United States and Thailand to non-U.S. persons in reliance on Regulation S and other applicable laws, and in the United States and to U.S. persons only to persons who are both "qualified institutional buyers" as defined in Rule 144A and "qualified purchasers" within the meaning of Section 2(a)(51) of the Investment Company Act.</p> <p>Phatra Securities Public Company Limited's role as the Thai Lead Underwriter is limited to the Thai Offering only. Phatra Securities Public Company Limited does not have any role in, and disclaims all liability for, the International Offering and the Sponsor Subscription.</p>
Thai Offering.....	The Thai Lead Underwriter will facilitate the offering of 1,390,000,000 Investment Units and will procure payment by subscribers for, or failing which, to subscribe for, subject to certain conditions, 771,000,000 of such Investment Units in a public offering in Thailand concurrently with the International Offering. The offering price for the Thai Offering will be the same as the offering price for the International Offering and the Sponsor Subscription. The Thai Offering is being made pursuant to the prospectus.

The roles of the Joint International Bookrunners are limited to the International Offering only. The Joint International Bookrunners do not have any role in, and disclaim all liability for, the Thai Offering and the Sponsor Subscription.

Sponsor Subscription..... The Sponsor has agreed to subscribe to 1,929,000,000 Investment Units in the Sponsor Subscription. As a result, upon completion of the subscription of the Investment Units and the registration to establish BTSGIF with the Thai SEC, the Sponsor will hold 33.33% of the total number of Investment Units after the Combined Offering.

Cornerstone Units As part of the Combined Offering, each of the Cornerstone Investors has entered into a subscription agreement to subscribe for an aggregate of 2,333,400,000 Investment Units at the Offering Price, conditional upon, *inter alia*, the purchase agreement relating to the International Offering and the underwriting agreement relating to the Thai Offering and the Sponsor Subscription having been entered into, and not having been terminated, pursuant to its terms on or prior to the closing date of the Combined Offering.

The Cornerstone Investors may subscribe for Investment Units in the Combined Offering.

If any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Combined Offering may still proceed and subscribers of the Investment Units will still be required to pay for and complete their subscriptions pursuant to the Combined Offering.

The Cornerstone Investors are not subject to any lock-up restrictions in respect of their Investment Units.

See “Ownership of the Investment Units – Information on the Cornerstone Investors” for further details on the Cornerstone Investors.

Reallocation..... The Investment Units being offered may be reallocated between the International Offering and the Thai Offering in the sole discretion of the Joint International Bookrunners and the Thai Lead Underwriter after consultation with the Management Company.

Offering price THB10.80 per Investment Unit.

Use of proceeds The estimated gross proceeds to BTSGIF of the Combined Offering of 5,788,000,000 Investment Units is THB62,510 million (US\$2,041 million). The estimated net proceeds after deducting underwriting commissions, transaction costs in relation to the establishment of BTSGIF and the Listing of Investment Units on the SET, and applicable value added taxes in connection with the Combined Offering to BTSGIF of the Combined Offering of 5,788,000,000 Investment Units is THB61,336 million (US\$2,002 million).

The Management Company intends to use the net proceeds to BTSGIF of the Combined Offering as follows:

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

Subject to market conditions and other factors, BTSC expects to utilize the net proceeds of the sale of the Sale Revenue as follows:

- approximately THB9,424.1 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 THB20,833.2 million as an inter-company loan to the Sponsor to enable the Sponsor to repay a bridge loan it obtained to purchase 33.33% of the Units in the Combined Offering; and
- the remainder for future new mass transit projects and other general corporate purposes.

See "Use of Proceeds".

Distributions Dividend Distribution

In order to comply with the Fund Scheme and the SEC Act, if BTSGIF has an adjusted net profit in a given year and does not have accumulated losses, it must 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. The adjusted net profit is the net profit of BTSGIF in the relevant fiscal year less any deduction or reserve required by the Thai SEC.

If BTSGIF has accumulated profits, it may pay dividend distributions to Unitholders out of such accumulated profits. However, the payment of dividend distributions from either such net profit in a given year or such accumulated profits can be made only when BTSGIF does not have accumulated losses.

Return of Capital

In the event that BTSGIF has excess liquidity, BTSGIF may pay distributions out of reductions of capital to the Unitholders.

See "Distribution Policy" for further details.

Unitholders' Rights	Investment Units confer on Unitholders the right to receive distributions, the right to participate in accordance with the Fund Scheme and the SEC Act in certain rights, benefits, entitlements and privileges as specified in the Fund Scheme and the SEC Act. See "Information Concerning the Investment Units and BTSGIF – Distribution Policy and Distribution Method" and "– Required Unitholders' Resolution".
Taxation	See "Taxation" for details.
No Redemption Rights for Unitholders	Unitholders have no right to request the Management Company to redeem their Investment Units. It is intended that Unitholders may only deal in their listed Investment Units through trading on the SET.
Dissolution of BTSGIF.....	BTSGIF may be dissolved in the circumstances set out by the CMSB notifications. See "Information Concerning the Investment Units and BTSGIF – Dissolution Events" for further information.
Market for our Investment Units; Listing	<p>Prior to the Combined Offering there has been no 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 (being the proceeds derived from the Combined Offering) to establish BTSGIF with the Thai SEC.</p> <p>Registration of the pool of assets to establish BTSGIF must occur no later than fifteen Business Days from the end of offering period. Upon the registration of the pool of assets with the Thai SEC, the Management Company must file an application for the Investment Units to be listed on the SET within 30 days. The SET is entitled to consider a listing application for up to seven days following the receipt of a complete listing application. Following the grant of listing approval by SET, the Investment Units will commence trading on the SET by no later than the second Business Day thereafter (the "Listing Date"), unless the manager of the SET specifies otherwise.</p> <p>Unless and until the SET gives the listing approval, none of our Investment Units sold in the Combined Offering may be traded on the SET, but buyers and sellers may be matched in off-exchange transactions. For a description of risks relating to the trading and delivery of our Investment Units, see "Risk Factors – Risks Relating to Our Investment Units – There are risks associated with the trading and delivery of our Investment Units on the Stock Exchange of Thailand".</p>
SET trading symbol for the Investment Units.....	BTSGIF
SEDOL	<p>Domestic: B9HL5X6</p> <p>Foreign: B841VB2</p>

ISIN..... Domestic: TH4447010000

Foreign: TH4447010018

Timing of the Combined

Offering The following is a tentative timetable of key events in the Combined Offering (Bangkok time):

Pricing of the Combined Offering April 5, 2013

Final allocation of Investment Units under the Combined Offering April 5, 2013

Fund supervisor's receipt of all proceeds from the Combined Offering April 12, 2013

Registration of the pool of assets (the proceeds derived from the Combined Offering) to establish BTSGIF with the Thai SEC (the "BTSGIF Registration Date") April 17, 2013

Execution of the Net Revenue Purchase and Transfer Agreement and the Sponsor and Support Guarantee Agreement April 17, 2013

Acquisition of the Sale Revenue by BTSGIF. April 17, 2013

Delivery of Investment Units. April 17, 2013

Listing and commencement of trading of Investment Units on the SET. April 19, 2013

The foregoing schedule may change as a result of, among other things, changes in market conditions or the cancellation of the Combined Offering.

Transfer restrictions The Investment Units offered in the Combined Offering have not been, and will not be, registered in the United States under the Securities Act. Therefore, resales by purchasers of all Investment Units offered in the Combined Offering will be subject to certain restrictions described in "Transfer Restrictions".

Lock-up arrangements The Sponsor 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, it will not, subject to certain exceptions, without the written consent of the Fund, offer, sell or otherwise dispose of any Investment Units. See "Certain Agreements Relating to BTSGIF – Sponsor Support and Guarantee Agreement".

Risk factors Investing in the Investment Units involves certain risks which are described in "Risk Factors" beginning on page 30.

Summary Carve-out Financial Information

You should read the summary carve-out financial information presented below in conjunction with the audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business and the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business contained elsewhere in this Offering Memorandum. You should also see the section of this Offering Memorandum entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. The Management Company has derived the summary Thai GAAP financial data from the audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business and the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business, prepared and presented in accordance with Thai GAAP and reporting practices in Thailand, as required under Thai law.

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 for the fiscal year ending March 31, 2013.

Thai GAAP differs in certain material respects from U.S. GAAP. For a discussion of significant accounting differences between Thai GAAP and U.S. GAAP that are relevant to BTSC’s carve-out financial statements, you should read the section entitled “Summary of Significant Differences Between Thai GAAP and U.S. GAAP”.

Statements of Comprehensive Income

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions)						
	(Audited)				(Unaudited)		
Statements of							
Comprehensive Income:							
REVENUES							
Farebox revenues.....	3,484.6	3,544.8	4,296.8	140.3	3,119.9	3,633.0	118.6
Other income.....	—	0.1	1.9	0.1	—	3.6	0.1
Total revenues.....	3,484.6	3,544.9	4,298.7	140.4	3,119.9	3,636.6	118.7
EXPENSES							
Costs of farebox.....	2,064.3	1,997.9	2,231.8	72.9	1,642.3	1,859.0	60.7
Selling expenses.....	51.7	67.8	60.1	2.0	48.2	55.1	1.8
Administrative expenses.....	467.9	455.7	357.0	11.7	263.9	317.5	10.3
Total expenses	2,583.9	2,521.4	2,648.9	86.6	1,954.4	2,231.6	72.8
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	53.8	1,165.5	1,405.0	45.9
Finance cost	(460.3)	(744.7)	(812.3)	(26.5)	(607.9)	(560.1)	(18.3)
Profit before gain on debt restructuring under rehabilitation plan/profit before corporate income tax	440.4	278.8	837.5	27.3	557.6	844.9	27.6
Gain on debt restructuring under rehabilitation plan .	4,528.0	—	—	—	—	—	—
Corporate income tax	—	—	—	—	—	(17.3)	(0.6)
Profit for the year/period....	4,968.4	278.8	837.5	27.3	557.6	827.6	27.0

Statements of Financial Position

	As of March 31,				As of December 31,	
	2010	2011	2012	2012	2012	2012
	THB	THB	THB	US\$	THB	US\$
	(in millions)					
	(Audited)				(Unaudited)	
Statements of Financial Position:						
ASSETS						
Cash and cash equivalents	1,330.7	360.2	67.8	2.2	475.2	15.5
Current investments – deposits at						
a financial institution	10.1	–	–	–	–	–
Other receivables	0.6	1.1	1.4	–	2.9	0.1
Consumable spare parts.....	33.0	33.9	78.9	2.6	80.0	2.6
Prepaid expenses	35.3	38.2	45.4	1.5	21.4	0.7
Other current assets.....	4.1	11.1	9.4	0.3	12.7	0.4
Total current assets	1,413.8	444.5	202.9	6.6	592.2	19.3
Restricted deposits at financial						
institution	253.9	–	–	–	–	–
Long-term investment	–	–	–	–	100.0	3.3
Project costs	43,333.7	43,896.2	42,976.8	1,403.1	42,023.7	1,372.0
Reusable spare parts.....	53.6	52.9	81.2	2.7	82.2	2.7
Spare parts – maintenance						
contract	292.8	292.8	292.8	9.6	292.8	9.6
Equipment.....	105.3	118.6	88.9	2.9	77.1	2.5
Intangible assets	10.2	7.2	9.0	0.3	12.1	0.4
Advances paid for acquisition of						
assets	521.9	73.9	25.7	0.8	12.0	0.4
Other non-current assets.....	14.0	13.6	37.4	1.2	26.4	0.8
Total non-current assets	44,585.4	44,455.2	43,511.8	1,420.6	42,626.3	1,391.7
Total assets.....	45,999.2	44,899.7	43,714.7	1,427.2	43,218.5	1,411.0
LIABILITIES						
Trade and other payables.....	187.5	187.0	135.2	4.4	279.3	9.1
Unearned farebox revenues.....	115.8	110.4	144.8	4.7	103.7	3.4
Current portion of long-term						
debentures	–	–	2,495.8	81.5	2,494.9	81.5
Retentions payable	131.2	139.3	148.8	4.9	147.3	4.8
Total current liabilities.....	567.4	600.7	3,265.9	106.6	3,189.6	104.1
Long-term debentures – net of						
current portion.....	11,873.6	11,906.6	9,443.8	308.3	6,966.1	227.4
Reserve for long-term employee						
benefits	253.4	277.6	311.3	10.2	329.2	10.8
Total non-current liabilities.....	12,127.3	12,184.4	9,755.2	318.5	7,295.3	238.2
Total liabilities.....	12,694.7	12,785.1	13,021.1	425.1	10,484.9	342.3
Net assets value	33,304.5	32,114.6	30,693.6	1,002.1	32,733.6	1,068.7

Statements of Cash Flows

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions)						
	(Audited)				(Unaudited)		
Statements of Cash Flows:							
Net cash generated from (used in)							
operating activities	1,410.2	1,312.6	2,058.7	67.2	1,488.1	1,843.3	60.2
Net cash generated from (used in)							
investing activities	(824.2)	(811.2)	(92.4)	(3.0)	(90.4)	(148.0)	(4.8)
Net cash generated from (used in)							
financing activities	(3,169.2)	(1,471.9)	(2,258.7)	(73.7)	(1,491.3)	(1,287.9)	(42.1)
Cash and cash equivalents at end							
of year.....	1,330.7	360.2	67.8	2.2	266.5	475.2	15.5

Non-GAAP Financial Measures

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions, except for percentages)						
Adjusted EBITDA ⁽¹⁾⁽⁴⁾	1,911.9	2,025.1	2,905.0	94.8	2,074.4	2,431.4	79.4
Adjusted EBITDA margin ⁽³⁾⁽⁴⁾	54.9%	57.1%	67.6%	67.6%	66.5%	66.9%	66.9%
EBIT ⁽²⁾⁽⁴⁾	5,428.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Adjusted EBIT ⁽²⁾⁽⁴⁾	900.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Adjusted EBIT margin ⁽³⁾⁽⁴⁾	25.8%	28.9%	38.4%	38.4%	37.4%	38.6%	38.6%
Capital expenditure ⁽⁵⁾	962.0	1,075.3	94.4	3.1	90.5	51.6	1.7
Net farebox revenue ⁽⁶⁾	949.9	949.7	2,808.7	91.7	1,983.9	2,376.2	77.6

- (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 (excluding other income (THB1.9 million in fiscal year ended March 31, 2012 and THB3.6 million in the nine months ended December 31, 2012)) after deducting capital expenditure.

Operating Data

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

	Fiscal Year Ended March 31,			Nine Months Ended December 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 THB15 from April 1, 2011 to January 31, 2012, and THB18.79 from February 1, 2012 to March 31, 2012.
- (6) The maximum Authorized Fare was THB40 from April 1, 2011 to January 31, 2012, and THB56.36 from February 1, 2012 to March 31, 2012.

Unaudited Pro Forma Financial Information of BTSGIF

The following tables present BTSGIF'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 Offering Memorandum.

The pro forma financial statements have been compiled in accordance with the basis set out in Note 3 and Note 4 to the notes to the unaudited pro forma financial information of BTSGIF included in Annex D of this Offering Memorandum, and are drawn up based on accounting policies as described in Note 6 to the notes to the unaudited pro forma financial information of BTSGIF included in Annex D of this Offering Memorandum that are expected to be used for BTSGIF'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 BTSGIF included in Annex D of this Offering Memorandum. Their presentation has been made in accordance with the format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

BTSGIF'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 BTSGIF and the execution of the net revenue purchase and transfer agreement had taken place on April 1, 2011, and, are based on certain assumptions after making certain adjustments, to show:

- the financial position of BTSGIF as at March 31, 2012 and December 31, 2012;
- the financial results of BTSGIF 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 BTSGIF 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 of BTSGIF included in Annex D of this Offering Memorandum and "Summary of Significant Differences between Thai GAAP and U.S. GAAP" for further details.

The objective of the unaudited pro forma financial information is to illustrate what the financial position of BTSGIF 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 BTSGIF on the Listing Date. The unaudited pro forma financial information, because of its nature, may not give a true picture of BTSGIF's actual results of operations, financial position and cash flows.

BTSGIF will receive the Net Farebox Revenues after the offering of the Investment Units, the establishment of BTSGIF 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 BTSGIF.

See Notes 3 and 4 of the unaudited pro forma financial information of BTSGIF included in Annex D for the key adjustments and assumptions made for the preparation of the unaudited pro forma financial information.

You should note that the unaudited pro forma financial information included elsewhere in this Offering Memorandum was not prepared in connection with an offering registered with the United States Securities and Exchange Commission under the Securities Act and is consequently not intended to be compliant with the United States Securities and Exchange Commission's rules and regulations on presentation of pro forma financial statements. Also, Ernst & Young Office Limited's procedures on the unaudited pro forma financial information have not been carried out in accordance with attestation standards generally accepted in the United States or other jurisdictions (other than Thailand) and accordingly should not be relied on as if they had been carried out in accordance with those standards.

Pro Forma Statements of Financial Position

	As of March 31,		As of December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
(in millions)				
Unaudited pro forma statements of financial position:				
Assets				
Investment in the net revenue purchase and transfer agreement	61,000	1,992	61,000	1,992
Cash at bank	977	32	968	32
Interest receivable	1	–	2	–
Issuance cost – net	783	25	489	15
Total assets	<u>62,761</u>	<u>2,049</u>	<u>62,459</u>	<u>2,039</u>
Liabilities				
Accounts payable and accrued expenses ...	<u>4</u>	<u>–</u>	<u>3</u>	<u>–</u>
Total liabilities	<u>4</u>	<u>–</u>	<u>3</u>	<u>–</u>
Net assets	<u>62,757</u>	<u>2,049</u>	<u>62,456</u>	<u>2,039</u>
Net assets				
Fund registered	<u>62,175</u>	<u>2,030</u>	<u>61,784</u>	<u>2,017</u>
Paid-in capital from unitholders	<u>62,175</u>	<u>2,030</u>	<u>61,784</u>	<u>2,017</u>
Retained earnings	<u>582</u>	<u>19</u>	<u>672</u>	<u>22</u>
Net assets	<u>62,757</u>	<u>2,049</u>	<u>62,456</u>	<u>2,039</u>

Pro Forma Statements of Changes in Net Assets

	For the Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
	(in millions)			
Unaudited pro forma statements of changes in net assets:				
Increase in net assets resulting from operations during the period				
Net income.....	2,330	76	2,019	66
Increase in net assets resulting from operations.....	2,330	76	2,019	66
Increase in paid-in capital from unitholders.	62,175	2,030	–	–
Distributions of income to unitholders.....	(1,748)	(57)	(1,929)	(63)
Decrease in paid-in capital from unitholders.....	–	–	(391)	(13)
Increase (decrease) in net assets during the period.....	62,757	2,049	(301)	(10)
Net assets – beginning of period.....	–	–	62,757	2,049
Net assets – end of period.....	62,757	2,049	62,456	2,039

Pro Forma Statements of Income

	For the Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
	(in millions)			
Unaudited pro forma statements of income:				
Investment income				
Income from the investment in the net revenue purchase and transfer agreement ⁽¹⁾	2,809	92	2,376	78
Interest income.....	3	–	5	–
Total income	2,812	92	2,381	78
Expenses				
Fund management fee	50	2	37	1
Trustee’s fee	13	–	10	–
Registrar’s fee.....	5	–	4	–
Professional fees.....	13	1	10	1
Audit fee	2	–	1	–
Other expenses	8	–	6	–
Amortisation of issuance cost.....	391	13	294	10
Total expenses	482	16	362	12
Net income	2,330	76	2,019	66
Net income available to the unit holders.....	2,330	76	2,019	66
Add back: excess liquidity due to amortisation of issuance cost	391	13	294	10
Total distribution available to unitholders ...	2,721	89	2,313	76

- (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 Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
(in millions)				
Unaudited pro forma statements of cash flows:				
Cash flows from operating activities:				
Net income.....	2,330	76	2,019	66
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Amortisation of issuance cost.....	391	13	294	10
Acquisition of investment.....	(61,000)	(1,992)	–	–
Increase in interest receivable	(1)	–	(1)	–
Increase (decrease) in accounts payable.....	4	–	(1)	–
Net cash from (used in) operating activities .	(58,276)	(1,903)	2,311	76
Cash flows from financing activities				
Proceed from paid-in capital from unitholders ⁽¹⁾	62,175	2,030	–	–
Payment of the issuance cost.....	(1,174)	(38)	–	–
Distributions of income to unitholders	(1,748)	(57)	(1,929)	(63)
Capital reduction	–	–	(391)	(13)
Net cash from (used in) financing activities..	59,253	1,935	(2,320)	(76)
Net increase (decrease) in cash at bank	977	32	(9)	–
Cash at bank at beginning of period	–	–	977	32
Cash at bank at end of period.....	977	32	968	32

(1) Based on the sum of value as appraised by American Appraisal (Thailand) Limited and estimated issuance cost.

Summary of Profit and Cash Flow Projections of BTSGIF

The following is an extract from “Profit and Cash Flow Projections of BTSGIF”. Statements contained in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in Annex E of this Offering Memorandum and are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by BTSGIF, the Management Company, BTSC, the Sponsor, any of the Initial Purchasers, the Thai Lead Underwriter, the Financial Adviser, the Fund Supervisor or any other person, nor that these results will be achieved or are likely to be achieved. See “Forward-looking Statements” and “Risk Factors”. Investors in the Investment Units are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Memorandum.

The following tables set forth BTSGIF projected statements of income and statements of cash flows for the three months from January 1, 2013 to March 31, 2013 (the “Projection Period 2013”) and the fiscal year from April 1, 2013 to March 31, 2014 (the “Projection Fiscal Year 2014”) as extracted from the “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum. The fiscal year-end of BTSGIF is March 31 of each year. BTSGIF’s first accounting period will be for the period from April 17, 2013 to March 31, 2014. Prospective investors are further advised that the Independent Auditors have not delivered any form of assurance in respect of the profit and cash flow projections of BTSGIF in connection with the International Offering of Investment Units. Such profit and cash flow projections were not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or US GAAP. Accordingly, prospective investors should not place any reliance on the profit and cash flow projections of BTSGIF included herein.

The profit and cash flow projections of BTSGIF for the Projection Period 2013 and Projection Fiscal Year 2014 included in this Offering Memorandum has been prepared by the Management Company and BTSC based on accounting policies described in Note 5 to the notes to the “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum that are expected to be used for BTSGIF’s reporting of future 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 “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum.

Actual investment income and cash flows will not begin to accrue until the sale of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement becomes effective. Therefore, actual amounts of investment income and cash flows that will accrue will differ from the investment income and cash flow in the profit and cash flow projections of BTSGIF. In addition, the profit and cash flow projections of BTSGIF have not been updated for events which have taken place since the date of this Offering Memorandum. The Management Company does not intend to furnish any updated or revised profit and cash flow projections.

BTSGIF will receive the Net Farebox Revenues after the offering of the Investment Units, the establishment of BTSGIF 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 BTSGIF.

The profit and cash flow projections of BTSGIF contained in this Offering Memorandum should be reviewed in conjunction with the description of BTSGIF’s business and the other information contained in this Offering Memorandum, including the information set forth in “Risk Factors”.

This information necessarily is based upon a number of assumptions and estimates that, while presented with numerical specificity and considered reasonable by the Management Company and the Sponsor, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond its control, and upon assumptions with respect to future business decisions which are subject to change. Accordingly, the Management Company and the Sponsor cannot provide any assurance that these results will be realized. The prospective financial information presented in this Offering Memorandum may vary materially from actual results. Neither the Management Company nor the Sponsor makes any representation that these results will be achieved. Investors should not place undue reliance on this information. See “Risk Factors – Risks Relating to Our Organization and the Structure of BTSGIF – The assumptions in “Profit and Cash Flow Projections of BTSGIF” 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”.

Investors in the Investment Units should read the whole “Profit and Cash Flow Projections of BTSGIF” section together with the “Projected Statements of Income and Statements of Cash Flows of BTSGIF as of and for the Three Months Ending March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum.

Projected Statements of Income

	Projection Period	Projection Fiscal 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
Trustee’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

	Projection Period	Projection Fiscal Year
	2013 ⁽¹⁾	2014 ⁽²⁾
	THB	THB
	(in millions)	
Offering price (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	<u>0.13</u>	<u>0.63</u>
Cash payout to Unitholders (%) ⁽⁴⁾		
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	<u>1.21</u>	<u>5.78</u>

(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 in preparing the “Profit and Cash Flow Projections of BTSGIF”. 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 BTSGIF 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.

In BTSGIF’s actual financials, 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) Cash payment to Unitholders (%) is calculated from the amount payable to Unitholders divided by the Offering Price.

Projected Statements of Cash Flows

	Projection Period	Projection Fiscal Year
	2013 ⁽¹⁾	2014 ⁽²⁾
	THB	THB
	(in millions)	
Projected Statements of Cash Flows:		
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 in accounts payable and accrued expenses	1	2
Net cash from (used in) operating activities	(60,246)	3,616
Cash flow from financing activities:		
Proceed from paid-in capital from unitholders ⁽³⁾	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 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) Based on the sum of the appraisal value and estimated issuance cost.

Bases and Assumptions

The projected profit and cash flow statements for the three-month period from January 1, 2013 to March 31, 2013 and for the year ending March 31, 2014 was prepared based on the significant assumptions set out in Annex E to this Offering Memorandum. The Management Company and BTSC consider these assumptions to be appropriate and reasonable as at the date of this report. However, investors should consider these assumptions as well as the projected profit and cash flow statements and make their own assessment of the future performance of the Fund. Please refer to Annex E for further information.

Sensitivity Analysis

The projected statement of income is based on significant assumptions that are outlined in Annex E to this Offering Memorandum. The projected statement of income is also subject to a number of factors such as following:

- The growth rate of farebox revenue
- The growth rate of operational maintenance expense
- The growth rate of staff costs
- The growth rate of energy costs

Investor should be aware that future events cannot be predicted with any certainty and deviations from the figures projected in the projected statement of income are to be expected. To assist investors in assessing the impact of these assumptions on the projected statement of income, a series of tables demonstrating the sensitivity of cash payout to unitholders per unit (including return of cash due to excess liquidity) to changes in certain significant assumptions is set out below.

The sensitivity analysis is intended to provide as a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown. Changes in the Fund's growth rates of the above mentioned factors impact the cash payout to unitholders per unit (including return of cash due to excess liquidity) as set out below.

(1) Farebox revenue

	Cash payout to unitholders per unit (including return of cash due to excess liquidity) (THB in millions)	
	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	693	3,336
Base case	754	3,614
5.0% higher than base case.....	814	3,892

(2) *Operational maintenance expense*

Cash payout to unitholders per unit
(including return of cash due to excess liquidity)
(THB in millions)

	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	760	3,643
Base case	754	3,614
5.0% higher than base case.....	747	3,585

(3) *Staff costs*

Cash payout to unitholders per unit
(including return of cash due to excess liquidity)
(THB in millions)

	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	759	3,638
Base case	754	3,614
5.0% higher than base case.....	748	3,590

(4) *Energy costs*

Cash payout to unitholders per unit
(including return of cash due to excess liquidity)
(THB in millions)

	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	756	3,627
Base case	754	3,614
5.0% higher than base case.....	751	3,601

RISK FACTORS

Before investing in the Investment Units, prospective investors should pay particular attention to the fact that we and our activities are governed by the legal, regulatory and business environment in Thailand, which differs from that which prevails in other countries. Our business is subject to a number of factors, many of which are outside our control. Prior to making an investment decision, prospective investors should carefully consider, along with the other matters set forth in this Offering Memorandum, the risks and investment considerations set forth below. The risks and investment considerations set forth below are not an exhaustive list of the challenges which we currently face or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on us or on the value of the Investment Units.

Risks Relating to Our Organization and the Structure of BTSGIF

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

BTSGIF will be a newly established entity and a substantial majority of the net proceeds from the Combined 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 BTSGIF 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 greenfield projects and brownfield 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, BTSGIF will not have any operating assets or conduct any business operations and BTSGIF's only assets at that time will be contractual rights. Given that BTSGIF will be primarily dependent upon a single source of revenue initially, BTSGIF will be subject to greater risks than a fund or company with more revenue sources. BTSGIF will rely on BTSC's due and punctual performance of BTSC's obligations under the Net Revenue Purchase and Transfer Agreement for BTSGIF'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 BTSGIF 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 BTSGIF 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. See "– The Management Company and BTSGIF 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" for further details.

If BTSGIF 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 BTSGIF to meet all its outstanding obligations, or at all, should BTSGIF be required to do so. Further, if BTSGIF is dissolved in accordance with the terms of the Fund Scheme, the Unitholders' 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 BTSGIF, if any.

We 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 BTSGIF.

Our 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 Combined 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 BTSGIF 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 BTSGIF's ability to finance such purchase and to procure any requisite consents and approvals, including from Unitholders. We cannot assure you that BTSGIF 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 BTSGIF 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 BTSGIF. 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 BTSGIF. Accordingly, the DSI stated that the establishment of BTSGIF 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. See "– Risks Relating to the BTS SkyTrain Business – 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" for further details.

If we do not or are 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 BTSGIF. We cannot assure you that you will receive any return from the dissolution of BTSGIF.

BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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 BTSGIF. 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.

Under Thai law, the purchase of the Sale Revenue from BTSC under the Net Revenue Purchase and Transfer Agreement is subject to certain limitations and restrictions which may materially and adversely affect BTSGIF's rights over the future Sale Revenue. Under Thai law, the transfer of ownership of a sold asset requires such asset to be ascertained. Therefore, BTSGIF's ownership over the Sale Revenue may be subject to challenge under Thai law since the Sale Revenue will only be received in the future. In the situation that the sale and purchase of the Sale Revenue is subject to challenge, the Thai courts may decide that the ownership of the Sale Revenue can only be transferred to BTSGIF following acquisition or receipt.

In addition, under Thai law, the asset is required to be a specific asset which is clearly determined and segregated from other assets. The Sale Revenue will be comingled with the farebox revenue received from the BTS SkyTrain extensions which are not included in the Sale Revenue until BTSC delivers such Sale Revenue to BTSGIF. Sale Revenue is determined and segregated, and delivered to BTSGIF's bank account, on a daily basis, but at any point prior to such determination, segregation and delivery, the Sale Revenue which is in BTSC's possession may be considered as BTSC's asset.

As a result, 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, BTSGIF'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, BTSGIF'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 BTSGIF 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. See “– 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 BTSGIF in full for any damages it may incur”.

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 BTSGIF 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.

BTSGIF 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 BTSGIF pursuant to the exercise of BTSGIF's right to purchase, or enforcing the pledge by the Sponsor of, such shares. If BTSGIF exercises its right to purchase the Sponsor's shareholding in BTSC, we cannot assure you that BTSGIF will be able to acquire control of BTSC. For example, the Sponsor may fail to transfer such shares to BTSGIF and revoke the authorization given to the Fund Supervisor to act as its agent to execute documents required for the transfer of shares to BTSGIF 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, BTSGIF'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 BTSGIF 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.

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

BTSGIF 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) BTSGIF'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 BTSGIF 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. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Basis of Presentation" and Note 1 of the notes to the carve-out financial statements as of and for the fiscal years ended March 31, 2010, 2011 and 2012 for further details of these assumptions and allocations. 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 BTSGIF 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, BTSGIF 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 BTSGIF, and such differences may be material. Neither BTSC nor BTSGIF intend to prepare carve-out financial statements of the BTS SkyTrain Business for any period after December 31, 2012.

In addition, BTSGIF'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 BTSGIF'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 BTSGIF 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 BTSGIF that the Management Company believes are reasonable. For more information, see "Unaudited Pro Forma Financial Information of BTSGIF". Actual results of BTSGIF may be different than those reflected in the pro forma financial information, and such differences may be material.

As a result of the above, there is limited financial information on which to evaluate BTSGIF 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.

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

This Offering Memorandum also includes financial profit and cash flow projections of BTSGIF. 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 as set out in Annex E of this Offering Memorandum, 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 BTSGIF. The actual future operating results of BTSGIF will be affected by numerous factors, including those discussed in the section headed "Forward-looking Statements" and in this "Risk Factors" section. Actual results or developments may differ materially from the expectations expressed or implied in the financial projections. Accordingly, we cannot assure you that we will be able to achieve the projections or make the distributions set out in "Profit and Cash Flow Projections of BTSGIF". 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.

The assumptions in “Profit and Cash Flow Projections of BTSGIF” 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 BTSGIF” 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 E of this Offering Memorandum. 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 “– Risks Relating to Our Organization and the Structure of BTSGIF” and “– 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. BTSGIF 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.

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, BTSGIF’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 BTSGIF 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 BTSGIF were to invest in any such businesses, we expect BTSGIF would require the engagement of a third party operator to operate such business. We cannot assure you that BTSGIF would be able to engage an appropriate third party operator with the necessary experience on commercially acceptable terms or at all. See “BTSGIF and the BTS SkyTrain Business and Extensions – Strategies – Acquisition Growth” for a discussion of our strategies.

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 BTSGIF), 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.

The Management Company and BTSGIF 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 BTSGIF, BTSC will remain the operator of the BTS SkyTrain, subject to the supervision and monitoring by the Management Company, acting on behalf of BTSGIF, pursuant to the mechanics made available to BTSGIF under the Net Revenue Purchase and Transfer Agreement and other relevant transaction documents. The Management Company and BTSGIF 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 BTSGIF 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 BTSGIF's operations and the BTS SkyTrain. In addition, if BTSC is unable to perform its duties pursuant to the Concession Agreement, BTSGIF 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. See "– Risks Relating to the BTS SkyTrain Business – 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".

The step-in right of BTSGIF under the Concession Agreement is subject to the BMA's recognition of BTSGIF 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 BTSGIF 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 BTSGIF 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 BTSGIF'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, BTSGIF will have limited recourse against the BMA, which will have a material adverse effect on our business, financial condition, results of operations and prospects.

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 Combined 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. See “– Risks Relating to the BTS SkyTrain Business – The BTS SkyTrain offers a limited coverage area and interchange stations, and relies on a feeder system linked to other forms of transportation” for a further discussion of the risks relating to the development of feeder networks. 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. See “– Risks Relating to the BTS SkyTrain Business – BTSC's ability to raise fares is limited” for further details.

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.

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 BTSGIF 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 BTSGIF's rights to purchase, or foreclosing upon the pledge by the Sponsor of, such shares. The ownership by BTSGIF of such shares may not compensate BTSGIF 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 BTSGIF in full. If BTSGIF 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.

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 BTSGIF. 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.

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.

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 BTSGIF'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 BTSGIF 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 BTSGIF 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. See "Information Concerning the Investment Units and BTSGIF" and "Distribution Policy" for further information. 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. BTSGIF 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. See "Information Concerning the Investment Units and BTSGIF-Borrowing Policy".

The insurance coverage for the BTS SkyTrain may not be sufficient to cover all potential losses, and BTSGIF 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 BTSGIF as co-beneficiary and additional co-insured, and BTSGIF 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, BTSGIF 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, BTSGIF may not be fully compensated for the actual losses incurred. To the extent that actual losses incurred by BTSGIF exceeds the amount insured or declared value at risk, BTSGIF 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 BTSGIF receives, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

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 BTSGIF, 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.

The Independent Appraisal Reports, and any underlying Reports, are not opinions on the commercial merits of BTSGIF nor are they opinions, expressed or implied, as to the future trading price of the Investment Units or the financial condition of BTSGIF upon listing, and the valuation contained therein may not be indicative of the true value of BTSGIF'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 Annex A and Annex B to this Offering Memorandum, 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 BTSGIF 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 BTSGIF or the Investment Units. The Reports are not based on a comprehensive review of the business, operational or financial condition of BTSGIF 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 BTSGIF’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. For details, see “Annex A – American Appraisal (Thailand) Limited Summary Appraisal Report” and “Annex B – FN Asia Advisory Co., Ltd. Summary Appraisal Report”.

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 THB1,037.0 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 THB10,637.6 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 THB9,461.0 million (US\$308.9 million) was outstanding as of December 31, 2012. See also "The BTS SkyTrain Operator – Description of Material Agreements – Bank Loans" for a summary of BTSC's other indebtedness. 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 BTSGIF taking control over BTSC, the business of which the Management Company and BTSGIF are not experienced in running. See "– The Management Company and BTSGIF 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" for further details.

In addition, BTSC's other creditors may make claims against BTSC with respect to the Sale Revenue. See "– BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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" for further details.

Thai insolvency and bankruptcy laws and regulations may impair the enforceability of BTSGIF'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 BTSGIF 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 BTSGIF 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 BTSGIF 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 BTSGIF 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, BTSGIF 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.

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 BTSGIF 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 BTSGIF (as the beneficiary) to show that the Sponsor and BTSGIF were not aware that such transfer or act would be prejudicial and is not a Fraudulent Transfer.

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. See “Regulations” for further information. 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. See “Risks Relating to the BTS SkyTrain Business – 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, Krungthep Thanakom and BTSC officials”.

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.

Risks Relating to the BTS SkyTrain Business

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. See "BTSGIF and the BTS SkyTrain Business and Extensions – BTS SkyTrain – The Concession Agreement – Fares" for further information. 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. See "– Risks Relating to Our Organization and Structure of BTSGIF – The Sale Revenue that we will purchase and receive will depend on the BTS SkyTrain ridership and passenger fares".

The Concession Agreement and the Long Term O&M Agreement can be terminated by the BMA or Krunghthep 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 BTSGIF after BMA acknowledges BTSGIF 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 the 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. See “– Risks Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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”.

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, microbuses 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.

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. See "BTSGIF and the BTS SkyTrain Business and Extensions – Stations" for further details. 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.

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.

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.

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 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. BTSC provides for such maintenance itself. Accordingly, BTSC will not receive any compensation for losses associated with operational and maintenance deficiencies of such trains.

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 THB20,000 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 BTSGIF, 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. See “– Risks Relating to Our Organization and Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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” for a further discussion.

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 BTSGIF, in which case the Net Revenue expected to be received by BTSGIF 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.

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.

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. See “– 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, Krungthep Thanakom and BTSC executives” for further details. 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. As 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.

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.

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 protestors 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. See also “– Risks Relating to Thailand – The floods experienced in 2011 are likely to have a significant adverse impact on the Thai economy” for a discussion of how the floods affected the Thai economy.

Risks Relating to Thailand

The floods experienced in 2011 are likely to have a significant adverse impact on the Thai economy.

The floods that occurred in Thailand between September and December 2011 are expected to have a significant adverse impact on the Thai economy as a whole. The full impact of the floods remains uncertain; however, in early December 2011, the Bank of Thailand reduced its GDP growth forecast for Thailand for 2011 from 4.1% projected prior to the floods to 1.8%. The impact of the floods on the growth of the Thai economy in 2012 and beyond depends on a number of factors, including the rate at which homes, businesses and infrastructure are repaired or replaced, industrial parks and factories are reopened and whether manufacturing levels return to levels experienced prior to the flooding. In addition, the rate at which tourism and other key sectors of the Thai economy return to levels experienced prior to the flooding will be key factors affecting the future growth of the Thai economy.

The Government has stated its intention to improve flood protection infrastructure in an effort to prevent future flooding similar to that experienced in 2011. Government officials have announced plans for the construction of floodways, the repair of sluice gates damaged during the recent flooding and the purchase of additional pumps to remove future floodwater. The Government has also announced that it is preparing a master flood management plan. There can be no assurance, however, that these plans will be implemented before significant flooding occurs in Thailand again or at all. No assurance can be given that the Government's flood prevention measures will be adequate to protect low-lying areas and other parts of Thailand from flooding in the future.

Political conditions and continued violence in Thailand may have a direct impact on our business and the market price of the Investment Units.

We are subject to a political environment in Thailand that differs in certain significant respects from that prevailing in countries with more developed economies. Our business, financial condition, results of operations and prospects may be influenced in part by the political situation in Thailand, which has been unstable from time to time. In 2006, there was a military coup against the country's

civilian political leadership. The coup leaders declared martial law and abrogated the 1997 Constitution. In 2007, the new Constitution came into force and a general election was subsequently held. Two new coalition governments took office in February and September 2008, respectively. There were a series of anti-government protests in 2008, including an occupation by protestors of the Government House and the seizure of Thailand's two key airports.

In December 2008, the Thai Constitutional Court issued a verdict that disbanded certain government political parties, which dissolved the then existing coalition government and removed the Prime Minister from office. The leader of the Democrat-led coalition was voted in as the new Prime Minister by the Thai Parliament in December 2008. There have been a series of protests and demonstrations, including an attack by protesters that caused the cancellation of the ASEAN Summit in Pattaya and riots in Bangkok in April 2009, evidencing resistance to the current coalition government.

In March 2010, anti-Government protestors (being supporters of the former Prime Minister Thaksin Shinawatra, who was ousted in a military coup in 2006) launched new protests aimed at removing the coalition Government and holding new elections. The protestors first occupied areas around the Ratchadamnoen area and moved to an encampment in Bangkok's city centre. Over the course of two months, the demonstrations turned violent, causing the Government to declare a state of emergency in Bangkok on April 7, 2010 and later in 23 other provinces in central, northern and north-eastern Thailand. In an effort to clear the protest sites, the Government imposed curfews and restricted numbers at gatherings. A number of buildings, including a major shopping centre, Government buildings and the stock exchange, were set on fire by certain demonstrators, causing serious damage. A number of people were also killed and injured.

Following the lifting of the state of emergency in December 2010, in January 2011, close to 30,000 opposition supporters descended in the same area as the earlier protestors to demand the investigation of the deadly governmental crackdown in May and the release of protest leaders who had been held in jail on terrorism charges. The events in early 2011 were largely peaceful.

In July 2011, the Puea Thai Party won a decisive victory in the elections, making Prime Minister Yingluck Shinawatra the first female Prime Minister of Thailand. Ms. Yingluck is the sister of former Prime Minister Thaksin Shinawatra. There can be no assurances that any reforms made by the Government will promote growth and stability within Thailand. Moreover, Thaksin Shinawatra may seek to return to Thailand, and it is unclear what effect such a return would have or whether further political instability might result. We cannot predict what effects these recent events will have on Thailand's political and economic conditions, or whether the new Government may seek changes to Thailand's legal and regulatory environment. Any failure on the part of Ms. Yingluck, or the Puea Thai Party, to bring back political stability in Thailand could have a material adverse effect on economic and legal conditions in Thailand, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Substantially all of BTSC's and our assets and operations are located in Thailand and both we and BTSC are subject to economic, political, legal and regulatory uncertainties in Thailand.

Substantially all of BTSC's and our assets and operations, including our headquarters, are located in Thailand. Consequently, we and BTSC are subject to economic, legal and regulatory conditions in Thailand that differ in certain significant respects from those prevailing in other countries with more developed economies. There is no assurance that the Thai economy will meet current projections or improve in the future. Any instability and economic downturn in the Thai economy could have a material adverse effect on our business, financial condition, results of operations and prospects and the market price of the Investment Units. Furthermore, prior Governments have, in the past, intervened in the Thai economy and occasionally made significant changes in policy including, among other things, foreign exchange control, policies concerning

wage and price controls, capital controls and limits on imports, at times partially reversing such policies soon after the new policies were announced. In particular, any changes in, delays to, or a cancellation of, the Government's infrastructure policies or investment plans could materially and adversely affect our business, financial condition, results of operations and prospects.

Our businesses and operations in Thailand are subject to the changing economic conditions prevailing from time to time in Thailand. From 1996 to 1998, Thailand's GDP growth slowed significantly in relation to historical levels and the country entered a recession. Since 1999, Thailand's economy has been recovering, recording positive GDP growth each year until the global economy began to worsen in 2008 and took effect in 2009. According to Thailand's Office of the National Economic and Social Development Board and Fiscal Policy Office, Thailand's GDP grew by 5.0% in 2007 and 2.5% in 2008, declined by 2.3% in 2009 and grew by 7.8% in 2010.

From 1996 to 1998, international credit rating agencies, including Moody's and S&P, lowered Thailand's sovereign rating as well as various Thai corporate debt ratings. With the improved performance of the Thai economy in 1999 through 2003, there was corresponding improvement in these credit ratings. Political unrest in late 2008 and early 2009 again put downward pressure on Thailand's sovereign ratings. Thailand's sovereign foreign currency long term ratings are currently rated "Baa1" with a negative outlook by Moody's and "BBB+" with a negative outlook by S&P. Future lowering of the credit ratings for Thai sovereign debt may make it more expensive for us to obtain additional debt financing for our working capital and capital expenditures, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Policy changes made by the Government and the BOT have included the imposition (and subsequent reversal) of a one-year 30% unremunerated reserve requirement on foreign exchange inflows, under which any foreigner buying stock in Thailand had to place an extra non-interest bearing deposit. There is no assurance that the Government will not in the future re-impose restrictive foreign exchange controls that may affect the outward remittance of funds, including distributions payable on the Investment Units. Our business, financial condition, results of operations and prospects and the market price of the Investment Units may be adversely affected by future changes in Government policies.

Continued violence in southern Thailand, terrorist attacks and international and regional instability could adversely affect our business, financial condition, results of operations and prospects.

In 2004, the Government declared martial law in certain southern provinces. The region has recently experienced increasingly serious and frequent incidents of violence, including bombings of power stations, which caused blackouts in the provinces. On July 19, 2005, the Government invoked an emergency decree to declare a state of emergency in the three southernmost provinces of Yala, Narathiwat and Pattani. The state of emergency imposed further controls in those provinces and allows the authorities to detain suspects without charge, ban public protests and censor the news media. Since January 2004, there have been a large number of casualties and injuries arising from violence in the region, including, most recently, bombings of commercial banks in Yala province. On December 31, 2006, several bombs exploded in Bangkok, killing three people, and in February 2007 a coordinated series of explosions in Southern Thailand, including in schools, killed at least eight people. A number of countries, including the United States, the United Kingdom, Australia and Canada have issued travel advisories relating to travel to Thailand in recent years. Continued violence could lead to widespread unrest in Thailand or a major terrorist incident in Thailand similar to those in other parts of Southeast Asia. If the security condition deteriorates and violence worsens, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Non-enforceability of non-Thai judgments may limit your ability to recover damages from BTSGIF.

Under Thai law, judgments entered by a non-Thai court, including actions under the civil liability provisions of the securities laws of foreign jurisdictions, are not enforceable in Thailand. An investor would have to bring a separate action or claim in Thailand. Although a non-Thai judgment could be introduced as evidence in a court proceeding in Thailand, a Thai court would be free to examine *de novo* issues arising in the case. Thus, to the extent investors are entitled to bring a legal action against us, they may be limited in their remedies and any recovery and any Thai proceeding may be limited depending on the relevant court's discretion.

BTSC's and our financial statements are or will be prepared in accordance with Thai GAAP, which differs from U.S. GAAP in certain material respects.

BTSC and we are or will be subject to financial reporting requirements of publicly listed companies in Thailand that differ in significant respects from those applicable to companies in certain other countries, including the United States and the United Kingdom. BTSC's and our financial statements are or will be prepared in accordance with Thai GAAP, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences Between Thai GAAP and U.S. GAAP". In accordance with generally accepted accounting practices in Thailand, neither BTSC nor we have (i) performed a reconciliation of the carve-out financial statements included in this Offering Memorandum to U.S. GAAP or (ii) quantified the differences between Thai GAAP and U.S. GAAP with respect to such financial statements. If such a reconciliation or quantification had been performed, other material differences might have been identified and disclosed in the section of the Offering Memorandum entitled "Summary of Significant Differences Between Thai GAAP and U.S. GAAP". Accordingly, there is no assurance that the identified differences in the section of the Offering Memorandum entitled "Summary of Significant Differences Between Thai GAAP and U.S. GAAP" represent all material differences related to BTSC's carve-out financial statements under Thai GAAP as of and for the years ended March 31, 2010, 2011 and 2012 and as of and for the nine months ended December 31, 2011 and 2012 and BTSGIF'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.

Risks Relating to the Investment Units

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 Combined Offering) to establish BTSGIF with the Thai SEC. According to Thai securities law, registration to establish BTSGIF must occur no later than 15 Business Days from the completion of the Combined 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.

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 Combined 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 BTSGIF. If there are any changes to the tax regulations, other laws or regulations such that BTSGIF 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 BTSGIF and may also result in a lower level of distributions to Unitholders and/or higher tax liabilities to the Unitholders.

Certain Unitholders may not have favorable tax treatment if BTSGIF 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 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Taxation – Royal Decree"). However, there is one condition that BTSGIF 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. BTSGIF 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 BTSGIF 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 BTSGIF 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.

BTSGIF 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 BTSGIF.

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

- BTSGIF fails to invest in its initial asset, which is required to amount to at least 75% of its total assets, within six months from BTSGIF 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;
- BTSGIF 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 BTSGIF's total assets, within one year from such disposition; and
- the Office of the SEC orders or revokes its approval for the establishment of BTSGIF.

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

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 Combined Offering, BTSG will own an aggregate of 33.33% of the issued and outstanding Investment Units of BTSGIF. 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 Combined Offering or any securities convertible into or exchangeable for the Investment Units of the same class as the Investment Units offered in the Combined 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 Combined 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.

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

After the completion of the Combined Offering, BTSG will own an aggregate of 33.33% of the issued and outstanding Investment Units of BTSGIF, subject to the Securities Law permitting the Management Company to set aside a portion of Investment Units for allocation to the Sponsor in the Combined 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. See “– The Management Company may only be removed by a resolution of Unitholders representing not less than 50.0% of the Investment Units outstanding”. 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 BTSGIF 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.

We are subject to corporate disclosure and accounting requirements in Thailand that differ, in significant respects, from those applicable to companies in certain other countries. We are required to publish annual audited financial statements. In addition, we have agreed to provide quarterly unaudited financial statements. The SET's rules and regulations are evolving. The amount of information made publicly available by issuers in Thailand is significantly less than that made publicly available by comparable companies in certain more developed countries, and certain statistical and financial information of a type typically published by companies in certain more developed countries may not be available. As a result, Unitholders may not have access to the same level and type of disclosure as that available in other countries, and comparisons with other companies in other countries may not be possible in all respects. In addition, Unitholder protection afforded by, and enforcement of, the rules and regulations of the SET and other Thai laws may not be as extensive as in other countries.

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.

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

As BTSGIF 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.

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

If BTSGIF 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.

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 BTSGIF after the Combined 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.

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.

There may be a failure in the registration of BTSGIF.

The occurrence of any one or more of the following events may cause a failure of the registration of BTSGIF:

- the Initial Purchasers or the Thai Lead Underwriter exercising their rights pursuant to the Purchase Agreement and the Underwriting Agreement in relation to the International Offering and the Thai Offering, respectively, to discharge themselves from their obligations thereunder; or
- distribution of Investment Units from the Combined Offering or limitation on foreign Unitholding does not meet the public spread requirements as determined by the relevant rules and regulations of the Thai SEC and the SET.

In such an event, the Management Company may not register to establish BTSGIF and will procure the return in full all monies paid, together with any benefits derived thereon, in respect of any application for the Investment Units.

We believe that we will likely be a passive foreign investment company, which would result in adverse U.S. tax consequences to U.S. investors.

Based on the projected composition of our income and valuation of our assets, we believe that we will likely be a passive foreign investment company, or “PFIC”, for 2013 and in the future. Such characterization would result in adverse U.S. federal income tax consequences to you if you are a U.S. investor. For example, if we are a PFIC, our U.S. investors may become subject to increased tax liabilities under U.S. federal income tax laws and regulations and will become subject to burdensome reporting requirements. In particular, a U.S. investor would be subject to U.S. federal income tax at ordinary income tax rates, plus a possible interest charge, in respect of any gain realized upon a sale or disposition of the Investment Units and certain distributions by us. The determination of whether or not we are a PFIC is made on an annual basis and will depend on the composition of our income and assets from time to time. Specifically, we will be classified as a PFIC for U.S. federal income tax purposes if either: (i) 75% or more of our gross income in a taxable year is passive income, or (ii) the average percentage of our assets by value in a taxable year which produce or are held for the production of passive income (which includes cash) is at least 50%. The calculation of the value of our assets will be based, in part, on the then market value of the Investment Units, which is subject to change. A mark-to-market election with respect to the Investment Units may be available to U.S. investors, which may help to mitigate some of the adverse U.S. federal income tax consequences of owning Investment Units. We do not intend to provide information necessary for a U.S. investor to make a qualified electing fund election. For a more detailed discussion of the consequences to U.S. investors if we are deemed a PFIC, see “Taxation – U.S. Federal Income Taxation – Passive Foreign Investment Company”. You are urged to consult your own tax advisors regarding the application of the PFIC rules to your particular circumstances.

U.S. Foreign Account Tax Compliance Act Withholding

Pursuant to Sections 1471 to 1474 of the Internal Revenue Code of 1986 and the regulations promulgated thereunder (“FATCA”) if (i) we become a “participating foreign financial institution” and (ii) our Investment Units are not treated as “regularly traded on an established securities market” within the meaning of FATCA, then we and other financial institutions through which payments are made may be required to withhold tax at the rate of 30% on all or a portion of distributions paid after December 31, 2016 (at the earliest) which are treated as “foreign pass-thru payments” to an investor or any other non-U.S. financial institution through which payment on the Investment Units is made that is not in compliance with FATCA or does not provide us (or other relevant intermediary) information sufficient to determine whether the investor is subject to withholding under FATCA. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our Investment Units.

There are risks associated with the trading of Investment Units.

Upon the registration of the pool of assets to establish fund with the Thai SEC, the Management Company shall file an application for the Investment Units to be listed on the SET within 30 days. The SET is entitled to consider a listing application for up to seven days after we submit a completed listing application to the SET. Following the SET grants its listing approval, the Investment Units will commence trading on the SET by no later than the second Business Day thereafter, unless the manager of the SET specifies otherwise. Unless and until listing approval is granted for our Investment Units, none of our Investment Units sold in the Combined Offering may be traded on the SET and holders of our Investment Units may only be able to sell them, if at all, in matching off-exchange transactions. See “The Thai Securities Market” for a summary of the listing and trading procedures of the SET.

The Thai securities market is relatively small and may cause the market price of the Investment Units to be more volatile.

The SET is relatively small and may be more volatile than stock exchanges in the United States and certain other countries. As of October 15, 2012, there were 511 companies listed and quoted on the SET and the aggregate market capitalization of listed equity securities of these companies listed on the SET for February 2013 was THB13,137.9 billion. The relatively small market capitalization of, and trading volume on, the SET, compared to certain other global stock exchanges, may cause the market price of securities listed on the SET, including the Investment Units, to fluctuate more than those listed on larger global stock exchanges. The market price of the Investment Units may be adversely affected by the lack of liquidity on the SET. In addition, the September 2006 coup and Government policies promulgated after the coup (including the institution by the BOT of the 30% capital reserve requirement on foreign currency inflows on December 18, 2006 and its subsequent reversals) have adversely affected the Thai securities market, which has been characterized by increased volatility since 1997. These market characteristics may limit your ability to sell the Investment Units and may also affect the market price of the Investment Units.

Fluctuations in the exchange rate of the Baht with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Investment Units and any distributions.

Fluctuations in the exchange rates between the Baht and other currencies will affect the foreign currency equivalent of the Baht price of the Investment Units. Such fluctuations will also affect the amount that holders of the Investment Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Baht by us on the Securities, and any proceeds paid in Baht from any sale of the Investment Units in the secondary trading market.

Your ability to participate in future rights offerings may be limited.

We are not required to offer pre-emptive rights to existing Unitholders when issuing new Investment Units. The discretion to permit existing Unitholders to participate in rights offerings to increase our capital is subject to the discretion of the Management Company in conjunction with a resolution by the existing Unitholders. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Investment Units. We do not have, and do not currently foresee having, any obligation to register the Investment Units in any jurisdiction outside Thailand to permit foreign investors to participate in any future rights offerings we may undertake.

USE OF PROCEEDS

The estimated gross proceeds to BTSGIF of the Combined Offering of 5,788,000,000 Investment Units is THB62,510 million (US\$2,041 million). The estimated net proceeds to BTSGIF arising from the issuance of 5,788,000,000 Investment Units in the Combined Offering is THB61,336 million (US\$2,002 million), after deducting underwriting commissions, transaction costs in relation to the establishment of BTSGIF and the listing of Investment Units on the SET, and applicable value added taxes in connection with the Combined Offering. The Management Company expects to utilize the net proceeds to BTSGIF, after deducting underwriting commissions, transaction costs in relation to the establishment of BTSGIF and the listing of Investment Units on the SET, and applicable value added taxes in connection with the Combined 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 Combined Offering based upon its current plans and estimates regarding BTSGIF'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 THB9,424.1 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 THB20,833.2 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 Combined 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.

EXCHANGE RATE INFORMATION

The following table sets forth, for the periods indicated, certain information concerning the average buying (telex transfer) and selling exchange rate for Baht to U.S. Dollar of commercial banks in Bangkok announced by the BOT. We are providing this information solely for your convenience. These are not necessarily the rates that were used in the preparation of BTSC's carve-out financial statements or BTSGIF's proforma financial statements. We do not represent that the Baht or U.S. dollar amounts set forth herein and referred to elsewhere in this Offering Memorandum could have been, or could be, converted into U.S. Dollars or Baht, as the case may be, at the reference rates indicated, at any particular rates, or at all.

	At Period End	Average ⁽¹⁾	Baht Low	Baht High
2007.....	33.77	34.57	36.10	33.27
2008.....	34.94	33.38	35.73	31.16
2009.....	33.37	34.32	36.21	33.12
2010.....	30.15	31.70	33.30	29.56
2011.....	31.69	30.50	31.69	29.70
2012.....	30.63	31.09	31.91	30.25
2012:				
September	30.83	31.00	30.79	31.26
October	30.69	30.70	30.85	30.55
November	30.70	30.71	30.80	30.63
December	30.63	30.64	30.68	30.58
2013:				
January	29.77	30.07	30.49	29.71
February	29.80	29.82	29.89	29.75
March	29.31	29.52	29.17	29.81

(1) Averages are based on daily average buying (transfer) and selling exchange rate of commercial banks in Bangkok announced by the BOT.

Source: BOT

On April 2, 2013, the average buying (transfer) and selling exchange rate of commercial banks in Bangkok announced by the BOT was THB29.33 = US\$1.00.

THAI FOREIGN EXCHANGE REGULATIONS

Thai foreign exchange controls are administered by the BOT on behalf of the Ministry of Finance, pursuant to the Exchange Control Act B.E. 2485 (1942), as amended. The BOT has granted commercial banks and certain other entities the authority to conduct foreign exchange transactions as authorised agents of the BOT. The BOT instituted measures in 1998 to restrict certain foreign exchange related transactions by domestic financial institutions with non-residents of Thailand and to safeguard against instability and speculation in the domestic currency market. However, the easing of exchange controls may be granted from time to time as the BOT considers appropriate to the financial circumstance. These measures, which were amended on February 29, 2008, among other things, (i) limit the value of foreign exchange related transactions for underlying trade or investment activities in Thailand not exceeding the actual value of the underlying trade or investment activity and, for transactions without any underlying trade or investment activity in Thailand, not exceeding THB300 million or THB10 million, depending on the type of transaction, per non-resident and its related parties as a group; and (ii) regulate direct loans granted to non-residents.

The inward remittance of money into Thailand for investment in securities does not require registration with the exchange control authorities. The BOT issued significant relevant Notifications of the Competent Officer on Rules and Practices Regarding Currency Exchange No. 15 (as amended by the Notification of the Competent Officer on Rules and Practices Regarding Currency Exchange No. 20 on February 4, 2008 and October 5, 2010) (collectively, the “Notification”) which amended the criteria for depositing foreign currency into a foreign currency account. The Notification required that any person (excluding non-residents, short-term foreign residents, foreign embassy staff, persons with diplomatic immunity and staff of certain international organisations) bringing foreign currency into Thailand must, within 360 days, either (i) sell such foreign currency to an authorised agent or (ii) deposit it into a foreign currency account opened with a commercial bank in Thailand for which a specified form must be submitted to such authorised agent if the amount sold or deposited is at least US\$50,000 (or its equivalent).

The Notification also provide that a person depositing foreign currency must prove one of the following to an authorised agency:

- (a) the deposit originated abroad, in which case the depositor may deposit an unlimited amount of foreign currency as requested into the foreign currency account, except where the Competent Officer sets the amount;
- (b) the deposit is purchased, exchanged or borrowed from an authorised agency by a Thai resident and:
 - (i) if the depositor can prove that it will be subject to an obligation to pay those foreign currency funds outside Thailand or to an authorised agency, the depositor may deposit the foreign currency amounts in the foreign currency account. However, the amount deposited must not exceed the payment obligation, and the daily balance of the foreign currency deposited in all accounts held by that depositor must not exceed US\$1,000,000 or its equivalent for an individual, or US\$100,000,000 or its equivalent for a legal entity;
 - (ii) if the amount deposited exceeds the amount specified in (i), the depositor must prove that it or its affiliate will be required to pay those foreign currency funds outside Thailand or to an authorised agency within 12 months from the date of deposit, in which case, the amount deposited must not exceed the payment obligation; or
 - (iii) if the depositor cannot prove it has a payment obligation, the deposit must be placed in a separate account, and the daily balance of foreign currency in all accounts held by that depositor must not exceed US\$500,000 or its equivalent (for an individual and for a legal entity); or

- (iv) the depositor may deposit no more than US\$10,000 or its equivalent in cash per day into the foreign currency account, except in the case that the depositor (except for certain persons, including government organisations and Thai state-owned enterprises and their officials who are on duty offshore) is a person who does not have a foreign exchange license.

The outward remittance from Thailand of distributions or the proceeds of sale (including capital gain) from the transfer of Investment Units after payment of the applicable Thai taxes, if any, may be made without the requirement to file a specified form to the relevant authorised agent if the amount is less than US\$50,000 or the equivalent amount in relevant currency per remittance. Because the BOT has a policy not to allow any person to bring Baht currency out of Thailand, distributions paid to a non-resident must be converted into foreign currency prior to the outward remittance from Thailand. If the amount is at least US\$50,000 or its equivalent in the relevant currency, a specified form must be submitted to the authorised commercial bank together with documents or evidence as to the particular transaction (such as evidence of the disposal of investment units).

Export of share certificates or other securities certificates from Thailand does not require prior approval from an exchange control officer appointed by the BOT. The exporter may either dispatch the certificates by mail or carry them when travelling abroad.

On February 29, 2008, the BOT issued Notification of the Competent Officer on Rules and Practices Regarding Currency Exchange No. 17, which establishes the criteria for the withdrawal and deposit of the Baht into (i) non-resident Baht accounts for securities, for example, for the purpose of investing in equity instruments, debt instruments and units (“NRBS”), and (ii) non-resident Baht accounts for other purposes, including an investment in at least 10.0% or more of the total share capital of companies in Thailand.

Further to the Notification of the Competent Officer on Rules and Practices Regarding Currency Exchange No. 17 above, the BOT has also issued the Rules and Practices on the Measures to Prevent Thai Baht Speculation dated February 29, 2008. The measures establish rules and practices for domestic financial institutions to undertake transactions involving Baht with non-residents in order to reduce volatility of the Baht resulting from speculative activities or from non-residents’ financial transactions without underlying trade or investment in Thailand. One of the measures relates to non-resident Baht accounts and non-resident Baht accounts for securities. Where a non-resident wishes to open an NRBS, such account is to be a current or savings account only, and the financial institution is required to monitor the outstanding balances of all NRBSs at the end of each day to ensure that such accounts do not exceed the limit of THB300.0 million per non-resident. Such limitation includes balances of all NRBSs opened by each non-resident with all financial institutions in Thailand, except for those approved by the BOT on a case-by-case basis.

INFORMATION CONCERNING THE INVESTMENT UNITS AND BTSGIF

Certain terms used in this section of the Offering Memorandum are defined in the “Glossary” contained elsewhere in this Offering Memorandum. The following description is based on the translation of the Thai language fund scheme filed with, and approved by, the Thai SEC.

Overview

BTSGIF will be a publicly traded infrastructure fund in Thailand and will provide Unitholders with an attractive opportunity to invest in the revenues generated from BTSC’s exclusive concession to operate the BTS SkyTrain. The Fund’s principal investment mandate is to invest in infrastructure businesses which have the capability to generate sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return.

The Fund will use the proceeds from the Combined 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 covering 23.5 kilometres with 23 stations, consisting of the 17 kilometre Core Sukhumvit Line from Mo-Chit to On-Nut, and the 6.5 kilometre Core 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 Fund will enter into the Net Revenue Purchase and Transfer Agreement with BTSC to purchase the rights to the Sale Revenue.

Investment in Initial Assets

The Initial Assets to be invested by the Fund are the Sale Revenue being all farebox revenues to be generated from the operation of the Core BTS SkyTrain System under the Concession Agreement from the Closing Date until the Concession Expiry Date, after deducting all costs, expenses, excise tax, value added-tax and any other 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 Debenture), (ii) and BTSC’s corporate income tax and other tax penalties resulting from BTSC’s negligence or willful 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 Net Revenue Purchase and Transfer Agreement. For further details on the Concession Agreement, see “BTSGIF and the BTS SkyTrain Business and Extensions – The BTS SkyTrain Business – The Concession Agreement”. The Sale Revenue also includes all cash relating to all claims, awards, judgments, suits, and causes of action in favor 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 Costs to be deducted from the revenue which the Fund is entitled to receive from BTSC as listed in “– Examples of O&M Cost”. 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 in which the Fund will invest 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.

As required by the Securities Law, the Fund shall enter into an agreement to acquire the Initial Assets with the value of not less than 75% of the Fund’s total assets value no later than six months from the Fund Registration Date. The Management Company is required to proceed such that the Fund Registration Date occurs within 15 Business Days from the end of the Investment Units’ subscription period of the Combined Offering.

The Management Company’s principal investment strategy for the Fund is to invest in and own the Sale Revenue. The fares derived from the Core BTS SkyTrain System after 2029 and the fares derived from the Extension BTS SkyTrain System are not covered in the Concession Agreement, and thus, are not included in the Sale Revenue that have been sold to BTSGIF. However, BTSC will grant BTSGIF the right to purchase, and/or the right of first refusal to purchase, the right to receive the revenues, rights, benefits, title and/or any investment in relation to the greenfield projects and brownfield 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. See “The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement” for a discussion of BTSC’s current rights under that agreement.

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 Costs 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 the event that 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. For a discussion of certain risks relating to the Net Revenue Purchase and Transfer Agreement, see “Risk Factors – Risk Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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”.

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, in accordance with the procedures and timing as agreed between the parties under the Net Revenue Purchase and Transfer Agreement, there will 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 must 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 at such other time as the parties may agree. Where the actual O&M Costs for that quarter is 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 10.0% of the aggregate O&M Costs Budget for every preceding quarter of the relevant year up to that quarter, the Fund must 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.

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 10.0% 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 must 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 for 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 BTSG 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 must 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 must 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 with the affirmative vote from at least one BTSC director nominated by BTSGIF; 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. See "Information Concerning the Investment Units and BTSGIF – Management of the Fund – Management Company – Procedures in Granting Consent on Reserved Matters and Negative Undertakings".

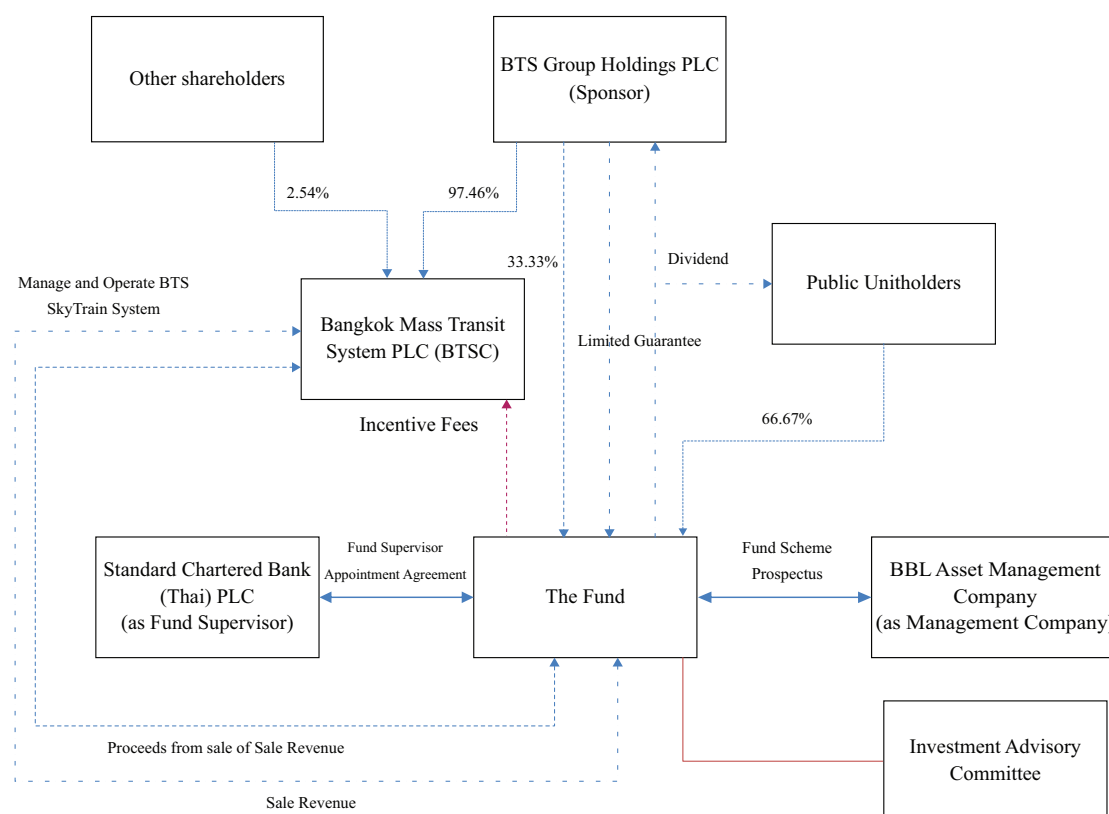
Additionally, BTSG as the major shareholder of BTSC will guarantee the performance of BTSC's obligations under the Net Revenue Purchase and Transfer Agreement by entering into the Sponsor Support and Guarantee Agreement. Also, to secure its own obligations under the Sponsor Support and Guarantee Agreement, 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 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% 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 the occurrence of an 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 shares under the Agreement to Purchase and to Sell Shares. Such enforcement of the share pledge or exercise of the 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 to 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 the event that 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 the right to purchase shares 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. For a discussion of certain risks relating to the Sponsor's guarantee and pledge of shares, see "Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement".

Under the Net Revenue Purchase and Transfer Agreement, BTSC agrees to grant the Fund the right to purchase in respect of BTSC's or any of its subsidiaries' revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSC or any of its subsidiaries, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects and brownfield projects, for any Bangkok and Vicinity Mass Transit Systems of BTSC or any of its subsidiaries, as the case may be, under the terms and conditions of the Net Revenue Purchase and Transfer Agreement. 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.

Please refer to further details of the Right to Purchase and the Right of First Refusal of the Fund in "Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement" and "Certain Agreements Relating to BTSGIF – Sponsor Support and Guarantee Agreement".

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 Combined 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.



The value of the Initial Assets is discussed in more detail in “Annex A – American Appraisal (Thailand) Limited Summary Appraisal Report” and “Annex B – FN Asia Advisory Co., Ltd. Summary Appraisal Report”).

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 investments 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’s or any of its subsidiaries’ revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSC or any of its subsidiaries, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects and brownfield projects for any Bangkok and Vicinity Mass Transit Systems of BTSC or any of its subsidiaries, as the case may be, under the terms and conditions of the Net Revenue Purchase and Transfer Agreement. Under the Sponsor Support and Guarantee Agreement, BTSG also agrees to grant the Fund the right to purchase in respect of revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSG or any of its affiliates, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects, and brownfield projects, for any Bangkok and Vicinity Mass Transit Systems of BTSG or BTSG’s affiliates, as the case may be. The Fund’s right to purchase and right of first refusal shall lapse upon expiration of the period of time specified under the Net Revenue Purchase and Transfer Agreement or Sponsor Support and Guarantee Agreement, as the case may be. For more information on the right to purchase and the right of first refusal of the Fund, see “Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement” and “Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement” and “– Sponsor Support and Guarantee Agreement”.

Any additional investment in or acquisition of any Infrastructure Asset with a value of either more than Baht 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 an investment in Initial Assets (such as due diligence requirements, asset appraisal requirements, etc.) and has to be approved by a Unitholders’ resolution specified in “– Required 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 Baht 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). As discussed in “– Investment in Initial Assets”, 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 in or acquisition of Infrastructure Assets requires additional funds, the Fund will also be subject to the procedures with respect to borrowing as set out in “– Borrowing Policy” and/or the increase of capital set out in “– 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 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 as set out in “– Management and Utilisation of Assets and Income Guarantee”.

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, availed, 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; and
- (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.

Investment Ratio

At the end of each financial year of the Fund, the Fund shall maintain a minimum investment in the Core Investment of not less than 75% of the Fund's total assets. Value of the Core Investment shall be calculated from book value of the acquisition price or any price as prescribed by the SEC. In other words, the Fund shall not invest more than 25% of the Fund's total assets in the Non-core Investments.

The Management Company also has an obligation to ensure that the investment ratio of the Non-core Investments shall be in compliance with the requirements as set out in the Office of the SEC regulation No. Sor Nor. 24/2552 Re: Investment and Holding of Assets for a Fund dated 28 July 2009, and the amendments thereto.

Disposition of Assets of the Fund

Any disposition of the Infrastructure Assets with a value of either more than Baht 100,000,000 or 30% or more of the total assets of the Fund at the time of such disposition shall be subject to similar requirements as when the Fund has made investment in Initial Assets (such as asset appraisal requirements, etc.) and has to be approved by a Unitholders' resolution specified in "– Required 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 disposition of any Infrastructure Assets if its value is more than Baht 100,000,000 but less than 30% of the Fund's total assets at the time of such disposition, and such disposition is approved by the Fund Supervisor.

In the event that the Fund acquires shares in BTSC following the enforcement of its right under the Net Revenue Purchase and Transfer Agreement (either from the enforcement of share pledge pursuant to the Share Pledge Agreement or the sale and purchase of shares pursuant to the Agreement to Purchase and to Sell Shares) and the Fund still holds those shares after the Concession Expiry Date, the Fund shall transfer those shares back to the Sponsor or any person as the Sponsor may designate 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. Such transfer of shares by the Fund to the Sponsor or any person designated by the Sponsor after the Concession Expiry Date 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. For a discussion of certain risks relating to the Sponsor's guarantee and pledge of shares, see "Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement".

Opinion of the Management Company regarding Adequacy of Insurances

The Management Company is of the opinion that the current insurance policies are adequate to cover major risk exposures of the Core BTS SkyTrain System.

The total asset value covered under the property all risks and machinery breakdown insurance policies is US\$1,837 million (approximately THB56,226 million) based on replacement cost valuation method. The insured sum for property all risks and machinery breakdown per occurrence is US\$300,000,000 (for each and every occurrence), with extension to machinery breakdown for another US\$25,000,000 (for each and every occurrence). The insured sum is higher than the maximum foreseeable loss that may incur upon occurrence of events including disaster that may create material damages including earthquake, hurricane, fire, etc. as being reviewed by Aon (Thailand) Ltd.

The coverage of insurance for business interruption arising from property all risks and machinery breakdown maintained by BTSC is THB5,967,000,000 which is based on estimates of farebox profit from the Core BTS SkyTrain System in the next 12 months plus fixed cost, with extension to business interruption insurance arising from machinery breakdown for another US\$25,000,000 (for each and every occurrence).

Aon (Thailand) Ltd. has concluded that such insurance policies and other insurance policies maintained by BTSC are adequate and in line with market standards and cover major risk exposures. Any renewal of insurances in the future must be reviewed and considered by the Fund to ensure its appropriateness and adequacy.

Aon is the leading global provider of risk management advisory service, insurance and reinsurance brokerage operating in over 120 countries worldwide. It employs over 62,000 employees. It has operated in Thailand since 1968 and currently retains a skillful staff of over 150. Aon is one of the world's largest provider of risk management advisory service, insurance and reinsurance brokerage with extensive experiences. It serves a large number of the world's leading enterprises in various industries around the world and has won awards and acclamation from various industries as the best provider of risk management advisory service, insurance and reinsurance brokerage.

Valuation of the Initial Assets

American Appraisal (Thailand) Limited and FN Asia Advisory Co., Ltd. have conducted appraisals of the Initial Assets. See Annex A and Annex B for a summary of such appraisals.

Management and Utilisation of Assets and Income Guarantee

Since the Initial Assets are comprised of 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 Thor Nor. 1/2554 which prohibits the Fund from operating Infrastructure Businesses by itself. In such case, the Management Company shall comply with the requirements as set out in “– Agreement with Third Parties”.

Distribution Policy and Distribution Method

Distributions to the Unitholders can be made from time to time by way of dividend payments and capital reduction as permitted under the Fund Scheme and the Securities Law.

Dividend Policy

See “Distribution Policy” for details.

Dividend Payment Method

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.

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; and
- (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.

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.

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.

Unitholders' Restriction to Receive Dividends

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 under “– Holding Restrictions”, the Management Company will not make a dividend payment to that individual or his Persons within the Same Group or any Foreign Investor only with respect to such excess portion unless the SEC has allowed otherwise.

Any Unitholder or his Persons within the Same Group holding Investment Units in excess of the limit shall not be entitled to dividends with respect to such excess portion. The relevant amount of dividends 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 dividends 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 dividends to Unitholder or his Persons within the Same Group or any Foreign Investor who holds the Investment Units in excess of the limit permitted under “– Holding Restrictions”, the Management Company may pay the dividends 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.

Please also refer to the restriction with respect to distribution entitlement of Unitholders as set out in “– Impact on Unitholders” in respect of the excess portion of holding.

The Management Company will proceed in accordance with the rules and procedures as set out above, unless the SEC, the Office of the SEC or the Capital Market Supervisory Board or any the relevant authority has amended, changed, announced, ordered, or approved otherwise. In such case the Management Company shall act in accordance with such the amendment, change, announcement, order or approval with a deemed approval from the Unitholders.

Return of Invested Capital

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 (“Returned Capital”) in addition to the dividend to be received by the Unitholders.

Such the capital reduction shall be made in accordance with “– Reduction of Capital”.

Borrowing Policy

Overview

The Fund will consider incurring debt in the future up to an appropriate level subject to terms that are deemed to be beneficial to the Fund. At the same time, the Fund also aims to optimise its capital structure and manage its capital cost within the debt to equity limits permitted by the Securities Law, and in this regard, it may consider using a combination of debt and equity to fund future investment in the, and/or for efficiency enhancement of, maintain or improve the Initial Assets in respect of the operation of the Core BTS SkyTrain System, as well as the Additional Assets which may be invested by the Fund in the future.

Borrowing Criteria

The Fund will maintain its aggregate leverage within the borrowing limits allowable under the Securities Law. Currently, it is required that the debt to equity ratio of the Fund shall not be higher than three to one (3:1), except for a breach of such ratio which is not as a result of an additional borrowing or issuing of additional quasi-debt units. If the Fund invests in shares of its subsidiary, the calculation of its debt to equity ratio shall be on a consolidated basis.

The Fund may obtain financing by way of borrowing (and not by way of issuing of debt securities, unless otherwise permitted by the SEC) only for the purposes set out below:

- (i) acquisition of Infrastructure Assets;
- (ii) construction, expansion or development of incomplete Infrastructure Assets in order to complete the project;
- (iii) improvement of Infrastructure Assets in which the Fund has invested in order to maximise the benefits and utilisation of assets;
- (iv) repayment of loans or obligations of the Fund or a debt incurred by the Infrastructure Business for purposes under (i), (ii) or (iii) (i.e. refinancing); and
- (v) any other case as may be announced by the Office of the SEC from time to time.

In entering into any financing arrangement, the Management Company must ensure that all loan agreements shall provide for a limitation of liability of the Fund in accordance with the following criteria:

- (i) all loan agreements which provide that the Fund's liability under such loan agreements shall not exceed the total assets value of the Fund; and
- (ii) the Commitment must not include the following terms:
 - (a) a provision requiring the Unitholders to surrender capital or benefit legitimately received by them back to the Fund, regardless of the cause; or
 - (b) a provision requiring the Unitholders to be liable for any damage incurred under any agreement entered into between the Fund and a third party.

The Management Company may create security over the Assets as collateral for the Fund's obligations under financing documents.

A lender under any financing arrangement must not be the Fund Supervisor of the Fund.

Management and Operation of Assets to Be Invested By the Fund and Summary of Material Contracts

Arrangement and Management Structure between BTSC, Sponsor and the Fund

Arrangement between BTSC, Sponsor and the Fund

BTSC agrees to sell the Sale Revenue to the Fund under the Net Revenue Purchase and Transfer Agreement and the Sponsor agrees to guarantee the BTSC's punctual performance of its obligations under the Net Revenue Purchase and Transfer Agreement and give certain supports in terms of corporate matters under the Sponsor Support and Guarantee Agreement, as well as to give other security interests under the Share Pledge Agreement and the Agreement to Purchase and to Sell Shares to secure the obligations of BTSG owed to the Fund under the Sponsor Support and Guarantee Agreement. For a discussion of certain risks relating to the Net Revenue Purchase and Transfer Agreement, see "Risk Factors – Risk Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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".

BTSC also agrees to grant the Fund the right to purchase in respect of BTSC's or any of its subsidiaries' revenue, rights, benefits, title, interest and/or investment in relation to the Identified Assets and, where BTSC or any of its subsidiaries, as the case may be, receives a third party offer, the right of first refusal to purchase revenue, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and any other greenfield projects and brownfield projects for any Bangkok and Vicinity Mass Transit Systems of BTSC or any of its subsidiaries, as the case may be, in accordance with the terms of, and as agreed under, the Net Revenue Purchase and Transfer Agreement. BTSC 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 BTSC or BTSC's 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 BTSC or BTSC's affiliates, as the case may be, in accordance with, and as agreed under, the Sponsor Support and Guarantee Agreement. Please refer to details as discussed in “– Net Revenue Purchase and Transfer Agreement” and “– Sponsor Support and Guarantee Agreement”.

Under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, BTSC and the Sponsor agree that before carrying out BTSC's certain corporate matters, i.e. (1) in case of the Reserved Matters, BTSC must obtain an approval from a board of directors' meeting of BTSC with 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 must be incorporated in BTSC's Articles of Association to the effect that the entering into any Reserved Matter by BTSC must be approved by the board of directors of BTSC with the affirmative vote from at least one BTSC director nominated by BTSGIF; 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 is deemed to be the Fund's consent for BTSC to carry out such same matters prohibited under the relevant negative undertakings of BTSC. Please refer to the Reserved Matters as set out in “– Procedures in Granting Consent on Reserved Matters and Negative Undertakings” below.

If BTSC or the Sponsor fails to perform any of its obligations and fails to remedy such within the applicable remedy period pursuant to the Transaction Documents to which it is a party, the Fund (represented by the Management Company) will have the right to demand payment of debts from BTSC under the agreements or may demand payment of debts from the Sponsor by exercising its right to enforce any security given by the Sponsor, and the Fund as BTSC's creditors representative may exercise its step-in right under the Concession Agreement pursuant to the Instruction to the BMA if BMA intends to terminate the Concession Agreement due to BTSC's breach of the Concession Agreement.

Such security given by the Sponsor comprises the following:

Guarantee. Please refer to further details of guarantee arrangement in “– Sponsor Support and Guarantee 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 terms and conditions of one of the following agreements:

- (i) Agreement to pledge BTSC. Please refer to further details in “Share Pledge Agreement”; and

- (ii) Agreement to sell and purchase shares in BTSC. Please refer to further details in “– Agreement to Purchase and to Sell Shares”.

The guarantee given by BTSG under the Sponsor Support and Guarantee Agreement is 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 to Sell Shares or (ii) the enforcement of pledge of shares in BTSC held by BTSG pursuant to the Share Pledge Agreement.

Once the Fund becomes the owner of BTSG’s shares in BTSC by exercising its right under the Agreement to Purchase and to Sell Shares or the Share Pledge Agreement, the Fund will become a major shareholder of BTSC and BTSC will continue to perform its obligations of delivering the Sale Revenue to the Fund under the Net Revenue Purchase and Transfer Agreement, whereby the Sponsor will be released from its obligations related to guarantee and obligations imposed upon it due to its holding of BTSC shares under the Sponsor Support and Guarantee Agreement. For a discussion of certain risks relating to the Sponsor’s guarantee and pledge of shares, see “Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement”.

In the event that the Fund chooses to enforce the share pledge under the Share Pledge Agreement, the sale of the pledged shares at a public auction will include a conditions that a third party winning bidder shall enter into an agreement in form and content similar to those of the Sponsor Support and Guarantee Agreement.

In addition, BTSC shall deliver the Instruction to the BMA 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. Please refer to further details of such step-in right in “– Instruction to the BMA” below. 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.

BTSC will also name the Fund as a co-insured and co-loss payee under the relevant insurances for the Core BTS SkyTrain System. Please refer to “– Endorsement of Insurances” for further details.

Management Between BTSC, Sponsor and the Fund

To ensure that the Fund and the Unitholders will have appropriate and adequate protection, BTSC and the Sponsor agree to give certain levels of participation to the Fund in terms of corporate matters both through the board of directors of BTSC and through contractual obligations.

BTSC and the Sponsor will agree under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, respectively, to give the Fund the right to participate in BTSC’s board of directors, where one-third of BTSC’s directors shall be the persons nominated by the Fund and another one-third of the BTSC’s directors shall have the qualifications as “independent directors” as prescribed by the SEC’s regulation applicable to publicly listed companies.

Before carrying out certain corporate matters, i.e. (i) in case of the Reserved Matters, BTSC must obtain approval from the Board of Directors of BTSC with at least two affirmative votes from BTSC's directors who are nominated by the Fund (where one-third of the directors are nominated by the Fund) (whereas, to the extent permissible by laws, the Reserved Matters must be incorporated in BTSC's Articles of Association to the effect that the entering into any Reserved Matter by BTSC must be approved by the board of directors of BTSC with affirmative vote from at least one of BTSC's directors nominated by BTSGIF; 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 with 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), or (ii) 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's board of directors representing the Fund approve the Reserved Matters which are the same matters prohibited under the negative undertakings of BTSC, such approval is deemed to be the Fund's consent for BTSC to carry out such same matters prohibited under the relevant negative undertakings of BTSC.

Please refer to "Reserved Matters" as set out in "– Procedures in Granting Consent on Reserved Matters and Negative Undertaking".

In addition to the responsibilities as members of the board of directors on the Reserved Matters, the representatives of the Fund, as BTSC board members, shall have responsibility to monitor BTSC's operation and compliance under the Transaction Documents, and shall report any potential non-compliance of BTSC obligations to the Fund. Should there be any potential breach, they can notify the Fund Manager and the Fund Manager can proceed with appropriate actions.

Procedures to obtain the consent on the Reserved Matters from the Fund are set out in "– Procedures in Granting Consent on Reserved Matters and Negative Undertaking".

Agreement with Third Parties

If the Fund will in the future enter into, amend or terminate an engagement for a third party to be the operator to run or operate Infrastructure Businesses, it shall comply with the following requirements:

- (i) A resolution from the Unitholders will be required if such entry into, amendment or termination of any agreement is to engage a third party to be the operator to run or operate Infrastructure Businesses having the value of more than Baht 100,000,000 or 30% or more of the Fund's total assets at the time of such entry into, amendment or termination of such agreement. Such Unitholders' resolution will not be required for the entry into, amendment or termination of any agreement that has a value of more than Baht 100,000,000 if such entry into, amendment or termination of such agreement is less than 30% of the total assets at the time of such entry into, amendment or termination of such agreement and is approved by the Fund Supervisor;
- (ii) The calculation of such value shall be determined at an interval of every six months.

Summary of Key Terms and Conditions of the Draft Transaction Documents and Other Related Documents

See "Certain Agreements Relating to BTSGIF" for a summary of the key terms and conditions of the draft transaction documents and other related documents.

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.

Instruction to the BMA

BTSC, together with the Management Company, delivered the following two Instruction Letters to the BMA on December 7, 2012. The first letter notifies the BMA regarding the transfer of the Sale Revenue to the Fund and the second letter notifies 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 Instruction Letters to the BMA.

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. For a discussion of certain risks relating to the Net Revenue Purchase and Transfer Agreement, see "Risk Factors – Risk Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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".

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 farebox revenue less the O&M Costs and acceptance to act as the Fund's agent in collecting the farebox revenue less the O&M Costs as well as delivering the farebox revenue less the O&M Costs collected to the Fund through BTSC or in case BTSC cannot deliver the farebox revenue less the O&M Costs to the Fund as usual (for example, in case of bankruptcy), to the Fund directly, in form and substance satisfactory to the Fund.

Legal Opinion relating to the Establishment of BTSGIF

Weerawong, Chinnavat and Peangpanor Limited (“Legal Counsel”) was asked by BTSC to provide an opinion on two issues in relation to the establishment of BTSGIF, namely (i) whether BTSC’s entering into transactions and the sale of the Sale Revenue generated from the operation of the BTS Skytrain System under the Concession Agreement to BTSGIF would cause any breach of the Concession Agreement, or affect the rights and benefits currently obtained by BTSC under the Concession Agreement, and (ii) whether DSI’s allegation against the executives of BMA and other persons including BTSC and certain executives of BTSC on the execution of the Long Term O&M Agreement on the grounds that they have jointly conducted the commercial business being the public utilities without the authorization or a concession from the Minister of Interior in accordance with the Announcement of the National Executive Council No. 58 dated January 26, 1972 (the “NEC Announcement No. 58”) and the Criminal Code will have any impact on the establishment and management of BTSGIF including the investment in the Net Farebox Revenues.

1. Legal Opinion relating to the Effect of Entering into Transactions and Sale of the Sale Revenue on the Rights and Benefits under the Concession Agreement

The Legal Counsel is of the opinion that BTSC can enter into the transactions and sell the Sale Revenue generated from the operation of the BTS Skytrain System under the Concession Agreement to BTSGIF, and it is not deemed as a breach of the terms of the Concession Agreement. In addition, such sale of the Sale Revenue will not affect the rights and benefits of BTSC under the Concession Agreement, for the following reasons.

Under the Concession Agreement, BTSC is entitled to collect and obtain farebox revenue generated from the operation of the BTS Skytrain System throughout the term of the concession, and it is not required that BTSC share the farebox revenue to the licensor or any other person. As a result, BTSC, as the party who is entitled to obtain the farebox revenue generated from the operation of the BTS Skytrain System, has the right to take any action in respect of such farebox revenue throughout the term of the concession, including to use or dispose of such farebox revenue to any third party.

The asset to be sold and purchased under the Net Revenue Purchase and Transfer Agreement is the Sale Revenue generated from the operation of the BTS Skytrain System, consisting of the farebox revenue after the deduction of the O&M Costs and all cash relating to all claims as described in “Investment in Initial Assets”. According to the Concession Agreement, BTSC is not prohibited from selling the farebox revenue generated from the operation of the BTS Skytrain System or cash relating to all claims as described in “Investment in Initial Assets”. As a result, pursuant to the general principle of law regarding property, BTSC, as the person who is entitled to obtain the farebox revenue generated from the operation of the BTS Skytrain System and as the owner of such Sale Revenue, has the right to exercise its ownership over the Sale Revenue to be incurred in the future by the disposal, transfer and sale of such Sale Revenue to BTSGIF under the Net Revenue Purchase and Transfer Agreement.

The performance of obligations by BTSC under the Net Revenue Purchase and Transfer Agreement, which includes the obligation to transfer the Sale Revenue to be generated from the operation of the BTS Skytrain System under the Concession Agreement to BTSGIF will not constitute or result in any transfer of rights and/or obligations of BTSC under the Concession Agreement to BTSGIF. As a result, the entering into the Net Revenue Purchase and Transfer Agreement and the performance of the obligations thereunder are not deemed as breaches under the Concession Agreement that may cause BMA to be entitled to terminate the Concession Agreement.

With regard to the proceeds which BTSC may obtain in the capacity of the beneficiary under the insurance policy in connection with the BTS Skytrain System, as required by the Concession Agreement, BTSC shall procure the all-risks insurance policy for the BTS Skytrain System, for which BMA is a co-beneficiary, and shall use all the insurance proceeds obtained from the aforementioned all-risks insurance policy for repairs to or reconstruction of the BTS Skytrain System. Even though it is required under the Net Revenue Purchase and Transfer Agreement that BTSC transfer the proceeds from the aforementioned all-risks insurance policy to the account of BTSGIF, who is a co-beneficiary under such all-risks insurance policy, BTSC is still able to withdraw such insurance proceeds from BTSGIF pursuant to the Net Revenue Purchase and Transfer Agreement for repairs to or reconstruction of the BTS Skytrain System so that BTSC can perform its obligation under the Concession Agreement.

2. Legal analysis regarding impact of DSI allegation on the Concession Agreement and the sale or transfer of Net Revenue to be received by BTSC under the Concession Agreement to the BTSGIF

The Legal Counsel is of the view that (i) the allegation by the DSI that the Long Term O&M Agreement is an operation of the tram business without authorization and (ii) the DSI investigation process under which other legal proceedings may be conducted, is not related to BTSC's operation of the Core BTS SkyTrain System under the Concession Agreement. Additionally, if eventually the execution of the Long Term O&M Agreement is ruled, considered or adjudged by competent authorities to be an unauthorized undertaking of tram business under the NEC Announcement No. 58, the Legal Counsel is of the view that (i) it will not affect the validity of the Concession Agreement which was approved by the Minister of Interior by virtue of the NEC Announcement No. 58, and the sale or transfer of the Sale Revenue which BTSC will receive under the remaining 17-year term under the Concession Agreement to BTSGIF which is currently under an application consideration process by the Office of the SEC, and (ii) it will not affect BTSC's and BTSG's ability to perform in compliance with the Net Revenue Purchase and Transfer Agreement and other contracts relating to the purchase and transfer of the Sale Revenue to which either BTSC and/or BTSG is a party.

Related Party Transactions and Disclosure Requirements

Related Party Transactions

In entering into any transaction between the Management Company on behalf of the Fund and the Related Persons, such transaction shall be made in compliance with the Securities Law as set out below.

Related Persons

For the purpose of this section, "Related Persons" shall have the meaning as specified under Thor Nor. 1/2554 which include the following persons:

- (A) the Management Company;
- (B) a shareholder of the Management Company holding more than 5% of the total issued shares of the Management Company which is not a "state agency";
- (C) a shareholder or partner of (B) holding more than 30% of the total issues shares of (B) or of the total partnership interest of (B) which is not a "state agency", except where such person in (B) is a company incorporated outside Thailand;
- (D) an entity in which the Management Company holds more than 10% of the total issued shares or has a partnership interest of more than 10% of the total partnership interest;

- (E) an affiliate of the Management Company in which the same person who holds more than 50% of the total issued shares of the Management Company holds more than 50% of the total issued shares or has a partnership interest more than 10% of the total partnership interest;
- (F) management of the Management Company;
- (G) the Fund Manager;
- (H) an entity in which (F) or (G) holds more than 30% of the total issued shares or has a partnership interest more than 30% of the total partnership interest;
- (I) a Unitholder who at the time holds more than 10% of the total units of the Fund;
- (J) consultants of the Management Company;
- (K) consultants who give advice or recommendation with respect to Infrastructure Assets, or management of Infrastructure Assets;
- (L) other funds (either mutual or private funds) under the management of the Management Company;
- (M) the Fund Supervisor;
- (N) asset management company;
- (O) a shareholder of (J), or (M), holding more than 5% of the total issued shares of (J), or (M), which is not a “state agency”;
- (P) a shareholder or a partner of (O) holding more than 30% of the total issues shares of (O) or of the total partnership interest of (N) which is not a “state agency”, except where such person in (N) is a company incorporated outside Thailand;
- (Q) an entity in which (J), or (M) holds more than 10% of the total issued shares or has a partnership interest more than 10% of the total partnership interest;
- (R) a person who has the power to control such person in (A) to (Q), or a person who is controlled by such person in (A) to (Q) as prescribed by the SEC; or
- (S) related person of the Fund within the meaning of “related person” under the Capital Market Supervisory Board’s notification issued by virtue of Section 89/1 of the Securities and Exchange Act, *mutatis mutandis*.

For the purposes of the above, a “state agency” shall mean any central administration, regional administration, local administration, the Financial Institutions Development Fund, the Bureau of Crown Property and other agencies as specified by the SEC.

The “Related Persons” shall also include any person to be further prescribed or otherwise amended by the notifications of the SEC, the Office of the SEC or the Capital Market Supervisory Board.

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:

- (i) 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;
- (ii) Related party transactions with respect to the Infrastructure Assets shall be undertaken with a fair price;
- (iii) 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;
- (iv) 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.

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:

- (i) 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;
- (ii) 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
- (iii) 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.

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.

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 a major Fund Unitholder with more than 10%, but not more than one-third 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.

Disclosure and Reporting Requirements

The Management Company shall prepare and disclose to the public the NAV calculation, financial statements (both quarterly and annually), annual reports, material events that may affect asset value, financial condition, fund performance or others events as required by the SEC, the Office of the SEC or the SET, as the case may be.

Regular Disclosure to the SEC, the Office of the SEC, the SET and Unitholders

The key disclosure requirements are, among others,

- (i) In the event that the Management Company cancels or aborts the establishment of the Fund during the initial public offering, the Management Company shall report to the Office of the SEC with respect to such cessation or cancellation of offering within seven days from the date on which the offering ceased. Please refer to more details in “– Voluntary Cancellation of Fund Establishment” below.
- (ii) The Management Company shall report to the Office of the SEC within five Business Days from the date on which the Management Company knows or should have known of a violation of the holding limit or ratio in accordance with the requirements as set out in “– Holding Restrictions”.
- (iii) If after the offering of the Investment Units there is an event that cause, the expiration of the Office of the SEC approval and the Fund can no longer be established, the Management Company shall inform the Office of the SEC within 15 days from the last date of offering.

- (iv) When there is an event that will cause the Fund to dissolve, the Management Company shall report to the Office of the SEC and the Fund Supervisor without delay, as well as to the SET if the Units are listed on the SET.
- (v) The Management Company shall report to the Office of the SEC, and to the SET if the Units are listed on the SET, without delay of an event that results in the value of the Assets invested by the Fund to be significantly impacted.

Please refer to details of the Management Company's duties in this regard in "– Duties and Responsibilities of the Management Company".

Disclosure under Listing Requirements

Once the Investment Units are listed on the SET, the Management Company is required to report to the SET for public disclosure in respect of certain matters as prescribed by the relevant SET notifications, as amended. Currently those matters are, among others:

- (i) the date for a Unitholders' meeting and the agenda for such meeting, or in the case of resolution by circular, the last day that the Unitholders need to submit voting ballots to the Management Company to cast their votes;
- (ii) the Management Company's resolution determining the date of the closing the register for the suspension of transfer of Investment Units transfer, the date on which the list of holders of Investment Units for a Unitholders' meeting will be determined, or the date on which any rights will be granted to Unitholders;
- (iii) payment or non-payment of dividends to Unitholders;
- (iv) a resolution that the registered capital shall be increased, investment units shall be allocated, or registered capital shall be decreased;
- (v) a request for a Unitholders' resolution from the Unitholders to make material amendments to the Fund Scheme;
- (vi) entering into any financing arrangement or any transaction which could create material encumbrances on the Assets;
- (vii) the occurrence of any event or change which may have a material effect on the value of the Infrastructure Assets invested in by the Fund. In such case the Management Company will be required to report such occurrence together with the reasons;
- (viii) the occurrence of any event to the Infrastructure Businesses which may affect the rights, benefits or decisions of the Unitholders or a change in the price of Investment Units;
- (ix) the dissolution of the Fund;
- (x) any changes to the unitholding structure affecting more than 10% of the total number of Investment Units sold;
- (xi) the relevant Infrastructure Business obtains or loses significant commercial contracts related to the Fund;
- (xii) acquisition or disposition of Infrastructure Assets in accordance with the rules prescribed by the SEC notifications;

- (xiii) related party transactions under the rules prescribed under the SEC notifications;
- (xiv) any default in repayment or failure to fulfil the obligations under a financing arrangement which is worth 5% or more of the total assets of the Fund as shown in the most up-to-date financial statements or consolidated financial statements, together with the guidelines for rectifying such events;
- (xv) launch of new significant products by the relevant Infrastructure Business, significant development in relation to resources, technology, products and markets; or significant discoveries in relation to natural resources;
- (xvi) the relevant Infrastructure Business having any significant dispute affecting the operation of the Fund, such as a dispute in relation to labour, contractors or persons selling products to the Fund;
- (xvii) the Fund having significant legal disputes;
- (xviii) significant change in the Fund's accounting policy;
- (xix) dissolution and liquidation of the relevant Infrastructure Business;
- (xx) appraisal of value of the relevant Infrastructure Business's significant assets by an independent appraiser for disclosure to the Unitholders or general investors;
- (xxi) any event which affects or will affect the rights and benefits of Unitholders or their decisions to make an investment or the change in the price of the Investment Units;
- (xxii) any change to the Fund Manager, auditor or Fund Supervisor;
- (xxiii) the value of the total assets, NAV, Value of Investment Units, financial statement and consolidated financial statements, and annual report of the Fund, each prepared in accordance with the relevant notifications of the SEC, provided that the Management Company shall disclose such information within the period as set out in "– Financial Statements", "– Annual Reports", or "– NAV Reporting Requirements";
- (xxiv) summary of the result of operations of the Fund in the form prescribed by the SET; and
- (xxv) other information as prescribed by the SEC, the Office of the SEC or the SET.

Financial Statements

The Management Company shall submit to the SEC, Office of the SEC and to the SET if the Investment Units of the Fund are listed on the SET, a reviewed quarterly financial statement within 45 days from the last date of the quarter, and an audited annual financial statement within three months from the end of financial year of the Fund.

In the event that the Management Company has submitted an audited annual financial statement to the Office of the SEC within 60 days from the end of financial year, the reviewed fourth quarter financial statements shall be deemed submitted to the Office of the SEC.

The financial statements shall be prepared in accordance with the accounting standard in respect to the relevant transactions. If it is optional under the relevant accounting standard for the Fund to book the transactions either on a fair value basis or cost basis, the Management Company shall use a fair value basis.

Annual Reports

The Management Company shall submit to the Unitholders and the Office of the SEC, and to the SET if the Investment Units of the Fund are listed on the SET, an annual report of the Fund within four months from the end of financial year of the Fund.

If during any financial year there is a capital reduction, the details of such reduction of capital shall also be included in the annual report to be submitted to the Office of the SEC and the SET accordingly.

NAV Reporting Requirements

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. Please refer to “– Total Assets Value, NAV and Value of Investment Units” for further details.

Compliance with Relevant Laws and Regulations

The Management Company will proceed in accordance with the rules and procedures as set out above, except in the event that the Office of the SEC or any the relevant authority has amended, changed, announced, ordered, or approved otherwise. In such case the Management Company shall act in accordance with such the amendment, change, announcement, order or approval with a deemed approval from the Unitholders.

Value of Infrastructure Assets

Legal Requirements

Appraisal of Infrastructure Assets shall be prepared in compliance with the following requirements:

- (i) Prepare full valuation report of Infrastructure Assets (“Valuation Report”) with respect to an appraisal of the Infrastructure Assets where the title due diligence is conducted and for the purpose of public disclosure.
- (ii) There shall be at least one appraiser in the case that the valuation of Infrastructure Assets to be invested in by the Fund is Baht 50,000,000 or more.
- (iii) If the Infrastructure Assets will be acquired from Related Persons, the valuation of such assets shall be undertaken by at least two appraisers.
- (iv) In addition, if the investment in the Infrastructure Assets will be made by way of shares or debt instruments (as set out in item (e) of the definition of the Infrastructure Assets), the appraiser shall be an independent financial advisor who shall appraise the value of such shares or debt instruments, in addition to the Infrastructure Assets and its operations.
- (v) The appraiser shall have appropriate experience or expertise in such relevant Infrastructure Business.
- (vi) The appraiser shall consider the full extent of the benefit or utilisation of the assets, taking into consideration the terms and conditions of relevant contracts (either near to final draft or execution versions as disclosed in the Fund Scheme).

- (vii) The appraisal shall be undertaken no more than one year before investment or acquisition of the Infrastructure Assets.
- (viii) The same appraiser shall not consecutively appraise the same project more than twice.
- (ix) A regular valuation of Infrastructure Assets invested in by the Fund shall be undertaken once every three years from the latest appraisal, or when there is a material change affecting the value of the Infrastructure Assets as per the Management Company's or the Fund Supervisor's opinion or the auditor's opinion.

Calculation and disclosure of NAV, unit value, and unit selling price

Total Assets Value, NAV and Value of Investment Units

(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.

Financial Year

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

The first financial year shall be the period beginning from the Fund Registration Date to the end of 31 March 2013.

Issuance of Units, Increase and Reduction of Registered Capital, and Listing Requirements

Issuance of Units

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 records 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.

Increase of Capital

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 (please refer to “– Unitholders' Resolution” below);
- (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 (please refer to “– SEC Approval” below).

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 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 which have been set out in “– Required Unitholders Resolution”.

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 under “– Core Investment – Additional Assets”, in addition to the information as set out 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.

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 as set out in "– Amendment of the Fund Scheme" and the listing requirements as set out in "– Listing Requirements".

Reduction of Capital

The Fund may reduce its capital in the followings 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 (ii) and (iii) 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 which have been set out in "– Required Unitholders Resolution". The capital reduction shall also be subject to the amendment to the Fund Scheme requirements as set out in "– Amendment of the Fund Scheme".

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.

Listing Requirements

Upon the establishment of the Fund (i.e. the Fund Registration Date), the Management Company shall submit an application to the SET for a securities listing of the Investment Units within 30 days from such Fund Registration Date. When the Investment Units have been registered as listed securities on the SET, investors may purchase or sell the Investment Units on the SET by complying with the rules, regulations and procedures prescribed by the SET. The same requirements apply to the increase of capital, where the application shall be submitted to the SET within 30 days from the last day of offering.

The Investment Units that will be eligible for listing on the SET shall have the following qualifications:

- (i) Investment Units have to be fully paid-up;
- (ii) Named Investment Units;
- (iii) There is no transfer restriction (except for restrictions prescribed by law, which has been specified so in the Fund Scheme);
- (iv) The Office of the SEC has approved the Fund Scheme;
- (v) The Fund has appointed a Fund Manager approved by the Office of the SEC;
- (vi) The Investment Units are distributed to a total number of Unitholders comprising no less than 500 Retail Unitholders, provided that the Retail Unitholders shall hold the total units of no less than 20% of the total number of Investment Units registered with the SET. If the holder is a mutual fund or investment project, it shall be deemed to have 10 Retail Unitholders for every 1% held by such mutual fund or investment project, in any case there shall constitute no more than 100 Unitholders.

"Retail Unitholder" in this section shall mean "a Unitholder who is not:

- (a) a director, manager, or person holding the first four executive positions immediately below the managers, or a person whose position is equivalent to the fourth executive rank within BTSC, including a related person and a person related by blood, marriage or registration under law to such person, namely father, mother, spouse, child, or other close relatives;

- (b) the Management Company and the Fund Manager;
- (c) a Unitholder holding in excess of 5% of the registered capital, except where such Unitholder is a securities company, life insurer, insurers, mutual fund, Provident Fund, Social Security Fund as established under the Social Security Act B.E. 2533 (1990), as amended, pension fund, or investment project approved under law;
- (d) a Unitholder or other person who, according to the circumstances, has a significant influence over the establishment of policies, management, or operations of BTSC, regardless of whether such influence is due to the holding of the Investment Units, the delegation of authority under an agreement, or otherwise, particularly a person under any of the following descriptions:
 - a person whose direct or indirect voting right represents more than 25% of the total Investment Units;
 - a person who, according to the circumstances, can control the appointment or removal of directors of BTSC;
 - a person who, according to the circumstances, can direct the persons in charge of the establishment of policies, the management, or the operations of BTSC, to comply with his orders, in the establishment of policies, the management, or the operations of BTSC; or
 - a person who, according to the circumstances, operates, or is in charge of the operations of BTSC as if he were an executive officer, including the person holding a position with the same powers and duties as that person in BTSC”.

The Management Company plans to apply to have the Investment Units approved for listing and trading on the SET immediately after the Fund Registration Date. Although the Management Company expects to receive SET approval for its application to list the Investment Units shortly after payment for the Investment Units, the SET is entitled to consider a listing application for up to seven days from the date of receipt of the complete listing application and all supporting documents. The Units can be traded within two days from the date on which the SET approval is granted.

Unless and until the listing approval is given, none of the Investment Units sold may be traded on the SET; however, buyers and sellers may agree to sell and purchase in off-exchange transactions. Assuming the Investment Units are approved for listing on the SET, Investment Units sold in the Combined Offering will be eligible for trading on the SET, provided that the transfer of Investment Units shall be in accordance with “– Transfer Procedures”.

Allocation, Transfer of Units, and Holding Restrictions

Types and Qualifications of Investors

There will be only one type/class of investment unit for the Fund. The Investment Units will be offered to investors, either General Subscribers or Special Subscribers.

General Subscribers means investors subscribing for the Investment Units which are not Special Subscribers, or Special Subscribers who are not allocated with Investment Units as Special Subscribers.

Special Subscribers means the following investors and/or any other characteristics as announced or amended by the SEC, Office of the SEC or the Capital Market Supervisory Board, as the case may be:

- (i) certain Institutional Investors as defined under the Notification of the SEC No. KorJor 9/2555 Re: Determination of Definitions of Institutional Investors and Major Investors dated July 9, 2012 as follows:
 - (a) Bank of Thailand;
 - (b) commercial bank;
 - (c) bank established under specific law;
 - (d) finance company;
 - (e) credit foncier;
 - (f) securities company;
 - (g) non-life insurance company;
 - (h) life insurance company;
 - (i) mutual fund;
 - (j) provident fund;
 - (k) Government Pension Fund;
 - (l) Social Securities Fund;
 - (m) National Saving Fund;
 - (n) Financial Institution Development Fund;
 - (o) derivatives business operator under the law on derivatives;
 - (p) future business operator under the law on agricultural futures trading;
 - (q) Deposit Protection Agency;
 - (r) Stock Exchange of Thailand;
 - (s) juristic person in the category of statutory corporation;
- (ii) private fund managed by securities company for investment of investor in (i) above or (iii) to (x) below;
- (iii) government agency and state enterprise under the law governing budgetary procedures or other juristic persons established under specific laws;
- (iv) Thai Red Cross or foundations for public causes;

- (v) savings cooperatives or federation of savings cooperatives;
- (vi) international financial institutions in which Thailand is a member;
- (vii) collective investment scheme established under foreign law which offers investment units for sale to general investors;
- (viii) foreign investor who has the same characteristics as any of the following investors:
 - (a) the institutional investors in (i) above except for finance company, credit foncier, mutual fund, derivatives business operator under the law on derivatives and future business operator under the law on agricultural futures trading;
 - (b) the investor in (iii) above;
 - (c) private fund managing the funds for investor in (a) or (b) above;
- (ix) juristic person whose shares are held by person under (i) to (viii), in aggregate, exceeding 75% of all shares with voting rights; and
- (x) other investors as determined by the Office of the SEC.

Offering of Units

The Management Company must ensure that the offering of the Investment Units shall commence within one year from the date on which the Office of the SEC approves the Management Company to establish the Fund. Otherwise such approval shall expire upon the lapse of such time.

The Management Company and the Sole Domestic Bookrunner shall proceed with the Combined Offering in compliance with the rules and procedures as to be prescribed in Prospectus. However, in the event that the Office of the SEC and/or other competent authorities amend, modify, supplement, announce, prescribe, order, approve and/or grant waiver otherwise, and/or, in the event that the Management Company and the Sole Domestic Bookrunner foresee any problem, obstacle or limitation with respect to the Combined Offering or should they deem appropriate, the Management Company and the Sole Domestic Bookrunner reserve the right to change the procedures of the subscription and allocation of Investment Units as well as the proportion or amount of allocation to be set out in Prospectus accordingly so as to ensure the success of the Combined Offering.

In respect of any other offerings of the Investment Units, if any, the Management Company must conduct such offerings in compliance with the rules and procedures as prescribed under the Securities Law and the offering procedures determined by the Management Company for the relevant offering.

Expected Timetable with respect to the Offering:

Period for requesting for Prospectus and Fund Account Opening and Subscription Form (For General Subscribers)	No later than March 25, 2013 during business days and hours of the Management Company, the Sole Domestic Bookrunner or the head office and branch offices of the Selling Agents (except for micro branches of Bangkok Bank Public Company Limited which are not open for subscription), until 12.00 hours of April 4, 2013.
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Period for requesting for Prospectus and Fund Account Opening and Subscription Form (For Special Subscribers or BTSG)	No later than March 25, 2013 during business days and hours of the Management Company or the Sole Domestic Bookrunner, until 12.00 hours of April 12, 2013.
Subscription period for General Subscribers	From March 29, 2013 until April 3, 2013 during business days and hours of the office of the Sole Domestic Bookrunner or the head office and branch offices of the Selling Agents, and on April 4, 2013 from the opening hours of the office of the Sole Domestic Bookrunner or the head office and branch offices of the Selling Agents until 12.00 hours (except for micro branches of Bangkok Bank Public Company Limited which are not open for subscription).
Subscription period for Thai Special Subscribers	From April 9, 2013 until April 11, 2013 during business days and hours of the office of the Sole Domestic Bookrunner.
Subscription period for Initial Purchasers and BTSG	From April 9, 2013 until April 11, 2013 during business days and hours of the office of the Management Company, and on April 12, 2013 from the opening hours of the office of the Management Company until 12.00 hours.
Final price announcement date	April 5, 2013
Date of announcement of Units allocation result for General Subscribers	Not earlier than April 6, 2013, until May 6, 2013
Expected Units listing date	April 19, 2013

The dates and times set forth above are indicative timetable which the Management expects to occur, and therefore they can be changed.

Allocation of Units

The Management Company and the Sole Domestic Bookrunner shall proceed with the allocation of the Units in respect of the Offering in accordance with the rules and procedures as prescribed herein. However, in case that the Office of the SEC and/or other competent authorities amend, modify, supplement, announce, prescribe, order, approve and/or grant waiver otherwise, and/or where the Management Company and the Sole Domestic Bookrunner foresees any problem, obstacle or limitation with respect to the Offering or should they deem appropriate, the Management Company and the Sole Domestic Bookrunner reserve the right to change the procedures of the subscription and allocation of Investment Units set out herein accordingly so as to ensure the success of the Offering.

Registration of the Fund

Upon the completion of the Offering, the Management Company shall register the pool of assets received from the Combined Offering to establish the Fund with the Office of the SEC within 15 Business Days from the last date of Offering.

Provided that all of the following requirements shall be satisfied:

- (i) The total number of Unitholders is no less than 500 Unitholders;
- (ii) Single limit (i.e. "Holding Limit" as set out below) of each Unitholder and its Persons within the Same Group has not been breached;
- (iii) The total capital invested by the Unitholders shall not be less than Baht 2,000,000,000. The calculation of the capital shall be based on par value of such Units;
- (iv) The Fund Supervisor Appointment Agreement has been executed;
- (v) The Commitment has been executed; and
- (vi) The Registrar Appointment Agreement has been executed or the Registrar has been appointed.

In the event the registration of the asset pool as the Fund can not be made due to failure to meet the requirements set out under (i), (ii) or (iii) above, the Management Company shall arrange for the return of the subscription payment to all subscribers.

Transfer Procedures

Any series of purchase or investment in the Investment Units by the Unitholders regardless of whether in the Offering or succeeding offerings shall be deemed an acceptance of the Unitholders to be bound by the terms of the Commitment that has been executed by the Fund Supervisor duly appointed by the Management Company.

Investment Units will be in scripless form. Where necessary, Unitholders may request the Registrar and/or the Management Company to issue a certificate of the Units by submitting the application in the form prescribed by the Registrar and/or the Management Company and in compliance with the rules, conditions and procedures determined by the Registrar and/or the Management Company. Upon such request being made by Unitholders, the Registrar and/or the Management Company 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 third parties.

Transfer of Investment Units in a Scripless Form

A Unitholder wishing to transfer Investment Units in the scripless system shall comply with the rules and procedures prescribed by the Registrar and/or the SET and/or TSD. The transferor shall pay the Investment Unit transfer fee (if any) and comply with the transfer procedures as prescribed by the Registrar, the Management Company, the SET and/or TSD.

Transfer of Investment Units in a Certificate Form

A Unitholder who has an Investment Unit certificate and wishes to transfer the Investment Units shall file an application to transfer the Investment Units in the form prescribed by the Registrar with the Registrar. The application must be fully filled out and signed by the transferor

and the transferee and be accompanied by supporting documents as prescribed by the Registrar and/or the Management Company. In case that the request for issuance of new Unit certificate is not made, Units certificate endorsed by the transferor will need to be presented to the Registrar. Unitholders are required to comply with the transfer procedures as prescribed by the Registrar and/or the Management Company.

The transfer shall become fully effective and enforceable against third parties and shall be deemed certified by the Registrar only when the Registrar records the transferee in the Unit Register. The transferor shall pay the Investment Unit transfer fee (if any) as prescribed by the Registrar.

Provided that the registration of the transfer of the Investment Units shall be rejected by the Registrar or the Management Company if it does not comply with the limits set out under “– Holding Restrictions” or the transfer procedures as prescribed by the Management Company and/or the Registrar and/or the SET and/or TSD.

Transfer 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 “– Holding Restrictions”.

However, in the event that the SEC and/or other competent authority has amended, ordered or granted consent, waiver or approval otherwise, the Management Company reserves the right to follow the relevant actions as amended, ordered, consented, waived or approved.

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.

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.

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.

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.

Consequence of Violating the Holding Restrictions

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 set out under “– Holding Restrictions”.
- (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 set out under “– Holding Restrictions”.

- (iii) The Management Company shall 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 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 set out under “– Holding Restrictions” and “– Foreign Limit” will have no right to vote or to receive dividends with respect to such exceeding portion as provided under “– Impact on Unitholders”.
- (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*.

Impact on Unitholders

- (i) The Unitholder who holds Investment Units in excess to the holding limit or ratio set out under “– Holding Limit” and “– Foreign Limit” 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 set out under “– Holding Limit” and “– Foreign Limit” 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 under “– Holding Restrictions”, 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.

Required Unitholders’ Resolution

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.

Matters to be passed by the Unitholders

Each Unitholder has the right to consider and vote with respect to the Fund operations as follows:

- (i) dismissal or appointment of the Management Company and/or the Fund Supervisor in accordance with the procedures prescribed in “– Removal and Replacement of Management Company” and “– Removal and Replacement of Fund Supervisor”;

- (ii) acquisition or disposition of Infrastructure Assets having a value of more than Baht 100,000,000 or 30% or more of the Fund's total assets at the time of such acquisition or disposition of assets, except where such acquisition or disposition of assets 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, or if such acquisition or disposition of Infrastructure Assets having a value of more than Baht 100,000,000 but less than 30% of the Fund's total assets at the time of such acquisition or disposition of assets has been approved by the Fund Supervisor. The calculation of such value shall be determined by the Management Company at an interval of every six months. Please refer to “– Core Investment – Additional Assets” and “– Disposition of Assets of the Fund”. Where it is expressly prescribed in the Fund Scheme that an acquisition or disposition of Infrastructure Assets can be undertaken by the Fund without first seeking resolutions from the Unitholders or approval from the Fund Supervisor (including 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 or before the Concession Expiry Date (if any) as mentioned in “– Investment in Initial Assets”, “– Investment Policy Core Investment – Additional Assets” and “– Investment Policy Disposition of Assets of the Fund), the Management Company shall be empowered to proceed as such without first seeking resolutions from the Unitholders or approval from the Fund Supervisor;
- (iii) entry into, amendment or termination of any agreement to engage a third party to be the operator to run or operate such Infrastructure Business having a value of more than Baht 100,000,000 or 30% or more of the Fund's total assets at the time of such entry into, amendment or termination of such agreement, except where such entry into, amendment or termination has been specified in the Fund Scheme, or if such entry into, amendment or termination having a value of more than Baht 100,000,000 but less than 30% of the Fund's total assets at the time of such entry into, amendment or termination of such agreement has been approved by the Fund Supervisor. Please refer to “– Agreement with Third Parties”;
- (iv) entry into any related party transaction with respect to an additional acquisition or disposition of Infrastructure Assets or 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 NAV of the Fund at the time of such related party transaction, whichever is higher, in accordance with the procedures prescribed in “– Required Resolutions from Unitholders”;
- (v) agreement, consent or vote for a company in which the Fund holds shares according to paragraph (e) under the definition of “Infrastructure Assets” to enter into transaction as in paragraph (vi) above with its Related Person in accordance with the procedures as prescribed in “– Required Resolutions from Unitholders”;
- (vi) amendment to the Fund Scheme or fund management procedures in accordance with the procedures prescribed in “– Amendment of The Fund Scheme”;
- (vii) capital increase of the Fund in accordance with the procedures prescribed in “– Increase of Capital”;
- (viii) capital reduction of the Fund in accordance with the procedures prescribed in “– Reduction of Capital”;

- (ix) amalgamation or merger with another fund in accordance with the notifications of the SEC or the Office of the SEC;
- (x) dissolution of the Fund in accordance with the procedures prescribed in “– Dissolution Events”, “– Liquidation Process” and “– Delisting of Units from the SET”;
- (xi) increase or additional charge of fees and expenses to be collected from the investors or the Fund as set out in “– Fees and Expenses”;
- (xii) amendment to the Commitment in relation to the matters which would have material impact on the right of the Unitholders, including amendment to provisions of the Commitment regarding benefits and return of investment to the Unitholders and any other matter that the Fund Supervisor views as having material impact on the right of the Unitholders, in which cases majority votes of the Unitholders is required; and
- (xiii) payment of O&M Costs for purchase of additional rolling stocks by BTSC only in the case where the actual O&M Costs for purchase of additional rolling stocks are higher than Baht 900 million as set out in “– Strategies of BTSGIF” which is equivalent to 30% or more of the Fund’s total assets at the time of purchase by BTSC. However, any payment, or arrangement in relation to, other O&M Costs does not require approval either from the Unitholders or the Fund Supervisor.

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

Rules and Procedures to Obtain Unitholders’ Resolution

A resolution or approval to be sought from the Unitholders can be obtained from either a circular or a physical meeting.

The Management Company must convene a meeting of Unitholders without delay from the date on which any Unitholders, whose individual or aggregate holdings amount to at least 10% of the total number of units sold, make a written request to the Management Company to convene a meeting of Unitholders.

If the Management Company fails to convene a meeting as requested in writing by the Unitholders in accordance with the period above specified, the Unitholders whose individual or aggregate holdings amount to at least 10% of the total number of units sold may convene the meeting by themselves.

The rules and procedures to convene the Unitholders’ meeting shall also be in accordance with those set out in the Commitment.

Meeting and Voting Rights of Unitholders

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

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

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

Resolution by Circular

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

Resolution by Meeting

Quorum requirements

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

Rights to vote:

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

Voting requirements

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

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

Binding Effect

Resolutions from the Unitholders shall bind the Management Company to perform accordingly to such resolution since the Management Company has a legal obligation to manage the Fund with due care, honesty and responsibility for the benefit of all Unitholders, including performance and compliance with the applicable laws, the Fund Scheme, the Commitment, and the Unitholders' resolutions.

Such binding effect of the resolution shall also be in accordance with those set out in the Commitment.

Management of the Fund

Management Company

The Management Company, BBL Asset Management Company Limited, was incorporated in Thailand on March 1992. It has a paid-up registered capital of THB 100 million. Its registered office is located at 175 Sathorn City Tower, 7th, 21st and 26th floor, South Sathorn Road, Sathorn, Bangkok 10120, Thailand, and its telephone number is 662-674-6488. The Management Company has been issued a securities business license from the Ministry of Finance to engage in the mutual fund and private fund management business.

In the management of the Fund, the Management Company shall proceed in accordance with the Fund Scheme as approved by the Office of the SEC. The following are the rights and obligations of the Management Company.

Rights of the Management Company

The Management Company has general powers of management over the Assets of the Fund. The rights of the Management Company include the following:

- (i) right to administer and manage the Fund within the Fund's objectives and investment policy and in accordance with the Fund Scheme, the Commitment, the Unitholders' resolutions, the Prospectus, the Securities Law and various agreements to which the Fund or the Management Company (for the purpose of management of the Fund) or both is or will be a party;
- (ii) right to reject an application for an Investment Units transfer if such transfer does not comply with the Fund Scheme and/or the Securities Law or an acceptance for such transfer shall cause the holding of Investment Units to be in breach of the Fund Scheme or the Securities Law;
- (iii) right to receive a fund management fee from the Fund and deduct expenses from the Fund in accordance with the terms of the Fund Scheme;
- (iv) right to seek advice or recommendation from the Investment Advisory Committee in relation to the Fund's investment in Infrastructure Assets as well as management of Infrastructure Assets in which the Fund has invested;
- (v) right to remove or replace members of the Investment Advisory Committee as it deems appropriate in accordance with the terms of the Fund Scheme;
- (vi) right to nominate its representatives or any other persons whom it thinks fit to sit as members of the board of directors of BTSC or propose for replacement thereof;
- (vii) right and power to enter into the Transaction Documents and exercise the rights, or execute any actions, entitled to it or the Fund under the Transaction Documents, as well as to use discretion for waiving event of default under the Transaction Documents as it deems appropriate; and
- (viii) other rights provided under the Securities Law.

The Management Company reserves the right to undertake any action which may differ from those set out in the Transaction Documents as the Management Company deems appropriate for the benefit and flexibility in the management of the Fund and for the benefit of the Fund and the Unitholders overall so long as such actions do not affect the essence of the Transaction Documents.

Duties and Responsibilities of the Management Company

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

The Management Company shall be responsible for undertaking the following activities:

- (i) Fund Administration and Management

In connection with administering the Fund's activities and managing the Fund, the Management Company shall be required:

- (a) to strictly manage the Fund as stipulated in the Fund Scheme which has been approved by the Office of the SEC, the Commitment, resolutions of Unitholders, the Prospectus, Securities Law and other agreements into which the Fund will enter, as well as to comply with the duties as stipulated under Section 125 of the Securities and Exchange Act;
- (b) to procure that the Commitment, the Fund Supervisor Appointment Agreement, and the Prospectus, be in place once the SEC approves the Fund's establishment, the contents of each of which shall not be different from the draft Commitment, draft agreement, and draft Prospectus submitted to the Office of the SEC;
- (c) to keep the features and characteristics of the Fund not different from the material essence last shown to the Office of the SEC at all times during the life of the Fund, and in case of any change in the features or characteristics of the Fund, to ensure that the Fund is still in compliance with the Fund's requirements under Thor Nor. 1/2554;
- (d) to alter or modify the Fund Scheme or the management procedures in accordance with the terms, conditions, and criteria as specified in the Fund Scheme and to ensure that any alteration or modification of the Fund Scheme or management procedures complies with Section 129 of the Securities and Exchange Act;
- (e) to deliver, distribute and make available the Prospectus and details of the Fund Scheme and the Commitment (which form parts of the Prospectus) according to the following criteria and procedures:
 - (I) prior to the offering of the Investment Units, the Management Company shall make available to investors through an accessible channel, the draft Prospectus submitted to the Office of the SEC which contains information that is complete, accurate and sufficient and not misleading;
 - (II) prior to the offering of the Investment Units, the Management Company shall deliver the Prospectus to the Office of the SEC not less than one Business Day prior to the delivery or distribution of the Prospectus to the investors and submit such Prospectus through the Mutual Fund Report and Prospectus System (MRAP);
 - (III) deliver or distribute the Prospectus to interested investors allowing a reasonable period of time for the investors to review and study the information contained in the Prospectus before making an investment decision, the period of which in aggregation with the period required for the disclosure of the draft Prospectus as stipulated in (I) above shall not be less than 14 days;
- (f) in case of distributing information in relation to the offering of the Investment Units by means of advertisement, to ensure that the information provided through the advertisement is accurate and not misleading and that the advertisement complies with requirements as prescribed by the Office of the SEC;
- (g) if the Management Company appoints an underwriter to underwrite the Investment Units, the underwriter shall not be a Person within the Same Group of any person who agrees to sell, dispose of, transfer, lease or grant the right in relation to the Infrastructure Assets in which the Fund will invest;

- (h) to undertake extensive public relations in relation to the offering of the Investment Units so that the information in relation thereto is dispersed to the public;
- (i) to manage Infrastructure Assets in accordance with and monitor the management thereof to be in compliance with the material terms of the Fund Scheme and to ensure that the agreements or documents entered or to be entered into in relation to the management of Infrastructure Assets contain the terms requiring that upon occurrence of any event or change which may affect the value of the Infrastructure Assets, the lessee, the grantee or the contractor who seeks benefit from the Infrastructure Assets shall report the fact and reasons thereof to the Management Company without delay;
- (j) to acquire and dispose of Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- (k) in seeking benefits from Infrastructure Assets, to ensure that the Fund shall not operate the Infrastructure Business itself but shall seek benefits from such assets only by means of lease, conveyance of rights or third party operation, and to manage the Fund to obtain benefits from Infrastructure Assets in accordance with the Fund Scheme and the Securities Law;
- (l) to proceed according to the relevant notifications of the SEC or the Office of the SEC in the case of any person, and its Persons within the Same Group, holding Investment Units in aggregate of more than one-third of the total number of Investment Units sold; to take necessary actions to monitor and ensure that the holding of Investment Units by Foreign Investors at any moment after the offering of Investment Units does not exceed the applicable limit;
- (m) to increase or decrease the capital of the Fund in accordance with the Fund Scheme and with the rules and procedures prescribed under Thor Nor. 1/2554 and other applicable rules prescribed by the SEC, the Office of the SEC or the SET;
- (n) to pay the Fund's distributable income to Unitholders in accordance with the criteria and procedures prescribed in the Fund Scheme and the Commitment and in compliance with the Securities Law;
- (o) to arrange for the Appraisal of Infrastructure Assets to be acquired by the Fund and subsequent appraisals of those assets in accordance with the Fund Scheme and as required by the Securities Law;
- (p) to proceed with the dissolution of the Fund as specified in the Fund Scheme and the Securities Law;
- (q) to set up and maintain systems appropriate for the administration and management of the Fund, at least with regard to the following matters:
 - (I) the election or appointment of persons who have knowledge and competency appropriate for the administration and management of the Fund and ensuring that such persons so appointed have appropriate knowledge and competency for the Fund's administration and management;
 - (II) the conduct of an analysis and feasibility study for the Fund establishment and due diligence in respect of Infrastructure Assets to be invested in, as well as the disclosure of information relating to the Fund establishment and Infrastructure Assets which is accurate and sufficient for the investors' investment decision-making; and

- (III) the supervision, administration and management of risks relating Infrastructure Assets in order to be in accordance with the Fund Scheme and to protect the Unitholders' interests;
 - (r) to administer and manage the Fund by itself and not to delegate its power to anyone except that the Management Company may delegate its power to other persons only in respect of the investment and seeking benefit out of the non-infrastructure assets and/or the back office tasks and such delegation (if any) must comply with the requirements under the Securities Law;
 - (s) in managing the Infrastructure Asset which is the right to receive benefit from future revenues (including the Sale Revenue) or right under revenue sharing agreement, to regularly monitor and review the accuracy and completeness of the revenues received or sharing. If the Management Company finds any error or discrepancy which may cause the Fund not to receive revenues accurately or completely according to the agreed arrangement, the Management Company shall proceed or appoint an expert to proceed to have the operator of the Infrastructure Asset to make good of such error or discrepancy;
 - (t) in the event that the Management Company has entered into an obligation or agreement with a foreign state and/or the government of a foreign state or if it is required to comply with a law or a regulation of a foreign state regardless of the effective date of such obligation (e.g. the United States Foreign Account Tax Compliance Act (FATCA)), the Unitholders acknowledge and agree that the Management Company may act or perform its obligation according to the relevant law and/or regulation to which the Management Company is subject, including but not limited to disclosing information of the Unitholders or withholding any withholdable payment payable to the Unitholders, as well as may act or perform any other action necessary for complying with such relevant law and/or regulation to which the Management Company is subject; and
 - (u) to perform other acts to accomplish the objectives of the Fund and to maintain the benefits of Unitholders under the scope of duties and responsibilities of the Management Company, provided that such acts are not contrary to the Securities Law and/or any other relevant law;
- (ii) Investment Making
- (a) to enter into an agreement to acquire Infrastructure Assets on behalf of the Fund within six months from the Fund Registration Date, the value of which shall not be less than Baht 1,500,000,000 and no less than 75% of the value of the Fund's total assets;
 - (b) to maintain the Fund's total investment value in Infrastructure Assets as at the end of each financial year of no less than 75% of the value of the Fund's total assets (except for the last financial year of the Fund's term, or as approved by the SEC);
 - (c) to maintain the Fund's total investment value in Infrastructure Assets of not less than Baht 1,500,000,000 and no less than 75% of the value of the Fund's total assets within one year after the disposition of Infrastructure Assets; and
 - (d) to ensure that the Fund has no investment in non-infrastructure assets other than assets permitted for the Fund's investment by the SEC and that the Fund's investment in such assets complies with the required investment limit;

(iii) Receipt and Payment of Money of the Fund

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

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

- (a) to establish the Investment Advisory Committee in accordance with Thor Nor. 1/2554 and replace members by appointing new members who meets the requirements under the Securities Law and in accordance with the conditions as specified in the Fund Scheme;
- (b) to appoint persons who have the qualifications as prescribed under the relevant notifications issued pursuant to the Securities and Exchange Act and are approved by the SEC or Office of the SEC to act as the Fund Managers who shall perform and act in accordance with the law and regulations issued in relation to the establishment and management of an infrastructure fund to which the Management Company is subject and in accordance with the code of conduct and professional standards approved by the Office of the SEC. The Management Company shall report to the Office of the SEC on the appointment and termination of the Fund Manager in accordance with the relevant notification issued by the Office of the SEC and shall disclose the list of Fund Managers in a report or document to be submitted to the Unitholders at least once a year and on the website of the Management Company which must be updated within 14 days should there be any change in the list;
- (c) to appoint the Fund Supervisor and, upon a Unitholders' resolution, replace the Fund Supervisor by appointing another fund supervisor whose qualifications comply with the Securities Law, and is in accordance with the conditions as specified in the Fund Scheme;
- (d) to appoint a Registrar, and replace the Registrar by appointing another Registrar, whose qualifications comply with Securities Law, and to notify the relevant authorities of such appointment and to monitor that the Registrar so appointed complies with the Unitholder register requirements under the notification of the Office of the SEC regarding the rules and procedures for preparing a unitholder register and the terms and conditions of the Registrar Appointment Agreement;
- (e) to appoint a juristic person having experience and expertise in Infrastructure Assets appraisal as an appraisal firm who shall appraise the value of the Fund's Infrastructure Assets in accordance with the Securities Law;
- (f) to appoint advisors (if any) to perform the duties of advisors of the Management Company and/or the Fund, or any other relevant and necessary persons to perform duties concerning the Fund, such as financial advisor and legal advisor;
- (g) to appoint an Auditor of the Fund, provided that the Auditor must be a person on the approved list of the Office of the SEC, and to replace the Auditor and appoint another Auditor meeting such requirements;
- (h) to appoint a liquidator of the Fund, with the approval of the Office of the SEC, in order to aggregate and distribute assets to the Unitholders and perform other duties as required under the Securities Law and as necessary for the completion of the liquidation, upon termination or dissolution of the Fund; and

- (i) to appoint marketing personnel approved by the Office of the SEC to sell the Investment Units or provide advice to the retail investors;
- (v) Miscellaneous Responsibilities
 - (a) to submit an application to register the pool of assets, which will be the proceeds from the sale of Investment Units, with the Office of the SEC within 15 Business Days from the last date of the Investment Unit offering period in accordance with Section 124 of Securities and Exchange Act and the notifications issued thereunder;
 - (b) to submit an application to the SET to approve the securities listing the Investment Units within 30 days from the Fund Registration Date of the Fund or from the last date on which the newly issued Investment Units are offered;
 - (c) to ensure that the Commitment and the Fund Scheme at all times comply with the Securities Law and the notifications, rules and orders issued by virtue of thereof and to arrange for the Commitment and/or the Fund Scheme to be amended without delay in case that any term contradicts the Securities Law and/or its notifications, rules and/or orders;
 - (d) to convene a Unitholder's meeting and request for a resolution from the Unitholders in accordance with the Commitment, the Fund Scheme and the Securities Law;
 - (e) in requesting for a Unitholders' resolution, to provide sufficient information for the Unitholders to make a decision, which shall include, among others, the opinion of the Management Company and the Fund Supervisor on the matters to be decided and the potential impact on the Unitholders as a result of the resolution in such matters;
 - (f) to give an opinion on matters required by the Securities Law which include, among others, the reasonableness of Infrastructure Assets appraisal and the matters for which a resolution from the Unitholders is required;
 - (g) upon request by a Unitholder and in accordance with the terms of Commitment, to issue or arrange for an issuance of updated investment unit certificates or other evidentiary documents containing necessary and sufficient information which can be used by the Unitholder as evidence of the Unitholder's right against the Management Company and any other person;
 - (h) to monitor and ensure that its personnel performs in accordance with the Securities Law and any rules or procedures issued by virtue thereof as well as the applicable standards or code of conduct approved by the Office of the SEC;
 - (i) to facilitate the Fund Supervisor or the Fund Supervisor's representatives such that they can perform their duties in connection with the Fund efficiently;
 - (j) to separate accounts and keep Fund Assets separate from the Management Company assets, and to deposit the Fund assets and returns on investments of the Fund Assets into the custody of the Fund Supervisor;
 - (k) to prepare and keep books and records of the Fund in accordance with the Securities Law;

- (l) to cause a register of Unitholders to be prepared in accordance with the rules and procedures prescribed under the Securities Law;
- (m) to prepare an accurate statement and a report on Fund investments for the acknowledgment of the Fund Supervisor in accordance with the rules and procedures prescribed under the Securities Law;
- (n) to calculate the assets value, NAV and Value of Investment Units of the Fund and make a disclosure thereof in accordance with the rules, conditions, and procedures prescribed under the Securities Law;
- (o) to prepare financial statements of the Fund in accordance with the requirements as prescribed under the Securities Law and submit such to the Office of the SEC and the SET;
- (p) to prepare an annual report of the Fund which contains the particulars required under the Securities Law at the end of every financial year and deliver such annual report to the Unitholders, the Office of the SEC and the SET within four months from the end of each financial year;
- (q) to report to the Office of the SEC and the SET without delay of any circumstance or change which may materially affect the value of Infrastructure Assets of the Fund in accordance with the relevant notifications;
- (r) to prepare, or arrange for the preparation of, submit, report and disclose information in relation to the Fund as required by and in accordance with the Securities Law;
- (s) to follow up, proceed and give instructions to the persons in charge under various appointment agreements such as the appraisal firm, the Fund Managers, advisors and marketing personnel in accordance with the relevant appointment agreements and to monitor the compliance of their duties and responsibilities under the relevant appointment agreements and the Securities Law, and to perform acts as specified in the appointment agreements and/or as requested by the Unitholders; and
- (t) to perform other duties which are prescribed by the Securities Law as duties of management companies.

Removal and Replacement of the Management Company

The Fund may change the Management Company upon the occurrence of any of the following events and/or upon approval by the Office of the SEC:

- (i) when the Unitholders pass a resolution, by a majority vote representing more than one-half of the total number of Investment Units sold to change the Management Company, and a new Management Company is appointed, at any time during the term of the Fund;
- (ii) if the licence to undertake the securities business of mutual fund management of the Management Company is revoked or the Management Company is unable to perform its duties and obligations as the Management Company;
- (iii) if the Office of the SEC orders a revocation of the Management Company from the administration and management of the Fund pursuant to Section 128 of the Securities and Exchange Act; and

- (iv) If a resolution is passed by the Unitholders approving a change and amendment to the management policy as specified in the Fund Scheme according to a resolution of a Unitholders' meeting or an amendment to the Securities Law, and/or other relevant laws, which cause the Management Company to be unable to comply with those notifications, instructions, regulations, and rules or such that the duties of the Management Company increase and the Management Company does not wish to continue performing its duties, the Management Company reserves the right not to continue its duty of managing the Fund. The Management Company must notify the Unitholders in writing that it does not wish to continue performing its duties, provided that the Management Company proposes a new management company which possesses all of the qualifications prescribed by the Securities Law (unless the Unitholders elect to seek a new management company themselves). The Unitholders' meeting shall appoint a new management company which possesses all of the qualifications prescribed by the Securities Law, to manage the Fund as set out in the Fund Scheme in place of the Management Company within 90 days from the date of receipt of the notice from the Management Company.

In changing the Management Company, if the Securities Law prescribes that the change must be approved by the Office of the SEC, such approval must be sought. The Management Company shall continue performing its duties until a new management company has been appointed. However, if the Management Company has given a written notice of its resignation under (iv) above and a new management company nominated by the Management Company is not approved by the Unitholders, or the Fund and/or the Unitholders are unable to appoint a new Management Company, within 90 days from the date of receipt of the notice from the Management Company, the Management Company reserves its right to dissolve the Fund, in which event it shall be deemed that approval has been obtained from all Unitholders for such dissolution.

In the performance of its duties at any time after the Unitholders have passed a resolution to change the Management Company as set out under (i), or after the effective date of termination of its duties as set out under (iv) above, the Management Company shall be entitled to receive remuneration at the rate specified in the Fund Scheme. The remuneration shall be calculated in proportion to the period of the actual performance of duties.

Procedures in Granting Consent on Reserved Matters and Negative Undertakings

Any Reserved Matters could only be undertaken by BTSC upon 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 of BTSC's directors nominated by BTSGIF; 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).

The "Reserved Matters" under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement or BTSC's articles of association (to the extent permitted by law to be included in the articles of association) include, among others:

- (i) to appoint or remove certain senior management members of BTSC, which include the Chief Executive Officer or the Chief Financial Officer and the fixing of their remuneration;

- (ii) to amend or change the Memorandum of Association or the Articles of Association of BTSC;
- (iii) to engage in, carry on, or have any interest in, any business or activity (except for (a) the operation and the maintenance in the ordinary course of Core BTS SkyTrain System, and other existing business of BTSC as agreed; (b) the operation under the Long Term O&M Agreement; (c) any other new business which is invested by BTSC's subsidiary(ies) and funded by BTSC's free cash flow (other than the Sale Revenue), proceeds derived from the Excluded assets or proceeds from the equity raising and which has been approved by the Fund; (d) any operation and/or maintenance of any of 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, only where BTSC receives fees for the provision of its services and BTSC's liability for the provision of such services is fully indemnified by the relevant employer; or (e) other business/activity as permitted by the Transaction Documents);
- (iv) to enter into any commitment, transaction or engagement, present or future, of any nature whatsoever (except (a) as contemplated by the Transaction Documents; (b) as permitted by the Fund; or (c) with respect to the permitted financial indebtedness (as defined in the Net Revenue Purchase and Sale Agreement);
- (v) to enter into any agreement (except for (a) agreements related to the matters permitted under the Transaction Documents; (b) any agreements for the operation and maintenance of the Core BTS SkyTrain System the costs of which have been approved under the O&M Costs Budget; (c) any agreements related to certain Excluded Assets as permitted in accordance with the Net Revenue Purchase and Transfer Agreement or where the value is in the budget which has been approved by BTSC's board of directors; (d) any agreements other than (a) – (c) where the value of the aggregate liability assumes by BTSC under all such agreements in any one year is less than Baht 50,000,000 value of not more than the budget approved by BTSC's board of directors; (e) for agreements relating to the transactions permitted or not restricted to be entered into under the Net Revenue Purchase and Transfer Agreement; or (f) other agreements as permitted by the Fund);
- (vi) (i) to amend, vary, waive modify or terminate or agree to any amendment, variation, waiver or modification or termination of the Concession Agreement, (ii) amend, vary, waive or modify, or agree to any amendment, variation, waiver or modification of any material terms of any Project Agreement (other than the Concession Agreement);
- (vii) to terminate or agree to any termination of the Project Agreements or the Long Term O&M Agreement;
- (viii) to settle or compromise any claim, or any litigation, arbitration or administrative proceedings with respect to any Project Agreements which exceed Baht 50,000,000;
- (ix) to assign any of its rights or transfer any of its obligations under the Project Agreements in whole or in part; or agree with the counterparty to the Project Agreements to assign any of its rights or transferring any of its obligations under the Project Agreements in whole or in part;

- (x) to create or permit to subsist any security over any of its assets, including the Sale Revenue; sell, lease, transfer or otherwise dispose of any of its assets or its revenues, including the Sale Revenue; or enter into any other preferential arrangement having a similar effect (except for (a) the transfer of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement; (b) the creation of security created pursuant to any Security Document as prescribed under the Net Revenue Purchase and Sale Agreement; (c) transfer of shares pursuant to the Transaction Documents; (d) sale, transfer or disposal of certain Excluded Assets; (e) the creation of or permission to subsist any security interest over certain Excluded Assets or security over the Baht Debentures Fund Account and/or permitted investments invested by using proceeds from the Baht Debentures Fund Account granted to the Letter of Guarantee Issuing Bank as security for BTSC's indebtedness pursuant to the issue of the Letter of Guarantee; (f) sale or transfer or assignment of Long Term O&M Agreement or agreements relating to electric rail routes or future projects to BTSG; or (g) as consented by the Fund);
- (xi) to enter into transaction to sell, lease, transfer or otherwise dispose of any asset or revenue, including the Sale Revenue (except for (a) transaction constituting the creation of any security permitted under the Transaction Documents; (b) transaction made in the ordinary course of BTSC's business at arm's length and on normal commercial terms and not exceeding Baht 50,000,000 in aggregate in any 12 months; (c) sale, lease, transfer or disposal of certain Excluded Assets; (d) sale or transfer or assignment of the Long Term O&M Agreement or agreements relating to electric rail routes or future projects to BTSG or to a third party in accordance with the Net Revenue Purchase and Transfer Agreement; or (e) as permitted by the Fund);
- (xii) to incur, agree to incur or have outstanding any financial indebtedness (except for (a) those incurred under any Transaction Document; (b) those incurred under any existing indebtedness (as defined in the Net Revenue Purchase and Sale Agreement); (c) where the aggregate outstanding principal amount of which (when aggregated with all other financial indebtedness of BTSC) does not exceed Baht 3,000,000,000 and as long as after incurring such financial indebtedness, BTSC's debt to equity ratio shall not exceed 1:1; or (d) as consented by the Fund);
- (xiii) to enter into any amalgamation, demerger, or merger;
- (xiv) to increase the capital; issue any share or convertible securities to any person which will reduce the shareholding proportion of BTSG;
- (xv) to reduce, cancel, repay, purchase or redeem any of its share capital, except for the reduction of capital of BTSC for the purpose of returning capital to its shareholders and provided that such capital reduction shall not reduce the shareholding percentage of BTSG or result in BTSC's paid up capital at any time being less than Baht 3,000,000,000;
- (xvi) to register, or allow the registration of, any transfer of the pledged shares other than in accordance with the Share Pledge Agreement or the Agreement to Purchase and to Sell Shares;
- (xvii) to change auditors;
- (xviii) to make any distribution during the occurrence of any event of default under the Net Revenue Purchase and Transfer Agreement which is continuing; or
- (xix) other matters as BTSC and the Fund agree to submit to BTSC's board of directors for approval with at least two directors of BTSC nominated by the Fund approving such matters or matters as set out under or to be modified by the Net Revenue Purchase and Transfer Agreement, the Sponsor Support and Guarantee Agreement and/or BTSC's articles of association.

Consent for Reserved Matters can be granted solely by the Management Company whereas under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, 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) prior to undertaking any of the Reserved Matters. Where such Reserved Matters are required to be approved by BTSC Board of Directors, the Management Company through its representatives on the Board shall exercise its vote to approve or its veto vote, as the case may be, in casting votes at the Board meeting as appropriate.

In case of the matters which are restricted as negative undertakings under the Net Revenue Purchase and Transfer Agreement, BTSC must obtain a consent of the Fund pursuant to the Net Revenue Purchase and Transfer Agreement before undertaking those matters. 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.

Fund Supervisor

Before the commencement of the initial public offering, the Management Company shall appoint Standard Chartered Bank (Thai) Public Company Limited or such other person who is qualified and possesses no prohibited characteristics in accordance with the notification of the Securities Law regarding qualifications of Fund Supervisors. The contact details of the Fund Supervisor are as follows:

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

Rights, Duties and Responsibilities of the Fund Supervisor

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

- (i) to receive remuneration for acting as the Fund Supervisor of the Fund at the rate specified in the Fund Supervisor Appointment Agreement;
- (ii) to execute the Commitment with the Management Company on behalf of the Unitholders;
- (iii) to certify the receipt of funds from subscription and support the establishment or registration of the Fund to be made with the Office of the SEC;
- (iv) to supervise the Management Company to strictly comply with the Securities Law and the Fund Scheme as well as the Commitments, and to notify the Office of the SEC within 5 Business Days from the date of the Fund Supervisor's knowledge if the Management Company fails to comply with the above;
- (v) if the Management Company does any act or omits from taking any action that causes damage to the Fund or fails to perform its duties under the Securities Law, to prepare a detailed report thereon and submit it to the Office of the SEC within five days from the date on which the Fund Supervisor is aware of such circumstance;

- (vi) to take into custody the Fund Assets and keep them segregated from assets of the Fund Supervisor or of other persons which are under the custody of the Fund Supervisor;
- (vii) to monitor and ensure that the disbursement, payment and delivery of either monies, documents or other assets made by the Fund complies with the Fund Scheme, as well as with the Net Revenue Purchase and Transfer Agreement;
- (viii) to prepare details of items or assets deposited into and withdrawn out of accounts of the Fund;
- (ix) to file a lawsuit against the Management Company to force the Management Company to perform its duties or to claim compensation for damages caused by the Management Company for the benefit of all Unitholders or upon the receipt of order from of the Office of the SEC, the cost of which can be claimed by the Fund Supervisor from the assets of the Fund;
- (x) to perform checks and balances over the Fund administration and management by the Management Company in a strict manner;
- (xi) to perform its duties with loyalty and knowledge and competence and professional behaviour for the best interest of the Fund and the Unitholders as a whole;
- (xii) to consider and approve or not approve the acquisition or disposal of Infrastructure Assets with a value of more than Baht 100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such acquisition or disposition of assets in accordance with the Fund Scheme and the Securities Law, taking into consideration the opinion of the independent expert appointed at the cost of the Fund (if any);
- (xiii) to consider and approve or not approve the entry into an agreement or amendment or termination of the agreement to engage the third party to be the operator to run or operate an Infrastructure Business with a contract value of more than Baht 100,000,000 but less than 30% of the value of the total assets of the Fund at the time of such entry into an agreement or amendment or termination of such agreement in accordance with the Fund Scheme and the Securities Law, taking into consideration the opinion of the independent expert (who may be appointed at the cost of the Fund);
- (xiv) to consider and approve or not approve the payment of O&M Costs for purchase of additional rolling stocks by BTSC only in the case where the actual O&M Costs for purchase of additional rolling stocks are higher than Baht 900 million as set out in “– Strategies of BTSGIF” which is equivalent to less than 30% or more of the Fund’s total assets at the time of purchase by BTSC, taking into consideration the opinion of the independent expert (who may be appointed at the cost of the Fund);

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

When seeking approval from the Fund Supervisor in respect of Sub-clauses (xii), (xiii) and (xiv) above, the Management Company shall prepare and deliver details together with its opinion and supporting documents to the Fund Supervisor for consideration and allow time for the Fund Supervisor to consider the matter no less than 30 days;

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

Removal and Replacement of Fund Supervisor

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

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

and the Fund Supervisor to be unable to agree on the amendment of the Fund Supervisor Appointment Agreement to comply with such change or amendment because such change or amendment imposes more duties on the Fund Supervisor and the Fund Supervisor does not wish to accept such duties. In such event, the Fund Supervisor shall have the right to terminate the Fund Supervisor Appointment Agreement by giving written notice thereof to the Management Company not less than 90 days in advance;

- (vii) where the Fund Supervisor lacks any qualification as prescribed by the Securities Law, the Management Company shall notify the Fund Supervisor in writing to make a rectification within 15 days from the day following the date on which the Management Company is or should reasonably be aware of such disqualification or the date on which such disqualification is discovered from an inspection of the Office of the SEC. The Management Company shall also notify such rectification to the Office of the SEC within three Business Days following the date the Fund Supervisor completes the rectification. If the Fund Supervisor fails to make a rectification within such prescribed period, the Management Company shall seek permission to replace the Fund Supervisor from the Office of the SEC within 15 days from the day following the expiry date of the rectification period. When permission is obtained from the Office of the SEC, the Management Company shall appoint a new fund supervisor in place of the former Fund Supervisor immediately unless otherwise instructed by the Office of the SEC;
- (viii) when any person proposes or files a petition to the Court or any other relevant authority in connection with the Fund Supervisor (a) for the dissolution of the Fund Supervisor or any other similar purposes; or (b) for the rehabilitation, composition or relaxation of debt payment, management of properties, liquidation or any other similar request under the current or future laws or under various regulations;
- (ix) when a Government authority or agency is of the opinion that the Fund Supervisor is at fault or has committed gross negligence and gives notice to the Management Company or makes an announcement to the public; and
- (x) upon termination of the Fund Supervisor Appointment Agreement under cases other than those set out above, in which case the party wishing to terminate the said agreement shall give to the other party a written notice of not less than 60 days in advance.

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

In case of termination of the Fund Supervisor Appointment Agreement, the Fund Supervisor is entitled to receive its remuneration and/or any other expenses due but not yet paid to the Fund Supervisor under the Fund Supervisor Appointment Agreement which have been incurred prior to the termination of the Fund Supervisor Appointment Agreement. The amount of such remuneration and/or any other expenses so due shall be calculated up until the expiration of the termination notice period or the period set out under the Fund Supervisor Appointment Agreement. See “Risk Factors – Risks Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement”.

Place of Custody of Assets of the Fund

Name: Standard Chartered Bank (Thai) Public Company Limited

Address: 90 North Sathorn Road, Silom Sub-district, Bangrak District, Bangkok 10500

Or in the case that there is any change to the Fund Supervisor, the Management Company shall keep the assets and relevant documents of the Fund at the office of such new fund supervisor.

The Management Company shall have all transaction documents relating to the assets invested by the Fund kept at the office of the Fund Supervisor, except for assets which, by their nature, cannot be kept at the office of the Fund Supervisor or where the Management Company and the Fund Supervisor agree otherwise.

The Fund Supervisor shall immediately notify the Management Company of a change of the place of custody of assets of the Fund. In the case of a change of Fund Supervisor, the Management Company shall keep the Assets of the Fund at the office of the new fund supervisor.

Investment Advisory Committee

Composition of the Investment Advisory Committee

The Investment Advisory Committee shall consist of members possessing the qualifications as required under the Securities Law. The Management Company will appoint the following persons to be members of the Investment Advisory Committee:

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

The Management Company may replace, add or reduce the number of the person(s) appointed above by appointing person(s) qualified under the Securities Law as member of the Investment Advisory Committee as it deems fit.

Ms. Voravan Tarapoom. See “The BTS SkyTrain Operator – BTSC’s Board of Directors” for information on Ms. Voravan Tarapoom.

Mr. Wasin Wattanaworakijkul. See “The BTS SkyTrain Operator – BTSC’s Board of Directors” for information on Mr. Wasin Wattanaworakijkul.

Mr. Sudhipongse Phuaphanprasert. See “The BTS SkyTrain Operator – BTSC’s Board of Directors” for information on Mr. Sudhipongse Phuaphanprasert.

Ms. Siriphen Wangdumrongves. Ms. Siriphen Wangdumrongves will be a member of the Investment Advisory Committee following establishment of the Fund. She is also a Senior Vice President, Property Fund Business Group of BBL Asset Management Co., Ltd. Ms. Wangdumrongves holds a Bachelor of Science degree, majoring in accounting, from Thammasat University and a Master of Business Administration degree from California State University, Los Angeles, United States.

Mr. Sompong Paksarsawan. Mr. Sompong Paksarsawan will be a member of the Investment Advisory Committee following establishment of the Fund. He is also a Director at AMP Consultants Ltd. Mr. Paksarsawan holds a Bachelor of Engineering degree, majoring in survey engineering, from Chulalongkorn University, a Master of Engineering degree, majoring in civil engineering from Chulalongkorn University, and Doctorate degree in civil engineering (traffic engineering) from Institute for Transport Studies, University of Leeds, United Kingdom.

Mr. Sran Bunyasiri. Mr. Sran Bunyasiri will be a member of the Investment Advisory Committee following establishment of the Fund. He is also a Consultant at AMP Consultants Ltd. Mr. Bunyasiri holds a Bachelor of Engineering degree, majoring in civil engineering, from Chulalongkorn University, a Master degree in development management from University of Birmingham, United Kingdom, and a Master of Science degree in Transport Planning from University of Leeds, United Kingdom.

Removal and Replacement of Investment Advisory Committee.

The Management Company is empowered to remove or replace any member of the Investment Advisory Committee by appointing new members who meet the qualifications as required under the Securities Law, provided that at all times one of the members of the Investment Advisory Committed shall be the Fund Manager.

Rights, Duties and Responsibilities of the Investment Advisory Committee

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

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

Fund Registrar

Appointment of Registrar

The Management Company will appoint the following entity, who is licensed by the Office of the SEC to provide the service of a securities registrar, to act as the Registrar of the Fund who shall perform duties in relation to the preparation, recording and keeping the register of Unitholders in accordance with the notification of the Office of the SEC regarding rules and procedures for preparation of unitholders registrar, other relevant notifications and the terms and conditions of the Registrar Appointment Agreement:

Name:	Thailand Securities Depository Co., Ltd.
Address:	4-7th floor, The Stock Exchange of Thailand Building 62 Rachadapisek Road, Khlong Toei Sub-district Khlong Toei District, Bangkok 10110
Tel:	0-2229-2888
Fax:	0-2359-1259

The Management Company may appoint a third party with a licence from the Office of the SEC to undertake the securities registrar service and approved by SET to act as the Registrar of the Fund in which case the Management Company shall notify the Office of the SEC.

Rights, Duties and Responsibilities of the Registrar

The Registrar shall have the following key rights, duties and responsibilities:

- (i) to receive a fee from the Fund for performing the duties as the Registrar;
- (ii) to prepare a register of Unitholders of the Fund which shall at least contain the particulars required by the notification of the Office of the SEC;
- (iii) to keep the register of Unitholders of the Fund at the office of the Registrar;
- (iv) to prepare and keep records of the register of Unitholders of the Fund accurately, completely and up to date;
- (v) to prescribe the rules and procedures for the transfer, pledge and attachment of the Investment Units, as well as for the issuance of Investment Units or certificates of the Unitholder's rights or statements of rights in the Investment Units and for other matters which are necessary and to post such rules and procedures at a visible place at the office of the Registrar;
- (vi) to set up and maintain the systems which include an internal control system capable of preventing any undue act which may cause damages to the Unitholders and a system for keeping, collecting and data processing, as well as an information back up system, each in accordance with the Securities Law;
- (vii) to facilitate the Unitholders inspecting or copying of the register of Unitholders during business hours of the Registrar in accordance with the Securities Law;
- (viii) to reject the application for an Investment Units transfer if such transfer does not comply with the Fund Scheme and/or the Securities Law or an acceptance for such transfer shall cause the holding of Investment Units to be in breach of the Fund Scheme or the Securities Law or to exceed the applicable holding limit;
- (ix) to perform other duties in accordance with the Securities Law governing the Unitholders register, as well as other duties as specified in the Registrar Appointment Agreement; and
- (x) to pay dividends and proceeds from capital reduction.

Fund Advisors

Financial Advisors

The Management Company may appoint, replace or revoke the appointment of any persons as financial advisors of the Fund. However, these persons shall not participate in making any decisions concerning investment or sale, and shall not participate in managing the Fund. Such person shall have the duties and qualifications and possess no prohibited characteristics as prescribed by the Securities Law and/or any other relevant laws (where required).

Rights, Duties and Responsibilities of the financial advisor of the Fund

The financial advisor shall be on the list of the Office of the SEC approved financial advisors, and shall be independent from BTSC and its Person within the Same Group.

The financial advisor has the rights, duties and responsibilities in relation to the Fund as follows:

- (a) to arrange to have a due diligence conducted by the advisors as necessary (such as financial due diligence, legal due diligence, technical due diligence) with respect to the Infrastructure Business to be invested in by the Fund;
- (b) to prepare its opinion on the Valuation Report with respect to the appropriateness of assumptions used in the Valuation Report, and the opinion of which is required to be included in the Prospectus;
- (c) to opine on financial projections or forecasts in respect of the Infrastructure Assets and business setting out base case, any discrepancy of information/difference between the Valuation Report and such financial forecasts or projections;
- (d) to opine on the advantages and disadvantages of each type of Unitholders' rights, comparing to creditors' rights and other persons entitled to such future revenues;
- (e) to receive remuneration from the Fund for performing the duties as the financial advisor of the Fund in accordance with the agreement for providing financial advice;
- (f) to provide advice, make recommendations, and help the Management Company regarding the establishment of the Fund, including certify the correctness and completion of information as set out in the application to be submitted to the Office of the SEC regarding the establishment of the Fund, fund raising and financial strategy planning for investment; and
- (g) to perform other duties specified in the agreement for providing financial advice (if any).

Financial advisor for the Combined Offering

With respect to the Combined Offering of the Investment Units, the Management Company has appointed Phatra Securities Public Company Limited as its financial advisor. The contact details of the Financial Advisor are as follows:

Name:	Phatra Securities Public Company Limited
Address:	6, 8-11/F Muang Thai-Phatra Office Tower 1 252/6 Ratchadaphisek Road, Huaykwang Bangkok 10310, Thailand
Tel:	0-2305-9000
Fax:	0-2305-9539

Other advisors

The Management Company may appoint, change or cancel the appointment of any persons as other advisors of the Fund, such as, legal advisor or special advisor, etc. However such persons shall not involve in any decision related to investment or sale of the Assets or the management of the Fund. Such persons shall perform their duties and shall be qualified and shall not have any prohibited characteristics as prescribed under the Securities Law and/or other relevant laws.

Other advisors or consultants of the Fund have the rights, duties and responsibilities in relation to the Fund as follows:

- (i) to receive remuneration from the Fund for performing the duties as other advisors of the Fund in accordance with the agreement for providing service;
- (ii) to provide advice and make recommendations to the Management Company regarding the establishment or the management of the Fund under the agreed scope of works; and
- (iii) to perform their duties specified in the agreement for providing service, etc.

Independent Auditor

Appointment of Independent Auditor

The Management Company has appointed the following auditing firm to perform the duty of preparing, reviewing and/or auditing the financial statements of the Fund as prescribed under the Securities Law:

Name:	Ernst & Young Limited
Address:	193/136-137 Lake Ratchada Building 33rd Floor Rachadaphisek Road, Khlong Toei Khlong Toei, Bangkok 10110
Tel:	0-2264-0777
Fax:	0-2264-0789-90

The Management Company may appoint a third party approved under the notification regarding the granting of approval of auditor to act as the Auditor of the Fund in which case the Management Company shall notify the Office of the SEC in accordance with the rules.

Rights, Duties and Responsibilities of the Independent Auditor

The Independent Auditor shall have the following key rights, duties and responsibilities:

- (i) to receive a fee from the Fund for performing the duties as the Auditor;
- (ii) to prepare, review and/or audit the financial statements of the Fund as prescribed under the Securities Law and the applicable accounting standards; and
- (iii) to perform other duties specified in the service agreement.

Asset Appraiser

Appointment of Appraiser

In relation to the investment in the Initial Assets by the Fund, the Management Company has appointed the following appraisal firms to perform the duty of appraising the Initial Assets in accordance with the Fund Scheme and the assets appraisal requirements as prescribed under the Securities Law:

Name: American Appraisal (Thailand) Limited

Address: 889 Thai CC Tower, 31st Floor Room 315-317
South Sathorn Road, Yannawa
Sathorn, Bangkok 10120

Tel: 0-2675-8403

Fax: 0-2675-8427-8

Name: FN Asia Advisory Co, Ltd

Address: 52 Thaniya Plaza, 28th Floor
Silom Road, Suriyawong, Bang Rak
Bangkok 10500

Tel: 0-2231-2044

Fax: 0-2231-2062

In relation to the appointment of appraisers after the investment in the Initial Assets, the Management Company shall appoint an appraisal firm which has the required qualifications and expertise to perform the duty of appraising or reviewing the appraisal of Infrastructure Assets of the Fund or appraising the new Infrastructure Assets to be invested in by the Fund in accordance with the Fund Scheme and the assets appraisal requirements as prescribed under the Securities Law. The Management Company shall not appoint the same appraisal firm to perform the duty of appraisal or review of the appraisal of the same Infrastructure Assets on more than two consecutive occasions.

Rights, Duties and Responsibilities of the Appraisal Firm

The appraisal firm shall have the following key rights, duties and responsibilities:

- (i) to receive a fee from the Fund for performing the duties as the appraisal firm;
- (ii) to appraise or review the appraisal of the Infrastructure Assets already invested in or to be invested in by the Fund in accordance with the Fund Scheme, the assets appraisal requirements as prescribed under the Securities Law and as prescribed under the appraisal service agreement; and
- (iii) to perform other duties specified in the appraisal service agreement.

Other persons

Thai Lead Underwriter

In relation to the offering in Thailand, the Management Company has appointed Phatra Securities Public Company Limited to be the Thai Lead Underwriter.

The contact details of the Thai Lead Underwriter are as follows:

Name: Phatra Securities Public Company Limited

Address: 6, 8-11/F Muang Thai-Phatra Office Tower 1
252/6 Ratchadaphisek Road, Huaykwang
Bangkok 10310, Thailand

Tel: 0-2305-9000

Fax: 0-2305-9539

The Management Company may later appoint additional underwriters which are juristic person licensed to undertake the securities business in the category of securities underwriting to act as underwriter of the Fund in which case the Management Company shall notify the Office of the SEC of the underwriter's appointment and announce such appointment to inform the Unitholders at the website of the Management Company and BTSC or via other channel of communications as it deems fit.

Initial Purchasers

In relation to the offering outside Thailand, the following persons are the Initial Purchasers.

The contact details of the Initial Purchasers are as follows:

Name: Morgan Stanley & Co. International plc

Address: 25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Tel: +852 2848 5653

Fax: +852 3407 0555

Name: UBS AG, Hong Kong Branch

Address: 52F, 2 International Finance Centre
8 Finance Street
Central, Hong Kong

Tel: +852 2971 8888

Fax: +852 2868 1510

Selling Agent

Name: Bangkok Bank Public Company Limited
Address: 333, Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500
Tel: 0-2230-2328, 0-2230-2295
Fax: 0-2236-0501

Name: Bank of Ayudhya Public Company Limited
Address: 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Tel: 0-2296-4776
Fax: 0-2296-4886

Name: CIMB Thai Bank Public Company Limited
Address: 24th floor, 44 Langsuan Road, Lumpini, Patumwan, Bangkok 10330
Tel: 0-2638-8000
Fax: 0-2657-3236

Name: Kasikornbank Public Company Limited
Address: Head Office, 1, Soi Rat Burana 27/1, Rat Burana Road, Rat Burana, Bangkok 10140
Tel: 0-2888-8888
Fax: 0-2273-2277

Name: Krungthai Bank Public Company Limited
Address: 35 Sukhumvit Road, Khlongtoei Nua, Watthana, Bangkok 10110
Tel: 1551
Fax: 0-2256-8625

The Management Company may appoint additional selling agents, who can be either a juristic person or individual approved by the Office of the SEC. In such regard, the Management Company will notify such appointment to the Office of the SEC, and announce to the Unitholders on the website of the Management Company and BTSC or such other channel.

Binding Effect of the Fund Scheme

The Management Company shall manage the Fund in compliance with the Fund Scheme, the Commitment, as well as the rules or regulations as announced by the SEC under the Securities Law. Provided that in the case that there is a discrepancy between the terms of the Fund Scheme and those rules and regulations, the Management Company shall manage the Fund in accordance with the applicable rules and regulations where it shall be deemed compliant with the Fund Scheme.

The relationship between the Management Company and the Unitholders shall be governed by the Commitment. The Management Company shall appoint the Fund Supervisor. The Fund Supervisor will have the power to execute the Commitment to be entered into between the Management Company and the Unitholders on behalf of the Unitholders. The execution of the Commitment made by the duly appointed Fund Supervisor on behalf of the Unitholders shall bind all of the Unitholders.

The subscription of Investment Units undertaken by the Unitholders pursuant to the Fund Scheme, regardless of the chain of subsequent sales, shall be deemed consent or acceptance by such Unitholders to be bound by the Fund Scheme, and the Commitment.

Amendment of the Fund Scheme

Procedures to Amend the Fund Scheme

Amendment or modification of the Fund Scheme or amendment of the Fund management procedures can be made in the following circumstances:

- (i) by a resolution of a simple majority (i.e. more than 50%) of the total units sold. In this case, the Management Company shall submit a report with respect to such approved amendment or modification to the Office of the SEC within 15 days from the date of the resolution;
- (ii) the Management Company may amend the Fund Scheme with a deemed approval from the Unitholders in the case that:
 - (a) such amendment is clearly a benefit to all Unitholders;
 - (b) such amendment complies with the law, notification, regulations, rules, orders, or circulars as amended or issued by the SEC, the Office of the SEC, the Capital Markets Supervisory Board or other relevant authorities; or
 - (c) such amendment is to correct the names and details of other persons; or
- (iii) with approval from the Office of the SEC.

In any means, the Management Company shall notify all the Unitholders of such amendment and modification, and shall publish so in a local daily newspaper at least for one day, within 15 days from the date on which approval is given by the Office of the SEC or the date on which the resolution is passed or deemed to be passed, as the case may be.

Other Required Approvals

In the case that the amendment or modification of the Fund Scheme will also affect the rights and obligations of any of the Management Company, the Fund Supervisor, the Investment Advisory Committee, the Registrar, the Appraiser, and the advisors as set out in “– Management of the Fund” or the fees and expenses to be collected from the Fund as set out in “– Fees and Expenses”, approval or consent from the relevant parties, as the case may be, must be obtained in addition to the resolution from the Unitholders, provided further that such resolution of the Unitholders shall not be contrary to the laws, regulations, rules, code of ethics, the Fund Scheme, or interest of the Fund.

Veto rights of Management Company

The Management Company shall have, and reserve its rights to exercise, a veto right on any vote of Unitholders’ meeting with respect to the amendment or modification of the Fund Scheme or fund management procedures that is contrary to the laws, regulations, rules, code of ethics, the Fund Scheme, or would damage or conflict with the interest of the Fund, or affect the rights and obligations of third party who is a counterparty of the Fund.

Fees and Expenses

The Management Company is only permitted to collect fees, other remunerations or charge reasonable expenses from Investment Unit subscribers, Unitholders or the Fund where the disclosure thereof is made in the Fund Scheme. In addition, upon completion of the registration of the pool of assets constituting the Fund, the Management Company can deduct funds of the Fund for payment of fees and expenses related to the establishment and management of the Fund as set out in the Fund Scheme.

Fees Collected from the Investment Unit Subscribers or Unitholders

Fees for Transfer of Subscription Proceeds

As fixed by commercial banks, if any

Fees for Transfer of Units

As fixed by the Registrar.

Fees for Issuance of Evidence Certifying the Transfer of Units

As fixed by the Registrar.

Others

- (i) Fee for registration of pledge of Units with the Registrar at the rate fixed by the Registrar;
- (ii) Other expenses actually incurred for any special arrangements requested by Unitholders to the Management Company or the Registrar.

The above fees are exclusive of VAT, specific business tax or other similar taxes.

Fees Collected from the Fund

Management Fees

Not more than 0.10% per annum of the NAV of the Fund.

Provided that the management fee shall not be less than Baht 10,000,000 per year.

Fund Supervisor Annual Fee

Not more than 0.10% per annum of the NAV of the Fund.

Provided that the Fund Supervisor fee shall not be less than Baht 350,000 per month.

The fee under the first paragraph shall exclude the fee for executing transactions requested by the Management Company (“Transaction Fee”) charged at Baht 350 per transaction.

Fund Supervisor may collect any reasonable fee or expense necessarily incurred directly related to the performance of its duties as a fund supervisor such as BAHTNET fee, bank fees, securities deposit fees and service charges, expense on audit of the Infrastructure Assets of the Fund, traveling expense, advisory fee and fees for external experts and legal counsellor, and other expenses incurred in relation to the scope of duties and responsibilities specified in the Fund Scheme and the Fund Supervisor Appointment Agreement or as determined by the Office of the SEC to be the duties of a fund supervisor, etc. on actual basis.

Registrar Annual Fee

Not more than 0.10% per annum of the NAV of the Fund.

Financial Advisor, Sole Domestic Bookrunner and Initial Purchasers Fee

In respect of the Combined Offering, the fees of the financial advisor, the Sole Domestic Bookrunner and the Initial Purchasers shall be at the rate of not more than 2.15% of the total value of the Combined Offering (excluding allocation to the Sponsor). The Management Company is required to pay the said fees as well as any other fees and expenses actually incurred in connection with the performance of duties of financial advisor, the Sole Domestic Bookrunner and the Initial Purchasers, for example, among others, professional fee for legal counsellors of the financial advisor, the Sole Domestic Bookrunner and the Initial Purchasers in relation to the Offering and the establishment of the Fund and expenses of such legal counsellors, expenses on presentation of information of the Offering to local and international investors, costs for production, publication and delivery of documents, cost on venues, traveling and accommodation expenses, costs for survey for demand for Investment Units, administrative costs for underwriting and subscription of Investment Units.

Fee for the Allocation of Units in the Offering

At the rate specified by Settrade.com. The Management Company is required to pay the said fee as well as any other fees and expenses actually incurred in connection with the performance of duties in relation to allocation of Units.

Selling Agent Fee

In respect of the Combined Offering, the fee shall be at the rate of not more than 1.0% percent of the amount of the Combined Offering. The Management Company is required to pay the said fee as well as any other fees and expenses actually incurred in connection with the performance of

duties of each Selling Agent, for example, expenses on presentation of information relating to the Fund to local investors and distribution and delivery of Fund and Units subscription materials, charges and expenses on refund of money to relevant subscribers including mailing expenses, postage, expenses on cheque issuance and fund transfer fees, all of which must be charged at the rate of Baht 35 per transaction, BahtNet fee for funds transfer from custodians to the Selling Agents (if any).

Fee for other Advisors

Fees for advisors for the Fund, advisors for the establishment and management of the Fund and advisors in relation to investment in assets as the assets of the Fund such as fee for any advisory service on specific area, investment advisory fee, legal advisor fee, tax advisor fee and lawyer fee at the rate as actually incurred. The Management Company is required to pay the said fees as well as any other fees and expenses actually incurred in connection with the performance of duties of each advisor, for example, among others, traveling expense, costs for telephone and fax, cost for documents printing and photocopying and fees for translation etc.

Fee for a Deposit Bank to Retain Subscription Proceeds from the Combined Offering

At the rate as actually incurred. The Management Company is required to pay the said fee as well as any other fees and expenses actually incurred in connection with the performance of duties of such a deposit bank, for example, among others, professional fee for legal counsellor of such deposit bank and expenses of such legal counsellor.

Advertisement and Marketing Fee and Expenses

In respect of the Offering, the fee shall not exceed Baht 100 million (exclusive of VAT).

After the Offering:

- (a) charged as actually incurred but not more than 0.5% of capital increase proceed for each capital increase.
- (b) costs for advertising, public relations and marketing to inform investors in general of the information regarding the Fund not exceeding Baht 10,000,000 per accounting period.

Incentive Fees

The Incentive Fees will be given to BTSC as incentive on annual basis at the following rates:

- (a) If the Net Farebox Revenues for any year are 100% or below of the Annual Net Farebox Revenues Target for that year, there shall be no Incentive Fee.
- (b) If the Net Farebox Revenues for any year are more than 100% of the Annual Net Farebox Revenues Target for that year, BTSC shall be entitled to the Incentive Fees in respect of the amount exceeding the 100% mark as follows:
 - 10% of the Net Farebox Revenues in respect of the amount exceeding the 100% but not exceeding 125% of the Annual Net Farebox Revenues Target;
 - 15% of the Net Farebox Revenues in respect of the amount exceeding the 125% of the Annual Net Farebox Revenues Target.

Application Fees to the Office of the SEC and the SET

- (i) Application fee for the Office of the SEC approval for the Management Company to establish the Fund in the amount as prescribed by Securities Law.
- (ii) Application fee for the SET approval for the Units to be listed on the SET in the amount as prescribed by the SET.

Registration Fee

Registration fee with respect to the establishment of the Fund (or registration of the pool of assets) with the Office of the SEC in the amount as prescribed by Securities Law.

Listing Fee

(i) Initial Listing Fee

Upon the grant of the SET approval permitting the Units to be listed securities on the SET, the Fund shall pay a listing fee of 0.05% of its registered capital, in any case no less than Baht 100,000, but no more than Baht 3,000,000.

However, if the listing is made by end of 2013, the listing fee shall be fixed at Baht 100,000, and if the listing is made during 2014 and 2015, the above rate will be reduced 50% from the normal rate.

(ii) Annual Listing Fee

The Fund shall pay an annual fee at the following rate:

- (a) 0.035% of the first Baht 200,000,000 registered capital;
- (b) 0.030% for the capital that exceeds Baht 200,000,000 up to 1,000,000,000;
- (c) 0.025% for the capital that exceeds Baht 1,000,000,000 up to 5,000,000,000;
- (d) 0.020% for the capital that exceeds Baht 5,000,000,000 up to 10,000,000,000; and
- (e) 0.010% for the capital that exceeds Baht 10,000,000,000,

or any rate the may be amended from time-to-time by the SET.

In any case the annual fee should be no less than Baht 50,000, but no more than Baht 3,000,000.

If the listing is made by end of 2013, the annual listing fee shall be fixed at Baht 100,000 per year for the first three years commencing from the first date on which the Investment Units are traded on the SET, and if the listing is made during 2014 and 2015, the above rate will be reduced 50% for the first three years commencing from the first date on which the Investment Units are traded on the SET.

Expenses Relating to the Fund

- (i) Fee and expense relating to the audit of the accounts, including audit of the work system and audit of revenues and expenses of the Fund, and fee and expense relating to advisors of the Fund e.g., fee for any advisory service on specific area, investment advisory fee, legal advisor fee and lawyer fee.

- (ii) Fee or expense relating to the procurement, acquisition, sale and disposition of assets, properties or securities of the Fund, e.g., commission on sale or assignment, transfer fee, etc.
- (iii) Any tax, fee and stamp duty in relation to securities trading as actually paid, e.g., securities trading brokerage fee which is included in the cost of securities trading once the purchase is made and is deducted from securities payment once the securities is sold, expense of securities transfer, etc.
- (iv) Fee and/or expense on appraisal and/or appraisal review.
- (v) Expenses on administration, repair of maintenance of assets of the Fund, cost and expenses for acquiring assets and additional construction, and cost and expenses for improvement and development of assets.
- (vi) Expenses on insurance, care and/or safe-keeping of assets of the Fund, e.g., expense on risk insurance, etc.
- (vii) Tax expense and other relevant fees at the rate prescribed by law and expenses related to government agencies, if any.
- (viii) Expenses on demand, recovery or legal action for receipt of debt payment or legal expense on court proceedings to protect the right of Unitholders conducted by the Fund Supervisor or Management Company.
- (ix) Expenses on receipt of payment of Units, capital reduction and/or dividend payment, including bank fee, duty stamp, postage, telephone, facsimile, etc.
- (x) Production and printing costs for account opening form, subscription form, certificate of Units, receipt, invoice and other forms related to the Fund and the costs for preparation and delivery of the said documents to Unitholders.
- (xi) Production and printing costs for prospectus, report to Unitholders, annual report, and the costs for translation and delivery of the said documents.
- (xii) Expenses on preparation, printing and delivery of various notices, announcements and reports including publication in daily newspapers, including announcement on NAV, amendment of the Fund Scheme, closing of registry for dividend payment, and/or news update to Unitholders.
- (xiii) Expenses on organizing meetings of the Investment Advisory Committee and/or meetings of Unitholders, including costs on telephone, production of notice of meeting and/or meeting's documents, minutes of meeting, etc.
- (xiv) Remuneration of the Investment Advisory Committee (only for members who are not personnel of the Management Company) or any other committees, if any, including fees and meeting allowance etc. at the actual rate incurred but shall not exceed Baht 20 million per year.
- (xv) Expense or fee on dividend payment, capital increase and/or capital reduction and expense relating to the performance of duties of Registrar such as register book closure and unitholders registry documentation.
- (xvi) Expense related to amendment of the Fund Scheme and/or arising from legal compliance and/or notifications of the SEC, the Office of the SEC and/or other relevant law, including organizing of the meeting of Unitholders, obtaining Unitholders' resolution, newspapers' publication, etc.

- (xvii) Costs on account recording of the Fund and Unitholders' registration documents, if any.
- (xviii) Legal costs related to operation and asset management of the Fund and the Management Company, including costs on legal actions (if any), receivership, legal proceedings entered by the Fund Supervisor to enforce the Management Company to perform its duties or claim for damages from the Management Company for the benefit of Unitholders or upon being ordered by the Office of the SEC, legal professional expense on court proceedings, court fee, compensation to third parties, costs on registration and discharge of mortgage, costs on legal acts, cost on contractual amendment, etc.
- (xix) Fee and/or other expenses on dissolution of the Fund or change of the Management Company.
- (xx) Costs or expenses to be paid by the Fund under the Transaction Documents.
- (xxi) Any other fees and/or expenses relating to operation of the Fund.

The fees under “– Fees and expenses collected from subscribers or Unitholders and the Fund” are the actual amount exclusive of VAT, specific business tax or any other similar tax.

Any VAT, specific business tax or any other similar tax in relation to any and all fees and expenses of the Fund shall be the responsibility of the Fund.

The Management Company shall calculate the fees and expenses under “-Annual Management Fees”, “– Fund Supervisor Annual Fee” and “– Registrar Annual Fee” monthly based on the value of assets or NAV or accumulated investments as the case may be at the last date of the calculated month and shall collect them from the Fund from the account of the Fund monthly.

The collection of the fees and/or expenses from the Fund's account shall be made in accordance with the accounting standards of the Federation of Accounting Profession.

Change of Fees and Expenses

Change of the Fees or Expenses under the Rates Specified in the Fund Scheme

The Management Company reserves the right to increase/reduce/waive the fees under the rate set out in “– Fees and expenses collected from subscribers or Unitholders and the Fund” which shall not be amendment of the Fund Scheme. However the collection, increase, reduction or waiver of the fees above shall be publicly disclosed with announcements posted at the Management Company.

Change of the Fees or Expenses

The Management Company reserves the right to increase/reduce the fees and/or expenses under “– Fees Collected from the Investment Unit Subscribers or Unitholders” and “– Fees Collected from the Fund” which shall not be amendment of the Fund Scheme. The Management Company shall proceed as follows:

- (i) The fees or expenses shall not be increased by more than 5 percent of the fees or expenses within 1 year.

The Management Company shall notify the Unitholders at least 60 days in advance before collection of the increased fees or expenses under the following procedure:

- (a) Publication in at least one daily newspaper for 3 consecutive days; and

- (b) Announcement shall be made at the office of the Management Company and all contact places of the underwriting agent (if any) which are the place for Units' subscription.
- (ii) In case the fees or expenses are increased by more than 5 percent of the fees or expenses within 1 year.

The Management Company shall obtain approval of the Unitholders with the vote of more than one-half of total Units sold or shall be approved by the Office of the SEC.

- (iii) In case the Management Company plans to reduce the fees or expenses.

The Management Company shall announce the new fee or expense at the office of the Management Company and all contact places of the underwriting agent (if any) which are the place for Units' subscription.

The Management Company shall notify the Office of the SEC of such change made under (i), (ii) or (iii) above within 15 days from the date of such change of fees or expenses.

Dissolution of the Fund, Return of Proceeds, and Delisting

Voluntary Cancellation of Fund Establishment

In the event that the Management Company is to cancel or abort the establishment of the Fund during the Offering, the Management Company shall:

- (i) cease the offering;
- (ii) report to the Office of the SEC with respect to such cessation or cancellation of offering within seven days from the date on which the offering is ceased;
- (iii) return the subscription proceeds, together with any benefit derived thereon, to the Unitholders as per the subscription within 14 days from the date on which approval to establish the Fund has expired. 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.

Approval to establish the Fund shall expire on the date on which the Management Company has reported so to the Office of the SEC.

Return of Proceeds under the Increase of Capital

The Management Company shall also have the obligation to return the subscription proceeds, together with any benefit derived thereon, in the case of a capital increase which is subsequently cancelled due to the failure to invest in the new investment as planned. Please refer to further details on the increase of capital in "– Capital Increase".

Expiration of the Office of the SEC Approval to Establish the Fund

Before the Fund Registration Date, approval granted by the Office of the SEC to establish the Fund may be expired upon the occurrence of any of the following events:

- (i) The total number of Unitholders is less than 500 Unitholders;
- (ii) Single limit (i.e. "Holding Limit" as set out above) of each Unitholder, together with its Persons within the Same Group has been breached;

- (iii) The total capital invested by the Unitholders is less than Baht 2,000,000,000. The calculation of the capital shall be based on par value of such Units; or
- (iv) Capital raised from the offering of the Investment Units, together with those from financing arrangements (if any) is not sufficient to invest in the Initial Assets.

In such case, the Management Company shall return the proceeds, together with any benefit derived thereon, received to the respective subscribers 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.

Dissolution Events

After the Fund Registration Date, 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.

Powers of the Office of the SEC

The Office of the SEC has the power to revoke approval of the establishment or management of the Fund if the Office of the SEC considers that there is violation of requirements as prescribed under the Thor Nor. 1/2554.

Revocation of the Office of the SEC approval for the establishment of the Fund will result in the procedures as discussed above. Whereby the revocation of management of the Fund is made after the registration of the Fund, the Management Company shall proceed with the liquidation process as set out in “– Liquidation Process” below.

Liquidation Process

Upon dissolution of the Fund:

- (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.

Delisting of units from the SET

Investment Units may be delisted upon one of the following events:

- (i) the Investment Units or the Fund no longer have the qualifications pursuant to the listing requirement as set out in paragraphs (i)-(v) of “– Listing Requirements”;
- (ii) upon the end of the Fund term or other cause of dissolution that has been specified in advance;
- (iii) the Management Company has performed or acted in the following way that may severely affect the rights, benefits, or decisions of investors or the price of investment units:
 - (a) non-compliance or violation of the Securities Law, regulations of the SET, agreement regarding listing of securities entered into with the SET, including the circulars issued by the SET;
 - (b) disclosure of false statements in the application, financial statements, or reports submitted to the SET or published to the public, or failure to disclose material information, or having material mistakes in disclosing information;
 - (c) proceeding or acting in a way that could significantly adverse the rights, benefits, or decisions of investors or the price of investment units;
- (iv) upon the occurrence of an event that could cause the Office of the SEC to revoke approval for the establishment of the Fund; or
- (v) the Management Company requests for delisting of the investment units.

Examples of O&M Costs

This Schedule set out examples of O&M Cost that BTSC is entitled to deduct from the revenues before delivering the Sale Revenue to the Fund. Listed below are only examples. The O&M Costs also include other costs and expenses which fall under the definition of “O&M Costs” as set out under the Fund Scheme.

Cost of Farebox

- (i) Employee Salaries and Wages
- (ii) Employee Benefits
 - (a) Social Security Fund
 - (b) Provident Fund
 - (c) Workmen Compensation Fund
 - (d) Severance Pay
 - (e) Retirement Benefit
 - (f) Medical Expenses and Pre-employment Medical Check-up
 - (g) Other employees related expenses, for example, expenses for Training and Seminar, expenses for Uniform, and expenses for Recruitment
- (iii) Ticket Expenses
- (iv) Utilities Expenses
 - (a) Electricity
 - (b) Water
- (v) Rental, for example Land Rental for Depot and BTSC Office
- (vi) Insurance premiums for Operational Insurance Program
- (vii) Insurance premiums for Insurance for Cash Handling
- (viii) Maintenance Expenses
 - (a) Maintenance Agreement with Siemens
 - (b) Contracts with Other Services Providers
 - (c) Spare Parts
 - (d) In-house Maintenance Expenses
 - Rolling Stocks

- Electrical and Mechanical System
 - Radio
 - Automatic Fare Collection System
 - Signaling System
 - Civil Works
 - Asset Replacement
- (e) Card Issuing Fees
- (f) Other costs and expenses in relation to the operation of Core BTS SkyTrain System, for example, Cash Transportation Expenses, Money Packing Expenses, VAT and Custom Duty

Selling Expenses

- (i) Promotion Expenses
- (ii) Public Relation and Advertising Expenses
- (iii) Other selling expenses, for example, Commission Expenses

Administrative Expenses

- (i) Employee Salary and Wages
- (ii) Directors Fee and Directors Remuneration and Related Expenses
- (iii) Employee Benefits
- (a) Social Security Fund
 - (b) Provident Fund
 - (c) Workmen Compensation Fund
 - (d) Severance Pay
 - (e) Retirement Benefit
 - (f) Medical Expenses and Pre-employment Medical Check-up
 - (g) Annual Medical Check-(up)
 - (h) Other employees related expenses, for example, expenses for Training and Seminar, expenses for Uniform, and expenses for Recruitment
- (iv) Traveling Expenses

- (v) Utilities Expenses
 - (a) Electricity
 - (b) Water
- (vi) Security Services
- (vii) Cleaning Services
- (viii) Communication Expenses, for example, Telephone, Internet, Courier, Postage
- (ix) Rental, for example, Rental of Office Equipments and Vehicles
- (x) Insurance Premium
 - (a) Group Life Insurance
 - (b) Health Insurance
 - (c) Properties Insurance
- (xi) Acquisition and Maintenance Expenses
 - (a) Building, Office Furniture and Office Equipments
 - (b) Company's Vehicles
- (xii) Charitable Donations and Corporate Social Responsibility
- (xiii) Stationeries and Office Supplies
- (xiv) Software License and Royalty Fee
- (xv) Professional Services
 - (a) Auditing Fee
 - (b) Legal Counsel and Legal Expenses
 - (c) Other Professional and Consultancy Expenses
- (xvi) Corporate Activities Expenses
- (xvii) Taxes, for example, Stamp Duty, VAT, Custom Duty, but excluding Corporate Income Tax
- (xviii) Other administrative expenses, for example, Entertainment, Bank Charges, Petrol, Refreshment, Empowerment of Persons with Disabilities Fund

OWNERSHIP OF THE INVESTMENT UNITS

Principal Holders of the Investment Units and Their Unitholdings

The following table sets forth certain information with respect to the expected registered ownership of our Investment Units immediately after the registration of BTSGIF as an infrastructure fund.

Name	Investment Units In Issue Immediately After Registration of BTSGIF	
	No. of Investment Units	%
Sponsor:		
BTS Group Holdings Public Company Limited	1,929,000,000	33.33
Cornerstone Investors:		
Capital Research and Management Company	383,000,000	6.62
AIA Group Limited and subsidiaries	300,888,800	5.20
Schroder Investment Management (Singapore) Limited.....	290,000,000	5.01
Other Cornerstone Investors.....	1,359,511,200	23.49
Public Investors:		
Institutional investors (other than Cornerstone Investors) ..	754,600,000	13.04%
Retail investors	771,000,000	13.32%
Total	5,788,000,000	100.0

Information on the Sponsor

See “The Sponsor” for details of the Sponsor.

Subscription by the Cornerstone Investors

In addition, as part of the Combined Offering, each of the Cornerstone Investors has entered into separate subscription agreements to subscribe for an aggregate of 2,333,400,000 Investment Units at the Offering Price, conditional upon each of the purchase agreement relating to the International Offering and the underwriting agreement relating to the Thai Offering and the Sponsor Subscription having been entered into, and not having been terminated, pursuant to its terms on or prior to the Closing Date of the Combined Offering.

The Cornerstone Investors may subscribe for Investment Units in the Combined Offering.

In the event that any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Combined Offering will still proceed and subscribers of the Investment Units will still be required to pay for and complete their subscriptions of Investment Units pursuant to the Combined Offering.

The Cornerstone Investors are not subject to any lock-up restrictions in respect of their Investment Units.

Information on the Cornerstone Investors

AIA Group Limited

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group, with a broad footprint spanning 16 markets in the Asia-Pacific. The Group traces its roots in the region back more than 90 years and

has total assets of US\$119.5 billion as of 31 May 2012. The Group has operations in Hong Kong, Thailand, Singapore, Malaysia, China, Korea, the Philippines, Australia, Indonesia, Taiwan, Vietnam, New Zealand, Macau, Brunei, Sri Lanka and a joint venture in India. AIA is listed on the Main Board of the Stock Exchange of Hong Kong Limited under the stock code “1299”.

Azentus Global Opportunities Master Fund Limited

Azentus Global Opportunities Master Fund Limited (the “Azentus Fund”) is a Cayman Islands exempted company with limited liability. The Azentus Fund is an Asia-research focused absolute return fund. The Azentus Fund’s investment advisor is Azentus Capital Management Limited, a limited company incorporated in Hong Kong.

Bangkok Life Assurance Public Company Limited

Bangkok Life Assurance Public Company Limited (“BLA”) was established in 1951 and was listed on the Stock Exchange of Thailand in 2009 under ‘BLA’. Its major shareholders include Nippon Life and Bangkok Bank. BLA is a leading life insurance company in Thailand, providing a full range of life insurance services. As of the end of 2012, BLA’s asset size totalled THB 142,787 million.

Capital Research and Management Company

Capital Income Builder is a U.S. registered fund managed by Capital Research Global Investors, a division of Capital Research and Management Company.

SMALLCAP World Fund Inc. is a U.S. registered fund managed by Capital Research Global Investors and Capital World Investors, each a division of Capital Research and Management Company.

American Funds Insurance Series – Global Small Capitalization Fund is a Massachusetts business trust managed by Capital Research Global Investors, a division of Capital Research and Management Company.

Cheyne Capital Management (UK) LLP

Cheyne Capital Management (UK) LLP (“Cheyne Capital”) was founded in 2000 by Jonathan Lourie (CEO) and Stuart Fiertz (President) after working together for nine years at Morgan Stanley. Chris Goekjian (formerly Head of the Global Fixed Income Division of Credit Suisse’s investment bank) joined in April 2009 as Chief Investment Officer.

Cheyne Capital is one of the top European alternative investment managers by AUM with net assets of approximately \$6.5 billion, of which \$4.8 billion are in hedge funds, and 150 partners and employees.

The firm’s main areas of expertise include corporate credit, real estate debt, event driven, convertible bond and equity strategies.

The Cheyne European Event Driven Fund LP is a Cayman Islands fund focusing on event-driven strategies, including Merger Arbitrage, Special Situations Equities, Capital Structure Arbitrage and Stressed and Distressed Credit.

The Cheyne Equity Fund LP utilizes a liquid long/short equity investment strategy which aims to generate attractive risk adjusted returns, combining fundamental investing in research-driven opportunities and undervalued companies with a pro-active approach to trading.

The Cheyne Malacca Asia Equity Fund LP is a long/short equity fund focused on South East Asia, a region which offers a disproportionately large number of high-yielding equities and where the long-term demographics are extremely favorable and help to underpin strong growth.

All of the Cheyne Funds are Cayman Island Limited Partnerships managed by Cheyne Capital.

Davidson Kempner European Partners, LLP

MHDCO (Cayman) Ltd

The objective of MHDCO (Cayman) Ltd is to achieve capital appreciation. This is a multi-strategy Fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values.

Davidson Kempner European Opportunities International Master Ltd

The investment objective of Davidson Kempner European Opportunities International Master Ltd is to achieve capital appreciation. The Fund focuses on investment opportunities primarily in securities and other financial instruments issued or traded in the European markets or by European-based companies, though a portion of the Fund's assets may be invested outside of Europe, primarily in Asia and Australia.

DKEOF (Cayman) Ltd

The investment objective of DKEOF (Cayman) Ltd is to achieve capital appreciation. The Fund focuses on investment opportunities primarily in securities and other financial instruments issued or traded in the European markets or by European-based companies, though a portion of the Fund's assets may be invested outside of Europe, primarily in Asia and Australia.

Davidson Kempner International, Ltd

Davidson Kempner International, Ltd's objective is to achieve capital appreciation. This is a multi-strategy Fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values.

DKIP (Cayman) Ltd

DKIP (Cayman) Ltd's objective is to achieve capital appreciation. This is a multi-strategy Fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values.

DKP (Cayman) Ltd

DKP (Cayman) Ltd's objective is to achieve capital appreciation. This is a multi-strategy Fund with an event-driven focus, seeking to exploit situations in which announced or anticipated events create opportunities to invest in securities and other financial instruments at a discount to their exit values.

FIL Investment Management (Hong Kong) Limited

FIL Investment Management (Hong Kong) Limited, acting as professional fiduciary for certain accounts, is incorporated in Hong Kong. Its principal business activity is asset management.

Grantham, Mayo, Van Otterloo & Co. LLC

The GMO Emerging Domestic Opportunities Fund invests in companies whose prospects are linked to the internal growth of the world's non-developed markets.

The GMO Emerging Markets Fund is a structured value portfolio, which uses fundamental investment principles and quantitative approaches to provide broad emerging market equity exposure.

The GMO Emerging Countries Fund is a structured value portfolio, which uses fundamental investment principles and quantitative approaches to provide broad emerging market equity exposure.

The GMO Implementation Fund strategy is intended to complement the strategies being pursued by GMO Benchmark-Free Allocation Fund.

JABCAP Multi Strategy Master Fund Limited

JABCAP Multi Strategy Master Fund Limited is an exempted company incorporated with limited liability in the Cayman Islands as an open-ended investment company.

J.F. Asset Management Limited

Investment management clients advised by the Asia Pacific equity investment arm of J.P. Morgan Asset Management – the Pacific Regional Group, which is acting as agent in its capacity as investment manager and has a network of investment professionals based in the region and manages assets for investors around the globe.

Krungthai-Axa Life Insurance Public Company Limited

Krungthai-AXA Life Insurance Public Company Limited (“KAL”) is a life insurance company incorporated in Thailand since 1997. KAL draws on the strength of its two major shareholders, Krungthai Bank Public Company Limited (“KTB”) and the AXA Group. KAL is a fast growing insurance company in Thailand with over 20,000 distributors nationwide and is ranked No. 3 in the Thai insurance market by the Thai Life Assurance Association.

KTB is the premier government bank in Thailand spanning almost half a century and its strategy is to become the “Convenience Bank” for the retail, corporate, SME, government and institutional sectors of the Thai economy. KTB has more than 10 million customers being managed through more than 1,000 branches nationwide.

The AXA Group is one of the world's leading insurance, financial protection and asset management groups which is headquartered in Paris, and listed in the Fortune Global 500. AXA Group has more than 100 million policyholders in over 50 countries worldwide.

Marshall Wace Investment Strategies

The Eureka Fund is a sub-trust of Marshall Wace Investment Strategies managed by Marshall Wace LLP. Founded in 1997, Marshall Wace is a global investment manager with offices in London, Hong Kong and the Greenwich, Connecticut, with assets under management in excess of US\$9 billion.

Morgan Stanley Investment Management Company

Morgan Stanley Investment Management Company (“MSIM”) is a company incorporated in Singapore and is ultimately wholly owned by Morgan Stanley. MSIM manages and invests on behalf of client accounts of Morgan Stanley Investment Company and that of its affiliates. As at 31 December 2012, MSIM and its affiliates worldwide managed and supervised US\$338 billion in assets for institutional and retail investors globally.

Myriad Opportunities Master Fund Limited

The Myriad Opportunities Master Fund Limited is managed by Myriad Asset Management Limited, a Hong Kong based independent asset management company founded by its Chief Investment Office, Carl Huttenlocher in 2011. It is an Asia Pacific Integrated Multi-Strategy Investment Fund managed across the corporate capital structure with a focus on equities, convertible bonds and credit.

PCA Fund, Ltd (Cayman Islands)

PCA Fund, Ltd. (Cayman Islands) (“PCA Fund”) is a multi-strategy investment fund established in 2011. PCA Fund invests internationally across a variety of asset classes. Seeded by a premium sovereign wealth investor, PCA Fund focuses on making long term investments and providing both financial and strategic support to the companies we invest in.

Regal Funds Management Asia Pte Limited

Regal Funds Management Asia Pte Limited is an award winning investment manager. It uses a research driven investment strategy to select companies that it believes are undervalued and are expected to rise in price. Regal Funds Management Asia is based in Singapore and (together with an associated firm in Sydney) manages assets of over US\$1.0 billion.

S.A.C. Capital Associates, LLC and Sigma Capital Associates, LLC

S.A.C. Capital Associates, LLC is a private investment limited liability company organized under the laws of Anguilla, BWI. It is managed by S.A.C. Capital Advisors, L.P., the predecessor of which was founded in 1992. S.A.C. Capital Advisors, L.P. is a global alternative asset manager with offices in the United States and international subsidiaries and affiliated companies in Europe and Asia. It is a registered investment adviser with the U.S. Securities and Exchange Commission.

Sigma Capital Associates, LLC is a private investment limited liability company organized under the laws of Anguilla, BWI. It is managed by Sigma Capital Management, LLC, an affiliate of S.A.C. Capital Advisors, L.P. S.A.C. Capital Advisors, L.P., the predecessor of which was founded in 1992, is a global alternative asset manager with offices in the United States and international subsidiaries and affiliated companies in Europe and Asia. Each of Sigma Capital Management, LLC and S.A.C. Capital Advisors, L.P. is a registered investment adviser with the U.S. Securities and Exchange Commission.

Schroder Investment Management (Singapore) Limited

Schroder Investment Management (Singapore) Limited (“SIMSL”) was incorporated in Singapore in 1992 and has been managing collective investment schemes and discretionary funds in Singapore since 1992. SIMSL is a member of the Schroder group (“Schroders”).

Schroders has been managing collective investment schemes and discretionary funds in Singapore since the 1970s. Schroders is a leading global asset management company, whose history dates back over 200 years. The group’s holding company, Schroders Plc, is and has been listed on the London Stock Exchange since 1959.

Schroders aims to apply its specialist asset management skills in serving the needs of its clients worldwide, through its large network of offices and over 300 portfolio managers and analysts covering the world’s investment markets.

Thai Life Insurance Public Company Limited

Thai Life Insurance Public Company Limited (“Thai Life Insurance”) was established in 1942 as the first solely Thai-owned life insurance company. Thai Life Insurance has been committed to caring for the lives of Thai people and continuously creating benefits for customers and society through various activities.

DISTRIBUTION POLICY

Distributions will be paid out of retained earnings, accumulated profits and reductions of paid-in capital.

Dividend Distribution

BTSGIF has a policy to pay dividend distributions to Unitholders more than once a year if the Fund has sufficient retained earnings.

In order to comply with the Fund Scheme and the SEC Act, if BTSGIF has a net profit in a given year and does not have accumulated losses, it must pay, in aggregate, not less than 90% (or any other percentage as may be permitted by the SEC Act from time to time) of its adjusted net profit for the year as dividend distributions to Unitholders. The Management Company will calculate the adjusted net profit by deducting the following from the net profit of BTSGIF:

- (a) unrealized gain from the appraisal of the infrastructure assets of BTSGIF and other adjustment items in accordance with the guidelines of the Thai SEC, to be in line with the cash basis of BTSGIF;
- (b) capital reserve for the repair, maintenance and improvement of the infrastructure business of BTSGIF according to the plan specified in the Fund Scheme and the Prospectus or notified in advance by the Management Company to Unitholders; and
- (c) capital reserve for repayment of any loan or commitment of BTSGIF according to the financing policy specified in the Fund Scheme and prospectus or notified in advance by the Management Company to Unitholders.

In the event that BTSGIF has a non-cash expense, such as an expense that is gradually amortized or an unrealized loss, BTSGIF will create provisions for the items set out under (b) and (c) above in the amount not exceeding the amount prescribed under (b) and (c) above for each financial period less the non-cash expenses.

If BTSGIF has accumulated profits, it may pay dividend distributions to Unitholders out of such accumulated profits. However, the payment of distributions from either the aforementioned net profit in a given year or such accumulated profits can be made only when BTSGIF does not have accumulated losses.

BTSGIF must pay such distributions to Unitholders within 90 days from the end of the fiscal year of BTSGIF or, with respect to an interim distribution payment, from the day following the closing date of the register of Unitholders for distribution payment (as the case may be), except where there is a necessary cause which prevents payment of interim distributions, in which case the Management Company must notify the Unitholders and the Thai SEC in writing accordingly.

If the value of interim distributions per Investment Unit to be paid is lower than or equal to THB0.10, BTSGIF reserves the right not to pay distributions at that time and to bring such distributions forward for payment together with the payment of annual distribution, proceeding in accordance with the distribution payment criteria as specified.

If the criteria for distribution payments are otherwise amended, supplemented, announced, prescribed, instructed, approved and/or relaxed by the Thai SEC, and/or any other competent authority under Thai law, the Management Company must proceed accordingly. In such event, it shall be deemed that approval has been obtained from Unitholders and it will not be deemed to be an amendment to the Fund Scheme.

Distribution from Reductions of Paid-in Capital

In the event that the Fund has excess liquidity, the Fund may reduce its capital and pay distribution out of reductions of capital to the Unitholders.

CAPITALIZATION

The pro forma capitalization of BTSGIF as of the Listing Date reflecting the issuance of the Investment Units in respect of the Combined Offering is THB62,510 million (US\$2,041 million).

SELECTED CARVE-OUT FINANCIAL AND OPERATING DATA

You should read the selected carve-out financial information presented below in conjunction with the audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business and the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business contained elsewhere in this Offering Memorandum. You should also see the section of this Offering Memorandum entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. The Management Company has derived the summary Thai GAAP financial data from the audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business and the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business, prepared and presented in accordance with Thai GAAP and reporting practices in Thailand, as required under Thai law.

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.

Thai GAAP differs in certain material respects from U.S. GAAP. For a discussion of significant accounting differences between Thai GAAP and U.S. GAAP that are relevant to BTSC’s carve-out financial statements, you should read the section entitled “Summary of Significant Differences Between Thai GAAP and U.S. GAAP”.

Statements of Comprehensive Income

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions)						
	(Audited)				(Unaudited)		
Statements of							
Comprehensive Income:							
REVENUES							
Farebox revenues.....	3,484.6	3,544.8	4,296.8	140.3	3,119.9	3,633.0	118.6
Other income.....	—	0.1	1.9	0.1	0.0	3.6	0.1
Total revenues.....	3,484.6	3,544.9	4,298.7	140.4	3,119.9	3,636.6	118.7
EXPENSES							
Costs of farebox.....	2,064.3	1,997.9	2,231.8	72.9	1,642.3	1,859.0	60.7
Selling expenses.....	51.7	67.8	60.1	2.0	48.2	55.1	1.8
Administrative expenses.....	467.9	455.7	357.0	11.7	263.9	317.5	10.3
Total expenses	2,583.9	2,521.4	2,648.9	86.6	1,954.4	2,231.6	72.8
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	53.8	1,165.5	1,405.0	45.9
Finance cost	(460.3)	(744.7)	(812.3)	(26.5)	(607.9)	(560.1)	(18.3)
Profit before gain on debt restructuring under rehabilitation plan/profit before corporate income tax.....	440.4	278.8	837.5	27.3	557.6	844.9	27.6
Gain on debt restructuring under rehabilitation plan .	4,528.0	—	—	—	—	—	—
Corporate income tax	—	—	—	—	—	(17.3)	(0.6)
Profit for the year/period....	4,968.4	278.8	837.5	27.3	557.6	827.6	27.0

Statements of Financial Position

	As of March 31,				As of December 31,	
	2010	2011	2012	2012	2012	2012
	THB	THB	THB	US\$	THB	US\$
	(in millions)					
	(Audited)				(Unaudited)	
Statements of Financial Position:						
ASSETS						
Cash and cash equivalents	1,330.7	360.2	67.8	2.2	475.2	15.5
Current investments – deposits at a financial institution.....	10.1	–	–	–	–	–
Other receivables	0.6	1.1	1.4	–	2.9	0.1
Consumable spare parts.....	33.0	33.9	78.9	2.6	80.0	2.6
Prepaid expenses	35.3	38.2	45.4	1.5	21.4	0.7
Other current assets.....	4.1	11.1	9.4	0.3	12.7	0.4
Total current assets	1,413.8	444.5	202.9	6.6	592.2	19.3
Restricted deposits at financial institution	253.9	–	–	–	–	–
Long-term investment.....	–	–	–	–	100.0	3.3
Project costs	43,333.7	43,896.2	42,976.8	1,403.1	42,023.7	1,372.0
Reusable spare parts.....	53.6	52.9	81.2	2.7	82.2	2.7
Spare parts – maintenance contract.....	292.8	292.8	292.8	9.6	292.8	9.6
Equipment.....	105.3	118.6	88.9	2.9	77.1	2.5
Intangible assets	10.2	7.2	9.0	0.3	12.1	0.4
Advances paid for acquisition of assets ..	521.9	73.9	25.7	0.8	12.0	0.4
Other non-current assets.....	14.0	13.6	37.4	1.2	26.4	0.8
Total non-current assets	44,585.4	44,455.2	43,511.8	1,420.6	42,626.3	1,391.7
Total assets.....	45,999.2	44,899.7	43,714.7	1,427.2	43,218.5	1,411.0
LIABILITIES						
Trade and other payables.....	187.5	187.0	135.2	4.4	279.3	9.1
Unearned farebox revenues	115.8	110.4	144.8	4.7	103.7	3.4
Current portion of long-term debentures .	–	–	2,495.8	81.5	2,494.9	81.5
Retentions payable	131.2	139.3	148.8	4.9	147.3	4.8
Total current liabilities.....	567.4	600.7	3,265.9	106.6	3,189.6	104.1
Long-term debentures – net of current portion	11,873.6	11,906.6	9,443.8	308.3	6,966.1	227.4
Reserve for long-term employee benefits	253.4	277.6	311.3	10.2	329.2	10.8
Total non-current liabilities.....	12,127.3	12,184.4	9,755.2	318.5	7,295.3	238.2
Total liabilities.....	12,694.7	12,785.1	13,021.1	425.1	10,484.9	342.3
Net assets value	33,304.5	32,114.6	30,693.6	1,002.1	32,733.6	1,068.7

Statements of Cash Flows

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions)						
	(Audited)				(Unaudited)		
Statements of Cash Flows:							
Net cash generated from (used in)							
operating activities	1,410.2	1,312.6	2,058.7	67.2	1,488.1	1,843.3	60.2
Net cash generated from (used in)							
investing activities	(824.2)	(811.2)	(92.4)	(3.0)	(90.4)	(148.0)	(4.8)
Net cash generated from (used in)							
financing activities	(3,169.2)	(1,471.9)	(2,258.7)	(73.7)	(1,491.3)	(1,287.9)	(42.1)
Cash and cash equivalents at end							
of year.....	1,330.7	360.2	67.8	2.2	266.5	475.2	15.5

Non-GAAP Financial Measures

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions, except for percentages)						
Adjusted EBITDA⁽¹⁾⁽⁴⁾	1,911.9	2,025.1	2,905.0	94.8	2,074.4	2,431.4	79.4
Adjusted EBITDA margin ⁽³⁾⁽⁴⁾	54.9%	57.1%	67.6%	67.6%	66.5%	66.9%	66.9%
EBIT ⁽²⁾⁽⁴⁾	5,428.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Adjusted EBIT ⁽²⁾⁽⁴⁾	900.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Adjusted EBIT margin ⁽³⁾⁽⁴⁾	25.8%	28.9%	38.4%	38.4%	37.4%	38.6%	38.6%
Capital expenditure ⁽⁵⁾	962.0	1,075.3	94.4	3.1	90.5	51.6	1.7
Net farebox revenue ⁽⁶⁾	949.9	949.7	2,808.7	91.7	1,983.9	2,376.2	77.6

- (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 (excluding other income (THB1.9 million in fiscal year ended March 31, 2012 and THB3.6 million in the nine months ended December 31, 2012)) after deducting capital expenditure.

Operating Data

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

	Fiscal Year Ended March 31,			Nine Months Ended December 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	100.0%	100.0%	100.0%	100.0%	100.0%

- (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 THB15 from April 1, 2011 to January 31, 2012, and THB18.79 from February 1, 2012 to March 31, 2012.
- (6) The maximum Authorized Fare was THB40 from April 1, 2011 to January 31, 2012, and THB56.36 from February 1, 2012 to March 31, 2012.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the following section we discuss the historical audited carve-out financial statements of the BTS SkyTrain Business for the fiscal years ended March 31, 2010, 2011 and 2012 and the historical unaudited carve-out financial statements of the BTS SkyTrain Business for the nine months ended December 31, 2011 and 2012. These financial statements are included elsewhere in this Offering Memorandum and should be read together with the following discussion. The carved out historical financial statements of the BTS SkyTrain Business presented and discussed herein have been prepared in accordance with Thai GAAP. Thai GAAP differs in certain material respects from U.S. GAAP. For a summary of certain significant accounting differences between Thai GAAP and U.S. GAAP, see "Summary of Significant Differences Between Thai GAAP and U.S. GAAP".

Overview

BTSGIF will be a publicly traded infrastructure fund in Thailand and provides Unitholders with an attractive opportunity to invest in the revenues generated from BTSC's exclusive concession to operate the BTS SkyTrain. BTSG or the Sponsor, a public company incorporated in Thailand, is a major shareholder of BTSC and will become a major Unitholder of BTSGIF, holding not more than one-third of the total number of Investment Units. The Sponsor will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects and brownfield projects for Bangkok and Vicinity Mass Transit Systems in which BTSG or any of its affiliates has entered into the relevant agreement in respect of the relevant projects. The Management Company intends to manage BTSGIF's business with the key objective of generating sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return.

BTSC is the sole operator of the BTS SkyTrain. The BTS SkyTrain is an electric elevated railway with two separate lines running above certain of central Bangkok's major public roadways. Under the Concession Agreement, BTSC has the right to operate the BTS SkyTrain through two lines, the Core Sukhumvit Line and the Core Silom Line, together forming part of the Green Line, covering 23 stations with a combined track length of 23.5 km, and the right to collect the full amount of fare derived from the existing 23.5 km route under the Concession Agreement. For further details on the Concession Agreement, see "BTSGIF and the BTS SkyTrain Business and Extensions – The BTS SkyTrain Business – The Concession Agreement". The Core Sukhumvit Line consists of 17 stations and runs northwards and eastwards from central Bangkok for 17.0 km, connecting Mo Chit and On Nut. The Core Silom Line consists of seven stations and runs through one of Bangkok's central business districts for 6.5 km, connecting National Stadium and Taksin Bridge (Saphan Taksin). The two lines intersect at Siam station, which is the BTS SkyTrain's single shared interchange station.

BTSGIF's investment mandate is to invest in infrastructure businesses, which will initially be the Sale Revenue. The fares derived from the Extension BTS SkyTrain System and the fares derived from the Core BTS SkyTrain System after December 2029 are not covered under the Concession Agreement, and such fares are, therefore, not included in the Sale Revenue that has been sold to BTSGIF. However, BTSC will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the rights to receive the revenues, 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 in which BTSC or any of its subsidiaries has entered into the relevant agreement in respect of the relevant projects including (i) any extension of the Concession Agreement and, (ii) the Long Term O&M Agreement, of BTSC. See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement.

Basis of Presentation

The historical carve-out financial statements of BTSC represent the financial condition and results of operations of the BTS SkyTrain Business only and do not reflect the financial condition and results of operations of the other businesses operated by BTSC, including the operations of the Silom Line Phase 1 Extension and the Sukhumvit Line Extension, the BRT, the advertising business operated by BTSC's subsidiary, VGI Global Media Public Co. Ltd., the hotel business of Kamala Beach Resort & Hotel Management Co., Ltd. (which BTSC sold on September 12, 2012) and the smart card business operated by BTSC's subsidiary Bangkok Smartcard System Co., Ltd. For the purposes of this Management's Discussion and Analysis of Financial Condition and Results of Operations, we discuss the financial condition and results of operations of the BTS SkyTrain Business only, as reflected in the carve-out financial statements.

The historical carve-out financial statements of BTSC 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 which include:

- the allocation of the net book value of assets and liabilities of the BTS SkyTrain Business presented in the balance sheet under the line item "net assets value" in the carve-out financial statements starting as at April 1, 2009 (the start date of the audited carve-out financial statements);
- rolling stock allocations;
- operating and administrative expense allocations;
- maintenance expense allocations;
- salaries, benefits and other post-employment benefit cost allocations;
- interest expense allocations; and
- an assumption that no corporate income tax is payable in relation to the BTS SkyTrain Business because BTSC did not have any corporate income tax payable as a result of BTSC's tax loss carry-forwards.

See Note 2 of the notes to the carve-out financial statements as of and for the fiscal years ended March 31, 2010, 2011 and 2012 for further details of these assumptions and allocations. 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 its acquisition by BTSGIF will be consistent with the revenues presented in the BTS SkyTrain Business carve-out financial statements. In reviewing the carve-out financial statements and this Management's Discussion and Analysis of Financial Condition and Results of Operations, 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, BTSGIF was not in existence during any of the periods presented. Such carve-out financial statements do not necessarily reflect the results of operations, financial position and cash flows of the BTS SkyTrain Business in the future, or what the results of operations, financial position and cash flows would

had been if the BTS SkyTrain Business had been a stand-alone company. In addition, such carve-out financial statements will differ significantly from the results, financial position and cash flows of BTSGIF, and such differences may be material. See “Risk Factors – Risks Relating to Our Organization and the Structure of BTSGIF – BTSGIF does not have an established operating history and you have limited financial information on which to evaluate BTSGIF and your investment decision” for a further discussion.

Neither BTSGIF nor BTSC intends to prepare such carve-out financial statements for any future periods after the completion of the Combined Offering.

Factors Affecting Results of Operations

BTSC’s results of operations are generally affected by, among other factors, ridership, fare levels, costs of farebox and interest rate exposure.

Ridership

The ridership of, or total number of passengers travelling on, the BTS SkyTrain directly affects BTSC’s farebox revenues line item as specified in the carve-out statements of income. Factors affecting ridership include, without limitation, Government mass rapid infrastructure policies, capacity of the BTS SkyTrain, population growth in Bangkok and general economic and political factors.

The table below shows the growth in ridership for the fiscal periods indicated.

	Fiscal Year Ended March 31,									
	2000 ⁽³⁾	2001	2002	2003	2004	2005	2006	2007	2008	2009
No. of passengers (thousands) ⁽¹⁾	17,540	58,818	79,253	96,491	105,093	118,465	131,887	138,558	133,128	135,939
No. of days.....	118	365	365	365	366	365	365	365	366	365
Average passengers per day ⁽¹⁾	148,641	161,146	217,133	264,360	287,140	324,561	361,335	379,610	363,737	372,438
No. of weekdays.....	80	244	243	244	247	246	246	241	246	245
Average passengers per weekday ⁽¹⁾⁽²⁾	147,227	176,246	243,507	300,683	328,852	370,547	411,437	434,812	414,595	425,076

	Fiscal Year Ended March 31,			Nine Months Ended December 31,	
	2010	2011	2012	2011	2012
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

(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.

Historically, increases in ridership have arisen following expansion of the Bangkok mass transit network, including the establishment of feeder networks such as the Suvarnabhumi Airport Link in August 2010, the BRT in May 2010 and the Bangkok MRT System Blue Line in July 2004, as well as the opening of direct extensions such as the Silom Line Phase 1 Extension and Sukhumvit Line Extensions in May 2009 and August 2011, respectively, which increased the BTS SkyTrain catchment areas. Such expansions have arisen following implementation of the Government's stated policy to develop Bangkok's mass transit infrastructure projects, and other major expansions are in progress.

The Mass Transit Network Development Plan (2010-2029) contemplates a mass transit network of 12 routes with over 300 stations spreading over 508.0 km in length. A comprehensive mass transit network functions as feeder to existing mass transit system lines, including the BTS SkyTrain. The BTS SkyTrain connects many of the major business, retail and tourist areas of central Bangkok. The central location of the BTS SkyTrain and its connections to many destinations in the heart of Bangkok enable the BTS SkyTrain to function as a "backbone" of Bangkok's mass transit system, connecting with these other mass transit system lines. We and BTSC believe that because these planned mass transit expansion projects are interconnected, the BTS SkyTrain is in a good position to benefit from the entire network expansion as passengers who want to travel to central Bangkok are likely to pass through the BTS SkyTrain, leading to increased ridership. See "Industry – Industry Outlook – The Government Promotes Mass Transport Infrastructure as a National Agenda" for further information on these Government policies.

Because of the direct linkages with the core BTS SkyTrain network, we and BTSC expect the ridership on the BTS SkyTrain to continue to increase in the future with the full year effect of the Sukhumvit Line Extension (On Nut – Bearing) as well as the commencement of commercial operations of the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa). The first two new stations of the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa) have been operational since February 2013 and the BMA expects that the remaining two new stations will be operational by the end of 2013.

Capacity of the BTS SkyTrain System

As of December 31, 2012, the 35 existing three-carriage trains and 12 existing four-carriage trains operating on the BTS SkyTrain are operating at almost full capacity, especially during morning peak hours. BTSC estimates that the BTS SkyTrain System carries 20,000 passengers per hour per direction during peak hours. During morning and evening peak hours, the Core Sukhumvit Line and Sukhumvit Line Extension is at 93.9% and 78.6% capacity, respectively, while the Core Silom Line and Silom Line Phase 1 Extension is at 83.8% and 78.2% capacity, respectively. BTSC expects ridership will continue to grow as a result of several factors, including the opening of future extensions to the BTS SkyTrain network (whether operated by BTSC or not), growth to its existing network and increased connections to destinations along its routes. Therefore, we and BTSC believe that increasing the current capacity of the BTS SkyTrain will allow the BTS SkyTrain to serve the expected increase in demand from growth to the network and thus increase ridership.

Capacity may be increased either by adding carriages to existing trains or adding new trains, or by reducing the time gap between trains. Between June 2010 and February 2011, BTSC introduced 12 new four-carriage trains on the Silom Line and transferred the 12 existing three-carriage trains that were originally on the Silom Line to the Sukhumvit Line by reducing the time gap between trains on the Sukhumvit Line. Current headway on the Sukhumvit Line during the morning peak and the evening peak is 2 minutes 53 seconds, and during non-peak hours is between 5 minutes 30 seconds and 8 minutes. Current headway on the Silom Line during the morning peak and the evening peak is 4 minutes 50 seconds, and during non-peak hours is between 6 minutes and 8 minutes.

BTSC also expects number of carriages to increase approximately 35.9% following the introduction into operation of an additional carriage to each of its 35 three-carriage trains running on the Sukhumvit Line and an additional five four-carriage trains by the end of 2013 and an additional 28 new carriages between 2018 and 2021. The purchase cost for additional rolling stocks to be used on the BTS SkyTrain, including the 12 out of the total 28 new carriages to be allocated between 2018 and 2021, is a part of the O&M Costs, which will be deducted when calculating the Sale Revenue. The BTS SkyTrain capacity is 50,000 passengers per hour per direction, based on six-carriage trains operating at 2 minutes headway.

Population Growth in Bangkok

Changes in the population of Bangkok may have an impact on the ridership of the BTS SkyTrain. According to the Office of the National Economic and Social Development Board and the Department of Provincial Administration in Thailand, Bangkok's population grew from 6.6 million in 2002 to 6.9 million in 2011, which generally corresponds to the growth of ridership on the BTS SkyTrain during the same period (other than in the fiscal year ended March 31, 2008, when ridership decreased principally as a result of an increase in Effective Fares). If the population of Bangkok continues to increase, it could contribute to an increase in transportation demand in Bangkok, which may lead to an increase in ridership of the BTS SkyTrain.

General Economic and Political Factors

BTSC expects continued urbanization in Bangkok and development of high density residential and commercial developments around BTS SkyTrain stations and the feeder network to increase ridership. In addition, BTSC expects annual ridership to grow with the increased popularity of mass transit usage in Bangkok, particularly in light of continued traffic congestion in Bangkok following an increase in the demand for car transportation over the years. See "Industry – Industry Outlook – Traffic Congestion Continues to Stir Demand for Rail Mass Transit" for further information on Bangkok's car population growth.

The increase in the popularity of mass transit is also due to income growth that makes, and BTSC expects will continue to make, rail transport increasingly affordable. According to data from the World Bank, Thailand's real GDP per capita grew at a compound annual growth rate of 3.1% during the period between 2002 and 2011. Furthermore, according to the latest data from Thailand's Office of the National Economic and Social Development Board and Statistical Forecasting Bureau (National Statistical Office), Bangkok accounted for 10.7% of the country's population and approximately 24.9% of the country's GDP in 2010. Bangkok's gross provincial product per capita was approximately THB365,619 (US\$11,537) in 2010, an increase from THB254,087 (US\$5,914) in 2002, representing a compounded annual growth rate of 4.7%. See "Industry – Industry Outlook – Income Growth Makes Rail Transport Increasingly Affordable" for further information on income growth and other statistics.

Political and other factors have also historically affected ridership. Ridership in the fiscal year ended March 31, 2011 was adversely impacted from service disruptions during political demonstrations in April and May 2010, which did not recur in the fiscal year ended March 31, 2012. Ridership in the fiscal year ended March 31, 2012 was also adversely impacted, but to a lesser extent, by the widespread flooding that occurred in Thailand, including Bangkok, between September and December 2011.

Fares

Effective Fares and Authorized Fares

BTSC generally collects fares based on the distance travelled. The fare which BTSC charges for a single journey between two stations on the BTS SkyTrain is the Effective Fare. In relation to the BTS SkyTrain network, the Effective Fare that BTSC charges are fixed at a progressive rate based on the number of stations travelled by a passenger, and, as of December 31, 2012, range from THB15 to THB40 as shown in the table below. BTSC may, from time to time, provide fare discounts in respect of the BTS SkyTrain under sales promotion activities.

No. of Stations Travelled													
	0	1	2	3	4	5	6	7	8	9	10	11	12 and Beyond
Effective Fare (THB)	15		20		25		30		35		40		

In relation to the Silom Line Phase 1 Extension, the Sukhumvit Line Extension and, once commercial operations commence, the Silom Line Phase 2 Extension, if a passenger commences and terminates travel within the Silom Line Phase 1 Extension, the Sukhumvit Line Extension or, once commercial operation commence, the Silom Line Phase 2 Extension, as the case may be, the whole fare is allocated to the BMA. If a passenger commences travel within the Silom Line Phase 1 Extension and terminates travel in the Core BTS SkyTrain System, the fare is allocated between BTSC and the BMA in accordance with the calculation method as specified in the Circular of Agreement dated as of August 31, 2009 executed by BTSC and the BMA, which is based on the actual distance travelled under each system, with variations based on ticket types. If a passenger commences travel within the Sukhumvit Line Extension and terminates travel in the Core BTS SkyTrain System, a flat fee of THB15 (allocated to BMA) is charged for the portion travelled within the Sukhumvit Line Extension in addition to the Effective Fare (allocated to BTSC) that is charged for the portion travelled on the BTS SkyTrain network. BTSC and the BMA have not yet agreed on the fare allocation for a passenger commencing travel within the Silom Line Phase 2 Extension and terminating travel in the Core BTS SkyTrain System. However, BTSC expects that such allocation will be made on a similar basis to that of the Sukhumvit Line Extension where a to be agreed upon flat fee is charged for the portion travelled within the Silom Line Phase 2 Extension in addition to the Effective Fare.

Under the Concession Agreement, the Effective Fare may not exceed the Authorized Fare, which is the then current maximum fare determined in accordance with the Concession Agreement. As of December 31, 2012, the current Authorized Fare, which benefitted from the Special Fare Adjustment (described below) approved in February 2012 (the first increase in Authorized Fares since the commencement of commercial operations of the BTS SkyTrain), ranges from THB18.79 to THB56.36. However, BTSC may set the Effective Fare at a rate lower than the Authorized Fare as BTSC's management deems appropriate. Pursuant to the Concession Agreement, BTSC may increase the Effective Fare only once every 18 months.

Pursuant to the Concession Agreement, the Authorized Fare can be adjusted in two ways:

- *Normal Fare Adjustment:* upon BTSC's request, by 7% of the previous rate if the monthly consumer price index for Bangkok (the "Index"), as determined by the MOC, is equal to or exceeds 5% of the Reference Index of any month occurring at least 12 months prior (Reference Index refers to the last Index used in any previous adjustments in the Authorized Fare).

- *Special Fare Adjustment*: upon the occurrence of any of the following events:
 - (i) the monthly Index increases or decreases by more than 9% compared to the monthly Index of any month occurring at least 12 months prior;
 - (ii) the foreign exchange rate between the Baht and the U.S. Dollar is 10% higher or lower than the currency exchange rate as announced by the BOT and used in the latest adjustment of the Authorized Fare, which is equivalent to THB39.884 per U.S. Dollar;
 - (iii) the interest rates of BTSC's domestic and foreign currency loans are 10% higher or lower than the domestic or foreign "reference rate". The domestic reference rate is the average rate of the domestic minimum lending rates of Bangkok Bank, Krung Thai Bank Public Company Limited, Kasikornbank Public Company Limited and Siam Commercial Bank Public Company Limited used in the latest adjustment of the Authorized Fare, while the foreign reference rate refers to the London Interbank Offering Rate ("LIBOR") that was used in the latest adjustment of the Authorized Fare;
 - (iv) BTSC bears much higher or lower electricity costs;
 - (v) BTSC invests significantly beyond the scope of work under the Concession Agreement; or
 - (vi) BTSC incurs "Exceptional Risk" as defined in the Concession Agreement. See "Business – The BTS SkyTrain Business – The Concession Agreement" for a definition of "Exceptional Risk".

The special fare adjustment of the Authorized Fare must be mutually agreed upon by both parties to the Concession Agreement. If no agreement is reached within 30 days, at the request of the party desiring the adjustment, the matter will be referred to and determined by the Advisory Committee comprising two members nominated by BTSC, two members nominated by the BMA and three independent directors appointed by the four foregoing directors. After BTSGIF is established, if not objected to by the BMA, BTSC will procure that one member of the Advisory Committee to be nominated by BTSC will be a representative of BTSGIF. BTSC shall also arrange for at least one representative of the Fund to observe the Meeting of the Advisory Committee, unless objected by the BMA. If the Advisory Committee agrees to adjust the Authorized Fare, but it is against the policy of the Government to permit a fare increase at that time, BTSC will not be allowed to increase the Effective Fare. However, in such case, the Concession Agreement provides that BTSC will be provided with a solution to remedy the loss incurred by BTSC during the relevant period under appropriate measures of the Government.

In 2007, BTSC introduced contactless smart card ticket machines that made it practicable to make small, regular increases in Effective Fares for smart card users (but not single journey ticket users). Contactless smart card tickets allow users to wave tickets over fare gate sensors without having to physically insert the ticket into the fare gates. This facilitates small regular increases in the average fare for smart cards where such fares are discounted below the price of single journey tickets and larger but less regular increases for single journey tickets.

BTSC reviews Effective Fares on a regular basis so that it can monitor whether farebox revenues adequately cover costs of farebox, including the costs of maintenance, upgrading and renewal of the BTS SkyTrain operating assets and maintenance of the infrastructure of the BTS SkyTrain, as well as providing a reasonable return to BTSC's shareholders and, in the future, to holders of the Investment Units. In deciding whether to increase Effective Fares, BTSC takes into

account various factors, including increases in the costs of farebox of the BTS SkyTrain (including the procurement of rolling stock), improvements in service standards and the economic and political climate. In addition, BTSC intends to make applications for increases in Authorized Fares under the appropriate fare adjustment mechanism as and when the conditions specified for such fare increases are met.

Subject to Authorized Fare limits and the factors mentioned in the paragraph above, BTSC expects Effective Fare increases to take place over time in a series of incremental steps, the introduction of which may provide an immediate boost to farebox revenues, but such increase may also be partially offset by a decrease in the number of passengers. Since the commencement of commercial operations of the BTS SkyTrain, BTSC has raised the Effective Fare once, in March 2007, from THB10 to THB40 per ride, to THB15 to THB40 per ride. Following the 2007 increase in Effective Fares, the total number of passengers decreased from 138.6 million in the fiscal year ended March 31, 2007 to 132.9 million and 135.9 million in the fiscal years ended March 31, 2008 and 2009, respectively. The decrease was also affected by the political turmoil following the military coup in 2006. However, farebox revenues increased from THB3,062.5 million in the fiscal year ended March 31, 2007 to THB3,221.1 million and THB3,288.1 million in the fiscal years ended March 31, 2008 and 2009, respectively.

See “BTSGIF and the BTS SkyTrain Business and Extensions – The BTS SkyTrain Business – The Concession Agreement” and “– Fares” for further information on the BTS SkyTrain fare structure.

Types of Tickets

The basic ticket type on the BTS SkyTrain is the “Single Journey” ticket for which the fare varies with the number of stations travelled and ranges between THB15 and THB40, and which may be purchased from coin-operated or cash-operated ticket vending machines on normal occasions or from special ticket counters on designated occasions when BTSC experiences higher passenger volume (such as during public holidays).

Users may also purchase “Stored Value” tickets which are “pay-as-you-go” tickets that are initially purchased for a minimum of THB130, comprising a THB30 deposit and a travel credit of THB100, from which debits are made at the Effective Fare for the relevant distance of a trip. Stored Value tickets may be periodically recharged with cash or by using credit cards at the ticket counter, or with debit cards at Bangkok Bank automatic teller machines. Stored Value tickets may only be used within the BTS SkyTrain and extensions.

BTSC also provides various discounts for users purchasing 30-day smart cards and one-day passes. 30-day smart cards provide a specified number of rides with no distance limit and are valid for 30 days. Users benefit from the 30-day smart cards if the Effective Fare for the relevant distance of a trip is more than the equivalent per trip price that they initially pay for. The price of 30-day smart cards depends on the number of trips purchased at each top-up, as described in the table below.

	Adult Ticket		Student Ticket	
Range of number of trips purchased	15	50	15	50
Total price range (THB)	375	1,000	300	750
Equivalent price per trip (THB)	25	20	20	15

The one-day pass is priced at THB130 and provides users with an effective per trip discount if the user takes more than three trips at the highest Effective Fare of THB40 per trip or more than nine trips at the lowest Effective Fare of THB15 per trip.

The following table shows the various types of tickets that BTSC offers and the percentage of the farebox revenues each ticket type accounts for in the specified periods:

	Fiscal Year Ended March 31,			Nine Months Ended December 31,	
	2010	2011	2012	2011	2012
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	100.0%	100.0%	100.0%	100.0%	100.0%

In May 2012, BTSC's subsidiary, Bangkok Smartcard System Co., Ltd., commenced commercial operations of a new smart card under the "Rabbit Card" brand that allows the holder to use one card to pay for several modes of transportation, including the BRT, as well as for other uses in certain businesses and shopping centers. BTSC expects the "Rabbit Card" will be able to be used on the Bangkok MRT Subway line by 2013. In relation to the BTS SkyTrain, the "Rabbit Card" has a feature that allows the holder to purchase either a Stored Value Ticket or a 30-day Smart Card ticket or both simultaneously. See "BTSGIF and the BTS SkyTrain Business and Extensions – Ticket Systems and Ticket Types" for further details.

Average Fares

The average fare for any period is calculated by taking the quotient of the farebox revenue-net for the BTS SkyTrain divided by the total number of passengers during such period. The table below shows the average fares for the BTS SkyTrain for the fiscal periods indicated.

	Fiscal Year Ended March 31,			Nine Months Ended December 31,	
	2010	2011	2012	2011	2012
No. of passengers (thousands)	144,474	145,189	176,044	128,010	146,297
Farebox revenue (THB million).....	3,484.6	3,544.8	4,296.8	3,119.9	3,633.0
Average farebox revenue per passenger (THB per passenger)	24.12	24.42	24.41	24.37	24.83

Average fares have remained relatively stable over the past three years, fluctuating slightly as a result of the periodic lowering of the level of discounts on 30-day Smart Cards and one-day passes, periods in which the expired ticket value increased (because this results in an increase in farebox revenue – net without an increase in number of passengers) and fluctuations in the proportion of passengers using the Single Journey ticket which have higher fares.

Costs of Farebox

The key factors affecting the BTS SkyTrain's costs of farebox are depreciation and amortization expenses, repair and maintenance expenses, staff and related costs, electricity expenses and insurance premium expenses. See "– Principal Components of Statements of Comprehensive Income – Costs of Farebox" for a further description of each item.

The BTS SkyTrain was designed to allow BTSC to maintain low operational costs relative to other train systems. This is mainly because BTSC's system and its rolling stock use modern technology and because labor and electricity (which is generated using gas) costs in Thailand are relatively low. In addition, as an elevated railway system, BTSC does not incur the cost otherwise

necessary for air-conditioning its stations or ventilating long indoor tunnels, and the length of its escalators are shorter than those found in underground systems, all of which allow the BTS SkyTrain to have lower operational costs relative to underground transit systems.

As ridership and farebox revenues increase, BTSC expects its costs of farebox to increase at a lower rate, principally because, other than depreciation and amortization expenses, most of its other costs of farebox, such as utility costs and employee salary costs, are fixed costs which will not increase proportionately to increases in ridership. As a result, BTSC expects its operating margins to remain high because of such economies of scale.

Depreciation and Amortization Expenses

Depreciation and amortization expenses, primarily attributable to the project costs of the BTS SkyTrain and the costs of spare parts, is the single largest component of the BTS SkyTrain costs of farebox, accounting for 53.0% and 52.9% of the costs of farebox in the fiscal year ended March 31, 2012 and the nine months ended December 31, 2012, respectively. BTSC's accounting policy in relation to amortization of elevated rail project and spare parts costs is to calculate such amortization by reference to their costs on the unit of throughput amortization method (or unit of production basis). See "– Critical Accounting Policies – Project Costs" and "– Critical Accounting Policies – Spare Parts and Amortization" for further information on the components of project cost, spare parts cost and the method of calculating amortization of such costs.

Therefore, the amount of depreciation and amortization expenses accrued each fiscal year depends on the total project cost of the BTS SkyTrain, the cost of spare parts, the number of passengers carried per year and the projected number of passengers during the remaining concession period. BTSC expects depreciation and amortization expenses, and hence the cost of services and administrative expenses, to increase if there are additional capital expenditures relating to the BTS SkyTrain (including purchases of rolling stock) or spare parts, if there is an increase in the actual number of passengers carried during the year as compared to the previous year, or if there is a decrease in the projected passengers during the remaining concession period. Conversely, any decrease in the actual number of passengers carried during the fiscal year as compared to the previous year or any increase in the projected passengers during the remaining concession period would decrease the annual amortization that is recorded and would result in a decrease in cost of services and in administrative expenses.

The profit and loss statement of BTSGIF will not have any depreciation or amortization account, rather, there will be an annual adjustment to fair value of the investment following the appraisal of the assets. Moreover, this fair value adjustment will not impact BTSGIF's ability to pay distributions as distributions are paid from adjusted net profit calculated prior to any fair value adjustment.

Repair and Maintenance Expenses

Repair and maintenance expenses include cost of spare parts, fees paid under maintenance service contracts, equipment upgrades and maintenance. Maintenance parts are generally imported from the original equipment manufacturers of the operating equipment and their prices reflect international market prices for these types of parts and the relative exchange rate between the Baht and the foreign currency in which their prices are denominated. BTSC maintains a comprehensive stock of parts to be prepared for various contingencies because some of the spare parts have to be specially ordered. The level of maintenance in any one year depends largely on the overall maintenance plan of the BTS SkyTrain.

Siemens provides BTSC with maintenance services for the original trains under a maintenance agreement BTSC entered into with Siemens dated December 30, 2004, which was subsequently amended on September 30, 2009 (as amended, the "Maintenance Agreement"). Although Siemens

uses its own personnel to conduct such maintenance, BTSC has also assigned its own personnel to work jointly with Siemens so that BTSC can manage and perform maintenance itself if BTSC decides not to extend the term of the Maintenance Agreement. The fees payable to Siemens are payable in monthly installments and are based on mileage per train at a rate specified in the Maintenance Agreement. The fees may be increased if the actual mileage is more than the mileage specified in the Maintenance Agreement. A portion of the fees are denominated in Euro, but invoiced and payable in Baht each month at the five business day average of the Bank of Thailand selling rate two business days prior to each payment date. The charges payable by BTSC to Siemens for unplanned asset replacements are based upon price quotes provided by Siemens. See “The BTS SkyTrain Operator – Description of Material Agreements” for a summary of the Maintenance Agreement. The fees paid to Siemens were THB276.0 million (US\$9.0 million) in the fiscal year ended March 31, 2012, and THB177.7 million (US\$5.8 million) in the nine months ended December 31, 2012.

The Maintenance Agreement does not cover the additional 12 four-car trains purchased from Changchun Railway Vehicles. Under the terms of the purchase agreement for the additional 12 four-car trains, the supplier is required to arrange training for the operations and maintenance of such trains to BTSC employees one month prior to the delivery of the first train and provide training for overhaul maintenance within 18 months after the delivery of the first train. Operational and basic maintenance training has been successfully conducted and the BTSC in-house team has provided such maintenance tasks since the first deployment of these four-car trains in December 2010. Training for overhaul maintenance is scheduled for early 2013, based on mutual agreement between Changchun Railway Vehicles and BTSC.

BTSC also maintains and periodically upgrades various equipment such as ticket vending machines, automatic fare gates, signaling and communication equipment and electric power distribution systems. Under the Concession Agreement and the Long Term O&M Agreement, BTSC is also required to maintain all components of the infrastructure of the BTS SkyTrain, the Silom Extensions and Sukhumvit Line Extension, respectively, including viaducts and stations. However, maintenance costs allocated to the Silom Extensions and Sukhumvit Line Extension will be the responsibility of BTSC and will not be reimbursed by BTSGIF.

Staff and Related Costs

Ordinarily, staff and related costs tend to rise in line with general wage inflation in Bangkok and state-mandated minimum wages. There was a 40% increase in minimum wage to THB300 per day in Bangkok and several surrounding provinces from April 1, 2012, which (although BTSC did not employ staff earning minimum wages) affected BTSC indirectly as a result of consequent increases in non-minimum wage salary scales. However, such increases in BTSC’s salary scales were not as high as the 40% increase in minimum wages. BTSC does not expect minimum wage increases of this scale to recur on a frequent basis. In addition, while BTSC intends to increase its staff headcount in the future as and when further extensions to the BTS SkyTrain come on line, such increase in staff and related costs will not be allocated to the core BTS SkyTrain Business and this will not be reimbursed by BTSGIF.

Electricity Expenses

Electricity expenses in Thailand generally track changes in worldwide natural gas, crude oil and other fuel prices. BTSC anticipates that the BTS SkyTrain will use an increasing amount of electricity as more trains commence commercial operations, and as its existing and new trains make more journeys per day. However, BTSC anticipates that the increase in electricity expenses as a result of such increased electricity use will be lower in proportion than the increase in train kilometers (which is calculated by the number of trains multiplied by the distance travelled) undertaken by its rolling stock.

BTSC purchases its electricity from the MEA at the applicable rate for category 4 electricity users. Electricity tariffs in Thailand consist of a fixed base tariff and a variable component that is adjusted periodically to pass through unanticipated cost increases to the end user. BTSC does not hedge electricity expenses, as BTSC believes that higher fuel costs encourage private car owners to use mass transit, and any net negative impact on profits from increased electricity expenses will be partially offset by the positive impact from higher passenger volumes on the BTS SkyTrain.

Insurance Premium Expenses

BTSC's policy is to continuously maintain the insurance policies as required by the conditions specified in the Concession Agreement. In addition, BTSC has maintained terrorism insurance since 2001, but the decision whether to renew such terrorism insurance in the future is subject to evaluation on an annual basis. BTSC's insurance premiums are affected by the insurance coverage amount, the negotiation of the level of discounts given, the current market conditions and the level of no-claims bonuses accrued.

Interest Rate Exposure

BTSC's outstanding indebtedness is subject to fixed and variable interest rates. As of March 31, 2012 and December 31, 2012, BTSC's outstanding indebtedness (comprising finance lease liabilities and long-term debentures) amounted to THB11,939.9 million (US\$389.8 million) and THB9,461.1 million (US\$308.9 million), respectively.

Most of BTSC's indebtedness included in its carve-out financials is held in the form of long-term debentures which are subject to fixed rates. In relation to the THB4,000.0 million in aggregate principal amount of its Tranche 3 debentures, BTSC has entered into an interest rate swap agreement to swap a notional amount of THB3,000.0 million of its 5.75% per annum fixed rate exposure for floating rate exposure, subject to a maximum interest rate of 8.85% per annum. See "Market Risk-Interest Rate Risk" for further details of the swap agreement.

Income Taxes

BTSC has not accrued any income tax expense in the fiscal years ended March 31, 2010, 2011 and 2012, principally because BTSC had cumulative tax losses to offset taxable profits for these periods. However, all of the outstanding cumulative tax losses that BTSC had accumulated expired on December 4, 2012. As a result, BTSC began accruing income tax starting from December 5, 2012, which decreased its profit for the nine months ended December 31, 2012 and it expects will decrease its profit for future fiscal periods. However, BTSGIF is not subject to corporate income tax.

Critical Accounting Policies

The historical carve-out financial statements of BTSC are prepared in accordance with Thai GAAP. In preparing the historical carve-out financial statements, BTSC's management makes judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of certain line items in its assets and liabilities, and disclosure of contingent assets and liabilities, as of the date of the financial statements, and in the reported amounts of revenues and expenses during the reporting period. These judgments, estimates and assumptions are, of necessity, subjective in nature. The ability to effectively and accurately establish, monitor and adjust these policies may have a material impact on the accuracy and quality of the financial information BTSC reports.

The judgments, estimates and assumptions of BTSC are based on historical experiences, including changes in the business environment. However, actual results may differ from judgments, estimates and assumptions under different conditions, sometimes materially. Critical accounting policies are those that are most important to the portrayal of BTSC's financial condition and results of operations and that require the management's most subjective judgments, estimates or assumptions. The critical accounting policies of BTSC are described below.

Carve-out Financial Statements

The carve-out financial statements have been prepared from the historical accounting records of BTSC with respect to its BTS SkyTrain Business activities and present the assets and the liabilities assumed to be owned by the BTS SkyTrain Business as of the period-end dates covered, and the direct revenues and expenses attributable to the BTS SkyTrain Business for the relevant periods covered, including allocations of certain common expenses based upon selected criteria. Financial statements were not previously prepared for the BTS SkyTrain Business as it had no separate legal status. Furthermore, there was no general ledger for the BTS SkyTrain Business on a stand-alone basis. Cash management functions were a part of BTSC and were not performed within the BTS SkyTrain Business.

As the determination of certain assets, liabilities and expenses is dependent upon future events, the preparation of the carve-out financial statements requires the use of estimates and assumptions which BTSC believes have been made using careful judgment. In the opinion of BTSC's management, the carve-out financial statements have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies described in Note 2 to the notes to the carve-out financial statements. BTSC's management believes the assumptions underlying the carve-out financial statements of the BTS SkyTrain Business are reasonable.

However, the carve-out financial statements may not reflect the results of operations, financial position and cash flows of the BTS SkyTrain Business in the future or what the results of operations, financial position and cash flows of the BTS SkyTrain Business would have been if the BTS SkyTrain Business had been a stand-alone company. BTSC's direct investment in the BTS SkyTrain Business is shown as net assets value in place of shareholders' equity because a direct ownership by shareholders in the BTS SkyTrain Business does not exist for the fiscal periods covered in the carve-out financial statements. See "– Basis of Presentation" for further information on the carve-out financial statements.

Project Costs

Project costs are stated at cost less any accumulated amortization and impairment losses (if any). BTSC has capitalized all expenditures and other related expenses as an asset under the line item "project costs" and amortized as costs of fare box and administrative expenses over the concession period.

Project costs include management and consulting fees, design costs, civil works, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses, including exchange gains and losses incurred before commencement of operations.

Electrical works and machinery and rolling stock have been established by identifying both the direct outstanding balances together with the appropriate apportionment of assets relating to transactions of the BTS SkyTrain Business using the BTS SkyTrain Business cost allocation methodology.

Amortization of project costs is calculated by reference to their costs on the unit of throughput amortization method (or unit of production basis) in accordance with the following formula:

$$\text{Percentage of passengers for the year} = \frac{\text{Current year's actual passengers}}{(\text{Current year's actual passengers} + \text{Projected passengers during the remaining concession period})}$$

Annual amortization = Net elevated rail project costs x Percentage of passengers for the year.

Net project costs = Project costs less accumulated amortization.

BTSC determines the projected passengers during the remaining concession period by deducting the current year's actual passengers from the previous year's projection. If the current year's actual passengers vary from the corresponding projected figure by more or less than 2.0%, BTSC will adjust the projected passengers during the remaining concession period by reference to such variation. From time to time, where BTSC experiences extraordinary events which affect passenger flow, BTSC recalculates the projection based on studies to be commissioned by BTSC from specialist third party consultants who are experts in the mass transit industry.

Amortization of elevated rail project costs will increase if there are additional capital expenditures relating to the BTS SkyTrain (including purchases of rolling stock), if there is an increase in the actual number of passengers carried during the year as compared to the previous year, or if there is a decrease in the projected passengers during the remaining concession period. Conversely, any decrease in the actual number of passengers carried during the fiscal year as compared to the previous year or any increase in the projected passengers during the remaining concession period would decrease the amortization that is recorded. There is a direct correlation between the actual number of passengers carried and amortization of elevated rail project costs. Therefore, a 1.0% increase or decrease in the actual number of passengers carried will translate to a 1.0% increase or decrease, respectively, in the amortization of elevated rail project costs.

No amortization is provided on work under construction.

Amortization of administrative assets, presented as part of project costs, has been allocated to the BTS SkyTrain Business by the appropriate apportionment of shared costs allocated based on the actual route length of services provided at the end of each reporting period.

Spare Parts and Amortization

Spare parts – Automatic Fare Collection system consists of the following:

- Consumable spare parts, which are supplies and small parts that are depleted and consumed, are valued at the lower of cost (weighted average method) and net realizable value and are charged to costs of fare box whenever actually consumed.
- Reusable spare parts are stated at cost less accumulated amortization. Amortization of reusable spare parts is calculated by reference to their costs on the unit of production basis as described in “– Project Costs” above. BTSC amortizes such costs as costs of fare box over the concession period.

Spare parts – awaiting transfer, presented as a part of elevated rail project costs, are stated at cost less accumulated amortization. Amortization of spare parts – awaiting transfer is calculated by reference to their costs on the unit of production basis, as described in “– Project Costs” above. BTSC amortizes such costs as costs of fare box over the concession period.

Amortization of spare parts – awaiting transfer will increase if there are additional capital expenditures relating to such spare parts, if there is an increase in the actual number of passengers carried during the year as compared to the previous year, or if there is a decrease in the projected passengers during the remaining concession period. Conversely, any decrease in the actual number of passengers carried during the fiscal year as compared to the previous year or any increase in the projected passengers during the remaining concession period would decrease the amortization that is recorded. There is a direct correlation between the actual number of passengers carried and amortization of spare parts – awaiting transfer. Therefore, a 1.0% increase or decrease in the actual number of passengers carried will translate to a 1.0% increase or decrease, respectively, in the amortization of spare parts.

Spare parts – maintenance contract are stated at cost as defined in the maintenance contract. BTSC recognizes them as costs of farebox whenever actually consumed, after the contract expires.

Personnel Costs

The BTS SkyTrain Business does not directly employ personnel. The carve-out financial statements include an allocation of costs associated with pension schemes (defined contribution and defined benefit) to which those personnel belong.

Personnel costs in direct activities relating to the BTS SkyTrain Business have been allocated to the BTS SkyTrain Business and included in the carve-out financial statements. Where the costs relate to shared activities or functions, suitable cost allocation methods were developed and applied to arrive at the costs of the BTS SkyTrain business in the profit and loss accounts.

Defined Contribution Pension Scheme

BTSC operates a defined contribution pension scheme for the majority of employees within BTSC. Contributions made into this scheme are paid by BTSC at rates specified in the rules of the scheme. The fund's assets are held separately from those of BTSC in an independently administered fund.

The defined contribution scheme employer contributions allocated to the BTS SkyTrain Business amounted to THB33.7 million in the fiscal year ended March 31, 2012 and THB23.2 million in the nine months ended December 31, 2012, and these contributions have been recognized within personnel expenses within the statements of income of the carve-out financial statements.

Principal Components of Statement of Comprehensive Income

Revenues

The following table shows the breakdown of BTSC's revenues for the periods specified.

	Fiscal Year Ended March 31,						Nine Months Ended December 31,					
	2010		2011		2012		2011		2012			
	(THB in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%
Farebox revenues ...	3,484.6	100.0	3,544.8	100.0	4,296.8	140.3	100.0	3,119.9	100.0	3,633.0	118.6	99.9
Other income.....	–	–	0.1	–	1.9	–	–	–	–	3.6	0.1	0.1
Total	3,484.6	100.0	3,544.9	100.0	4,298.7	140.3	100.0	3,119.9	100.0	3,636.6	118.7	100.0

Farebox Revenues

Farebox revenues comprise revenues from the sale of tickets (net of any discounts on such fare). Prepaid values with respect to stored value tickets and passes are recorded as unearned revenues on BTSC's balance sheets until services are rendered, and a portion of such amounts corresponding to the net fare is recognized as farebox revenues.

Other Income

Other income comprise revenues from the sale of obsolete equipment and office supplies.

Expenses

The following table shows the breakdown of BTSC's expenses for the periods specified.

	Fiscal Year Ended March 31,						Nine Months Ended December 31,					
	2010		2011		2012		2011		2012			
	(THB in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%
Costs of farebox	2,064.3	79.9	1,997.9	79.2	2,231.8	72.9	84.2	1,642.3	84.0	1,859.0	60.7	83.3
Selling expenses	51.7	2.0	67.8	2.7	60.1	2.0	2.3	48.2	2.5	55.1	1.8	2.5
Administrative expenses	467.9	18.1	455.7	18.1	357.0	11.7	13.5	263.9	13.5	317.5	10.3	14.2
Total	2,583.9	100.0	2,521.4	100.0	2,648.9	86.6	100.0	1,954.4	100.0	2,231.6	72.8	100.0

Costs of Farebox

Costs of farebox comprise principally depreciation and amortization expenses, repair and maintenance expenses, staff and related costs, electricity expenses, insurance premium expenses and other costs of farebox. The following table shows the breakdown of the costs of farebox for the periods specified.

	Fiscal Year Ended March 31,						Nine Months Ended December 31,					
	2010		2011		2012		2011		2012			
	(THB in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%	(THB in millions)	%	(THB in millions)	(US\$ in millions)	%
Depreciation and amortization expenses ⁽¹⁾	936.6	45.4	932.5	46.7	1,181.7	38.5	53.0	853.7	52.0	983.9	32.1	52.9
Repair and maintenance expenses	465.1	22.5	402.9	20.1	372.5	12.2	16.7	273.3	16.6	273.4	8.9	14.7
Staff and related cost ⁽²⁾ ...	411.6	20.0	422.7	21.2	425.1	13.9	19.0	325.3	19.8	376.0	12.3	20.2
Electricity expenses	194.2	9.4	191.1	9.6	213.0	7.0	9.5	159.9	9.7	184.7	6.0	10.0
Insurance premium expenses	47.9	2.3	39.7	2.0	33.3	1.1	1.5	25.8	1.6	29.7	1.0	1.6
Other costs of farebox ⁽³⁾ ..	8.9	0.4	9.0	0.4	6.2	0.2	0.3	4.3	0.3	11.3	0.4	0.6
Total	2,064.3	100.0	1,997.9	100.0	2,231.8	72.9	100.0	1,642.3	100.0	1,859.0	60.7	100.0

(1) Excludes amortization expenses relating to the long-term debentures.

(2) Includes salaries and wages, and provision for long-term employee benefits.

(3) Includes travelling expenses, water supply expenses, custom duty expenses, cost of souvenir goods and card issuing fees.

Depreciation and amortization expenses. Depreciation and amortization expenses relate to the project costs of the BTS SkyTrain. See “Critical Accounting Policies – Project Costs” for details.

Repair and maintenance expenses. Repair and maintenance expenses comprise costs under the Maintenance Agreement, overhaul expenses and cost of spare parts.

Staff and related costs. Staff and related costs comprise salaries, wages and employee benefits relating to BTSC's staff who are directly involved in providing rail mass transit services for the BTS SkyTrain network.

Electricity expenses. Electricity expenses comprise the cost of electricity that BTSC purchases in connection with the BTS SkyTrain network, which fluctuations tend to track changes in worldwide crude oil and other fuel prices.

Insurance premium expenses. Insurance premium expenses comprise premium payments relating to BTSC's insurance policies for the BTS SkyTrain network. See "Business – Insurance" for details of our insurance policies.

Selling Expenses

Selling expenses comprise expenses principally promotion expenses, advertising expenses, primarily relating to marketing activities, and commission expenses, primarily paid to sales agencies for bulk sales of tickets. The following table shows the breakdown of BTSC's selling expenses for the periods specified.

	Fiscal Year Ended March 31,							Nine Months Ended December 31,					
	2010			2011		2012		2011			2012		
	(THB in			(THB in		(THB in	(US\$ in	(THB in		(THB in	(US\$ in		
	millions)	%		millions)	%	millions)	millions)	millions)	%	millions)	millions)	%	
Promotion expenses.....	14.0	27.1	24.4	36.0	10.0	0.4	16.7	8.2	16.9	9.6	0.3	17.4	
Advertising expenses.....	30.6	59.2	35.7	52.7	40.3	1.3	67.0	32.9	68.2	21.0	0.7	38.2	
Commission expenses.....	7.1	13.7	7.7	11.3	9.8	0.3	16.3	7.1	14.9	24.5	0.8	44.4	
Total.....	51.7	100.0	67.8	100.0	60.1	2.0	100.0	48.2	100.0	55.1	1.8	100.0	

Administrative Expenses

Administrative expenses comprise payroll and staff benefit expenses, utilities and security expenses, professional fees for auditors, technical consultants, financial advisors and other professionals, repair and maintenance expenses, depreciation expenses and other administrative expenses. The following table shows the breakdown of BTSC's administrative expenses for the periods specified.

	Fiscal Year Ended March 31,							Nine Months Ended December 31,						
	2010			2011		2012		2011			2012			
	(THB in millions)		%	(THB in millions)		%	(US\$ in millions)	(THB in millions)		%	(THB in millions)		(US\$ in millions)	%
Payroll and staff benefit expenses ⁽¹⁾	158.0	33.8	180.5	39.6	132.5	4.3	37.1	99.0	37.5	113.8	3.7	35.8		
Utilities and security expenses ..	64.5	13.8	60.8	13.3	47.7	1.6	13.4	35.8	13.6	61.7	2.0	19.4		
Professional fees	102.1	21.8	75.1	16.5	54.6	1.8	15.3	46.5	17.6	38.8	1.3	12.2		
Repair and maintenance expenses	40.3	8.6	39.1	8.6	34.9	1.1	9.8	25.1	9.5	38.7	1.3	12.2		
Depreciation and amortization expenses	43.3	9.2	44.3	9.7	36.9	1.2	10.3	27.8	10.5	23.3	0.7	7.4		
Others ⁽²⁾	59.7	12.8	55.9	12.3	50.4	1.7	14.1	29.7	11.3	41.2	1.3	13.0		
Total	467.9	100.0	455.7	100.0	357.0	11.7	100.0	263.9	100.0	317.5	10.3	100.0		

(1) Includes salaries and wages, and provision for long-term employee benefits.

(2) Includes, among others, communication expenses, stationary and office supply expenses, insurance premium expenses and taxation expenses.

Finance Costs

Finance costs include interest on the long-term debentures, gains or losses relating to BTSC's interest rate swap agreement and finance lease payments relating to the rental of motor vehicles and equipment for use in the BTS SkyTrain Business.

Results of Operations

Nine Months Ended December 31, 2012 Compared to Nine Months Ended December 31, 2011

Revenues. Revenues increased 16.6% to THB3,636.6 million (US\$118.7 million) in the nine months ended December 31, 2012 from THB3,119.9 million in the nine months ended December 31, 2011, primarily as a result of an increase in farebox revenues.

Farebox revenues. Farebox revenues increased 16.5% to THB3,633.0 million (US\$118.6 million) in the nine months ended December 31, 2012 from THB3,119.9 million in the nine months ended December 31, 2011, primarily due to ridership growth and an increase in the average fare. Ridership grew 14.3% to 146.3 million passengers in the nine months ended December 31, 2012 from 128.0 million passengers in the nine months ended December 31, 2011, principally as a result of the effect of the opening of the Sukhumvit Line Extension in August 2011, partially offset by the effect of the widespread flooding that occurred in Thailand, including Bangkok, between September and December 2011. The average fare increased 1.9% to THB24.83 per trip in the nine months ended December 31, 2012 from THB24.37 in the nine months ended December 31, 2011, primarily attributable to a decrease in promotional discounts by THB1.0 per trip for 30-day Smart Card holders.

Other income. Other income increased to THB3.6 million (US\$0.1 million) in the nine months ended December 31, 2012 from THB24,877.6 in the nine months ended December 31, 2011, primarily attributable to the sale of company vehicles.

Expenses. Expenses increased 14.2% to THB2,231.6 million (US\$72.8 million) in the nine months ended December 31, 2012 from THB1,954.4 million in the nine months ended December 31, 2011, primarily due to increases in costs of farebox, selling and administrative expenses.

Costs of farebox. Costs of farebox increased 13.2% to THB1,859.0 million (US\$60.7 million) in the nine months ended December 31, 2012 from THB1,642.3 million in the nine months ended December 31, 2011, primarily attributable to increases in depreciation and amortization expenses and, to a lesser extent, staff and related costs, electricity expenses and insurance premium expenses.

Depreciation and amortization expenses. Depreciation and amortization expenses increased 15.3% to THB983.9 million (US\$32.1 million) in the nine months ended December 31, 2012 from THB853.7 million in the nine months ended December 31, 2011, primarily attributable to an increase in ridership and the recognition of depreciation and amortization expenses in relation to the new signaling system for the full nine month-period ended December 31, 2012.

Repair and maintenance expenses. Repair and maintenance expenses increased slightly to THB273.4 million (US\$8.9 million) in the nine months ended December 31, 2012 from THB273.3 million in the nine months ended December 31, 2011, primarily due to an increase in expenses relating to station improvement, partially offset by a decrease in expenses relating to signaling maintenance because BTSC began maintaining its signaling system internally at a lower cost, as compared to the maintenance costs previously charged by a third party service provider.

Staff and related costs. Staff and related costs increased 15.6% to THB376.0 million (US\$12.3 million) in the nine months ended December 31, 2012 from THB325.3 million in the nine months ended December 31, 2011, primarily due to a general increase in salaries as a consequence of the 40% increase in Thai minimum wages from April 1, 2012 onwards, and an increase in headcount from 1,899 as of December 31, 2011 to 1,958 as of December 31, 2012.

Electricity expenses. Electricity expenses increased 15.5% to THB184.7 million (US\$6.0 million) in the nine months ended December 31, 2012 from THB159.9 million in the nine months ended December 31, 2011, primarily attributable to an increase in the average price of electricity to THB3.8 per kilowatt hour in the nine months ended December 31, 2012 from THB3.4 per kilowatt hour in the nine months ended December 31, 2011 and an increase in electricity usage due to higher ridership.

Insurance premium expenses. Insurance premium expenses increased 15.1% to THB29.7 million (US\$1.0 million) in the nine months ended December 31, 2012 from THB25.8 million in the nine months ended December 31, 2011, primarily as a result of an increase in the negotiated rate of insurance premiums. The insurance premiums increased as a result of negotiations and current market conditions, and not as a result of any incident or claim.

Other costs of farebox. Other costs of farebox increased to THB11.3 million (US\$0.4 million) in the nine months ended December 31, 2012 from THB4.3 million in the nine months ended December 31, 2011, primarily attributable to fluctuations from normal business operations.

Selling expenses. Selling expenses increased 14.2% to THB55.1 million (US\$1.8 million) in the nine months ended December 31, 2012 from THB48.2 million in the nine months ended December 31, 2011, primarily attributable to an increase in commission expenses in relation to the usage of Rabbit Cards, partially offset by a decrease in advertising expenses because BTSC ceased marketing activities relating to the redemption of points under the former loyalty card program after the commencement of the Rabbit Card program.

Administrative expenses. Administrative expense increased 20.3% to THB317.5 million (US\$10.3 million) in the nine months ended December 31, 2012 from THB263.9 million in nine months ended December 31, 2011, primarily attributable to increases in salaries and security and cleaning outsourcing expenses as a consequence of an increase in Thai minimum wages.

Profit before finance cost and corporate income tax. As a result of the above, profit before finance cost and corporate income tax increased 20.6% to THB1,405.0 million (US\$45.9 million) in the nine months ended December 31, 2012 from THB1,165.5 million in the nine months ended December 31, 2011. As a percentage of total revenues, profit before finance cost increased to 38.6% in the nine months ended December 31, 2012 from 37.4% in the nine months ended December 31, 2011.

Finance cost. Finance cost decreased 7.9% to THB560.1 million (US\$18.3 million) in the nine months ended December 31, 2012 from THB607.9 million in the nine months ended December 31, 2011, primarily due to a decrease in interest expense following the repayment of Tranche 1 of the Long-Term Debentures upon their scheduled maturity, partially offset by an increase in interest on finance leases and an increase in bank charges.

Profit before corporate income tax. As a result of the above, profit before corporate income tax increased 51.5% to THB844.9 million (US\$27.6 million) in the nine months ended December 31, 2012 from THB557.6 million in the nine months ended December 31, 2011. As a percentage of total revenues, profit before corporate income tax increased to 23.2% in the nine months ended December 31, 2012 from 17.9% in the nine months ended December 31, 2011.

Corporate income tax. Corporate income tax recorded in the nine months ended December 31, 2012 amounted to THB17.3 million (US\$0.6 million). BTSC did not record any corporate income tax in the nine months ended December 31, 2011 because it was able to benefit from tax loss carry forwards. However, BTSC began accruing corporate income tax beginning from December 5, 2012, after the expiry of its outstanding tax loss carry-forwards on December 4, 2012. BTSGIF is not subject to corporate income tax.

Profit for the period. As a result of the above, profit for the period increased 48.4% to THB827.6 million (US\$27.0 million) in the nine months ended December 31, 2012 from THB557.6 million in the nine months ended December 31, 2011. As a percentage of total revenues, profit for the period increased to 22.8% in the nine months ended December 31, 2012 from 17.9% in the nine months ended December 31, 2011.

Fiscal Year Ended March 31, 2012 Compared to Fiscal Year Ended March 31, 2011

Revenues. Revenues increased 21.3% to THB4,298.7 million (US\$140.3 million) in the fiscal year ended March 31, 2012 from THB3,544.9 million in the fiscal year ended March 31, 2011, primarily as a result of increases in farebox revenues.

Farebox revenues. Farebox revenues increased 21.2% to THB4,296.8 million (US\$140.3 million) in the fiscal year ended March 31, 2012 from THB3,544.8 million in the fiscal year ended March 31, 2011, primarily due to ridership growth. Ridership grew 21.2% to 176.0 million passengers in the fiscal year ended March 31, 2012 from 145.2 million passengers in the fiscal year ended March 31, 2011, principally as a result of the opening of the Sukhumvit Line Extension (On Nut – Bearing) in August 2011 as well as the full year effect of new feeder lines (the SARL Red Line in August 2010 and the BRT in May 2010) and the new four-carriage trains that were introduced progressively between June 2010 and February 2011. In addition, ridership in the prior fiscal year ended March 31, 2011 was adversely impacted by service disruptions during political demonstrations in April and May 2010, which did not recur in the fiscal year ended March 31, 2012. Ridership in the fiscal year ended March 31, 2012 was also adversely impacted, but to a lesser extent, by the widespread flooding that occurred in Thailand, including Bangkok, between September and December 2011. Average fares decreased slightly to THB24.41 per trip in the fiscal year ended March 31, 2012 from THB24.42 in the fiscal year ended March 31, 2011.

Other income. Other income from others increased to THB1.9 million (US\$0.0 million) in the fiscal year ended March 31, 2012 from THB38,360.7 in the fiscal year ended March 31, 2011, primarily attributable to the increase in sale of obsolete equipment and office supplies.

Expenses. Expenses increased 5.1% to THB2,648.9 million (US\$86.6 million) in the fiscal year ended March 31, 2012 from THB2,521.4 million in the fiscal year ended March 31, 2011, primarily due to increases in costs of farebox, partially offset by decreases in selling expenses and administrative expenses.

Costs of farebox. Costs of farebox increased 11.7% to THB2,231.8 million (US\$72.9 million) in the fiscal year ended March 31, 2012 from THB1,997.9 million in the fiscal year ended March 31, 2011, primarily attributable to increases in depreciation and amortization expenses and, to a lesser extent, staff and related costs and electricity expenses. This was partially offset by decreases in repair and maintenance expenses and insurance premium expenses.

Depreciation and amortization expenses. Depreciation and amortization expenses increased 26.7% to THB1,181.7 million (US\$38.5 million) in the fiscal year ended March 31, 2012 from THB932.5 million in the fiscal year ended March 31, 2011, primarily attributable to higher ridership, the introductions of the new four-carriage trains between June 2010 and February 2011 and the installation of a new signaling system in December 2010.

Repair and maintenance expenses. Repair and maintenance expenses decreased 7.5% to THB372.5 million (US\$12.2 million) in the fiscal year ended March 31, 2012 from THB402.9 million in the fiscal year ended March 31, 2011, primarily because BTS began maintaining its signaling system internally at lower cost, as compared to the maintenance costs which had previously been charged by a third party service provider and a decrease in the costs relating to the replacement of assets in relation to the maintenance of rolling stock.

Staff and related costs. Staff and related costs increased slightly to THB425.1 million (US\$13.9 million) in the fiscal year ended March 31, 2012 from THB422.7 million in the fiscal year ended March 31, 2011, primarily due to the recognition of employee benefits following the effectiveness of TAS 19 (Employee Benefits), partially offset by the reallocation of a portion of BTSC's staff and related costs to the operation of the extensions under the Long Term O&M Agreement.

Electricity expenses. Electricity expenses increased 11.5% to THB213.0 million (US\$7.0 million) in the fiscal year ended March 31, 2012 from THB191.1 million in the fiscal year ended March 31, 2011, primarily attributable to an increase in the average price of electricity to THB3.44 per kilowatt hour in the fiscal year ended March 31, 2012 from THB3.35 per kilowatt hour in the fiscal year ended March 31, 2011 and an increase in electricity usage due to the introduction into full service of new four-carriage trains and a reduction in time gap between trains, partially offset by a reallocation of a portion of BTSC's electricity expenses to the operation of the extensions under the Long Term O&M Agreement.

Insurance premium expenses. Insurance premium expenses decreased 16.1% to THB33.3 million (US\$1.1 million) in the fiscal year ended March 31, 2012 from THB39.7 million in the fiscal year ended March 31, 2011, primarily attributable to a reallocation of a portion of BTSC's insurance premium expenses to the operation of the extensions under the Long Term O&M Agreement and the appreciation of the Baht relative to the US Dollar, partially offset by an increase in the insurance premiums of BTSC's property all-risk and terrorism insurance due to an increase in the negotiated rates and coverage. The insurance premiums increased as a result of negotiations and current market conditions, and not as a result of any incident or claim.

Other costs of farebox. Other costs of farebox decreased 31.1% to THB6.2 million (US\$0.2 million) in the fiscal year ended March 31, 2012 from THB9.0 million in the fiscal year ended March 31, 2011, primarily attributable to fluctuations from normal business operations.

Selling expenses. Selling expenses decreased 11.4% to THB60.1 million (US\$2.0 million) in the fiscal year ended March 31, 2012 from THB67.8 million in the fiscal year ended March 31, 2011, primarily attributable to a decrease in promotion expenses in the fiscal year ended March 31, 2012. Promotion expenses for the fiscal year ended March 31, 2011 were negatively impacted by compensation costs for unused smart cards during service disruptions following political demonstrations in April and May 2010, which did not recur in the fiscal year ended March 31, 2012.

Administrative expenses. Administrative expense decreased 21.7% to THB357.0 million (US\$11.7 million) in the fiscal year ended March 31, 2012 from THB455.7 million in the fiscal year ended March 31, 2011, primarily attributable to a decreased in payroll and staff expenses as a result of the reallocation of a portion of BTSC's payroll and staff expenses to the operation of the extensions under the Long Term O&M Agreement, partially offset by the recognition of employee benefits following the effectiveness of TAS 19 (Employee Benefits).

Profit before finance cost and gain on debt restructuring under rehabilitation plan. As a result of the above, profit before finance cost and gain on debt restructuring under rehabilitation plan increased 61.2% to THB1,649.8 million (US\$53.8 million) in the fiscal year ended March 31, 2012 from THB1,023.5 million in the fiscal year ended March 31, 2011. As a percentage of total revenues, profit before finance cost and gain on debt restructuring under rehabilitation plan increased to 38.4% in the fiscal year ended March 31, 2012 from 28.9% in the fiscal year ended March 31, 2011.

Finance cost. Finance cost increased 9.1% to THB812.3 million (US\$26.5 million) in the fiscal year ended March 31, 2012 from THB744.7 million in the fiscal year ended March 31, 2011, primarily due to losses recognized in relation to BTSC's interest rate swap agreement for its Tranche 3 debentures.

Profit before gain on debt restructuring under rehabilitation plan. As a result of the above, profit before gain on debt restructuring under rehabilitation plan increased significantly to THB837.5 million (US\$27.3 million) in the fiscal year ended March 31, 2012 from THB278.8 million in the fiscal year ended March 31, 2011.

Gain on debt restructuring under rehabilitation plan. BTSC did not record any gain on debt restructuring under rehabilitation plan for the fiscal year ended March 31, 2011 or the fiscal year ended March 31, 2012.

Profit for the year. As a result of the above, profit for the year increased significantly to THB837.5 million (US\$27.3 million) in the fiscal year ended March 31, 2012 from THB278.8 million in the fiscal year ended March 31, 2011. As a percentage of total revenues, profit for the year increased to 19.5% in the fiscal year ended March 31, 2012 from 7.9% in the fiscal year ended March 31, 2011.

Fiscal Year Ended March 31, 2011 Compared to Fiscal Year Ended March 31, 2010

Revenues. Revenues increased 1.7% to THB3,544.9 million in the fiscal year ended March 31, 2011 from THB3,484.6 million in the fiscal year ended March 31, 2010, primarily as a result of increases in farebox revenues.

Farebox revenues. Farebox revenues increased 1.7% to THB3,544.8 million in the fiscal year ended March 31, 2011 from THB3,484.6 million in the fiscal year ended March 31, 2010, primarily due to a 0.5% total ridership growth from 144.5 million in the fiscal year ended March 31, 2010 to 145.2 million in the fiscal year ended March 31, 2011, and 1.2% growth in average fare from THB24.12 in the fiscal year ended March 31, 2010 to THB24.42 in the fiscal year ended March 31, 2011. BTSC's ridership increased 5.6% from July 1, 2010 to March 31, 2011 as a result of several factors, including organic growth, the opening of the Suvarnabhumi Airport Link, the introduction into full service of the new four-carriage trains and the impact of higher fuel costs on alternative forms of transport. Ridership from April 1, 2010 to June 30, 2010 was materially and adversely impacted by the closure and interruption of the BTS SkyTrain during April and May 2010 following widespread demonstrations in Bangkok. BTSC estimated that the revenue loss from the eight days of service closure and 19 days of partial service closure amounted to approximately THB170.0 million primarily offset by an increase in expired ticket value in Stored Value tickets and 30-day Smart Cards as a result of the closure and interruption of the BTS SkyTrain during April and May 2010.

Other income. BTSC recorded THB38,360.7 in other income in the fiscal year ended March 31, 2011, primarily attributable to the sale of obsolete office equipment. BTSC did not record any income from others in the fiscal year ended March 31, 2010.

Expenses. Expenses decreased 2.4% to THB2,521.4 million in the fiscal year ended March 31, 2011 from THB2,583.9 million in the fiscal year ended March 31, 2010, primarily attributable to decreases in costs of farebox and administrative expenses, partially offset by an increase in selling expenses.

Costs of farebox. Costs of farebox decreased 3.2% to THB1,997.9 million in the fiscal year ended March 31, 2011 from THB2,064.3 million in the fiscal year ended March 31, 2010, primarily attributable to decreases in repair and maintenance costs and, to a lesser extent, depreciation and amortization expenses and insurance premium expenses. This was partially offset by an increase in staff and related costs.

Depreciation and amortization expenses. Depreciation and amortization expenses decreased slightly to THB932.5 million in the fiscal year ended March 31, 2011 from THB936.6 million in the fiscal year ended March 31, 2010, primarily attributable to an increase in the ridership forecast which decreased the current year depreciation and amortization expense based on the unit of production amortization method.

Repair and maintenance expenses. Repair and maintenance expenses decreased slightly to THB402.9 million in the fiscal year ended March 31, 2011 from THB465.1 million in the fiscal year ended March 31, 2010, primarily because BTSC began maintaining its radio system internally at a lower cost, compared to the maintenance costs previously charged by a third party service provider and, to a lesser extent, the reallocation of a portion of BTSC's repair and maintenance expenses to the operation of the extensions under the Long Term O&M Agreement.

Staff and related costs. Staff and related costs increased slightly to THB422.7 million in the fiscal year ended March 31, 2011 from THB411.6 million in the fiscal year ended March 31, 2010, primarily due to an increase in headcount from 1,429 as of March 31, 2011 to 1,662 as of March 31, 2011 and salaries.

Electricity expenses. Electricity expenses decreased slightly to THB191.1 million in the fiscal year ended March 31, 2011 from THB194.2 million in the fiscal year ended March 31, 2010, primarily attributable to a reallocation of a portion of BTSC's electricity expenses to the operation of the extensions under the Long Term O&M Agreement.

Insurance premium expenses. Insurance premium expenses decreased 17.2% to THB39.7 million in the fiscal year ended March 31, 2011 from THB47.9 million in the fiscal year ended March 31, 2010, primarily attributable to a decrease in the negotiated rate of insurance premiums for BTSC's insurance policies generally, and a reallocation of a portion of BTSC's insurance premium expenses to the operation of the extensions under the Long Term O&M Agreement.

Other costs of farebox. Other costs of farebox increased slightly to THB9.0 million in the fiscal year ended March 31, 2011 from THB8.9 million in the fiscal year ended March 31, 2010, primarily attributable to fluctuations from normal business operations.

Selling expenses. Selling expenses increased 31.1% to THB67.8 million in the fiscal year ended March 31, 2011 from THB51.7 million in the fiscal year ended March 31, 2010, primarily attributable to an increase in promotion expenses in the fiscal year ended March 31, 2011 resulting from compensation costs for unused 30-day Smart Cards during service disruptions following political demonstrations in April and May 2010.

Administrative expenses. Administrative expense decreased 2.6% to THB455.7 million in the fiscal year ended March 31, 2011 from THB467.9 million in the fiscal year ended March 31, 2010, primarily attributable to decreases in utilities and security expenses and professional fees, partially offset by an increase in payroll and staff benefit expenses. Utilities and security expenses decreased primarily because of the full year effect in the fiscal year ended March 31, 2011 of allocation of such costs to the Silom Line Phase 1 Extension, which commenced commercial operations in May 2009, compared to an allocation of such expenses for less than a year in the fiscal year ended March 31, 2010.

Profit before finance cost and gain on debt restructuring under rehabilitation plan. As a result of the above, profit before finance cost and gain on debt restructuring under rehabilitation plan increased 13.6% to THB1,023.5 million in the fiscal year ended March 31, 2011 from THB900.7 million in the fiscal year ended March 31, 2010. As a percentage of total revenues, profit before finance cost and gain on debt restructuring under rehabilitation plan increased to 28.9% in the fiscal year ended March 31, 2012 from 25.8% in the fiscal year ended March 31, 2011.

Finance cost. Finance cost increased 61.8% to THB744.7 million in the fiscal year ended March 31, 2011 from THB460.3 million in the fiscal year ended March 31, 2010, primarily due to the full year effect of BTSC's financing costs under the long-term debentures issued on August 21, 2009.

Profit before gain on debt restructuring under rehabilitation plan. As a result of the above, profit before gain on debt restructuring under rehabilitation plan decreased 36.7% to THB278.8 million in the fiscal year ended March 31, 2011 from THB440.4 million in the fiscal year ended March 31, 2010.

Gain on debt restructuring under rehabilitation plan. BTSC recorded a one-time THB4,528.0 million gain on debt restructuring under rehabilitation plan in the fiscal year ended March 31, 2010, primarily attributable to the reversal of undue interest relating to the repayment of outstanding liabilities under the rehabilitation plan in September 2009 following the Central Bankruptcy Court's termination of BTSC's business rehabilitation in October 2008. See "The BTS SkyTrain Operator – BTSC's Business Rehabilitation Plan" for a summary of the business rehabilitation plan.

Profit for the year. As a result of the above, profit for the year decreased 94.4% to THB278.8 million in the fiscal year ended March 31, 2011 from THB4,968.4 million in the fiscal year ended March 31, 2010. As a percentage of total revenues, profit for the year decreased significantly to 7.9% in the fiscal year ended March 31, 2011 from 142.6% in the fiscal year ended March 31, 2010.

Liquidity and Capital Resources

Cash Flows

The following table sets out carve-out financial statements of cash flows of the BTS SkyTrain Business for the periods indicated.

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions)						
	(Audited)				(Unaudited)		
Statements of Cash Flows:							
Cash flows from (used in) operating activities:							
Operating cash flows before changes in operating assets and liabilities.....	1,914.1	2,030.9	2,905.0	94.8	2,083.2	2,450.5	80.0
Changes in operating assets and liabilities	13.8	(22.4)	(76.4)	(2.5)	(44.1)	(66.6)	(2.2)
Cash paid for interest expense.....	(517.7)	(695.9)	(769.9)	(25.1)	(551.0)	(523.3)	(17.1)
Cash paid for corporate income tax.....	—	—	—	—	—	(17.3)	(0.5)
Total	1,410.2	1,312.6	2,058.7	67.2	1,488.1	1,843.3	60.2
Cash flows from (used in) investing activities:							
Decrease (increase) in current investment	137.7	10.1	—	—	—	—	—
Decrease (increase) in restricted deposits at financial institution.....	—	253.9	—	—	—	—	—
Increase in long-term investment-debenture of a financial institution ..	—	—	—	—	—	(100.0)	(3.3)
Increase in advances for acquisition of assets	(40.7)	(21.2)	(0.3)	—	(1.1)	—	—
Increase in project costs.....	(883.8)	(1,025.6)	(69.3)	(2.3)	(72.1)	(30.9)	(1.0)
Others ⁽¹⁾	(37.4)	(28.4)	(22.8)	(0.7)	(17.2)	(17.1)	(0.5)
Total	(824.2)	(811.2)	(92.4)	(3.0)	(90.4)	(148.0)	(4.8)
Cash flows from (used in) financing activities:							
Repayment of finance lease liabilities ..	(3.6)	(3.3)	(0.3)	—	(0.2)	(0.2)	—
Repayment of liabilities under rehabilitation plan.....	(10,016.2)	—	—	—	—	—	—
Cash received from debentures	11,854.5	—	—	—	—	—	—
Repayment of long-term debentures	—	—	—	—	—	(2,500.0)	(81.6)
Net assets value received from (paid to) BTSG ⁽²⁾	(5,003.9)	(1,468.6)	(2,258.4)	(73.7)	(1,491.1)	1,212.3	39.5
Total	(3,169.2)	(1,471.9)	(2,258.7)	(73.7)	(1,491.3)	(1,287.9)	(42.1)
Net (decrease) increase in cash and cash equivalents.....							
	(2,583.2)	(970.5)	(292.4)	(9.5)	(93.6)	407.4	13.3

(1) Includes increase in advances, cash paid for acquisition of intangible assets, cash paid for acquisition of property, plant and equipment and proceeds from disposals of property, plant and equipment.

(2) Relates to the adjustment of the net book value of assets and liabilities of the BTS SkyTrain Business to prepare the audited carve-out financial statements.

Nine Months Ended December 31, 2012

In the nine months ended December 31, 2012, BTSC had cash flows from operating activities before changes in operating assets and liabilities of THB2,450.5 million (US\$80.0 million) and a net decrease in operating assets and liabilities of THB66.6 million (US\$2.2 million). Net decrease in operating assets and liabilities was principally a result of a THB174.9 million (US\$5.7 million) decrease in others, primarily attributable to an increase in accrued expenses in relation to the procurement of the signaling system. This was partially offset by THB132.1 million (US\$4.3 million) increase in trade and other accounts payable. In addition, BTSC paid interest expenses of THB523.3 million (US\$17.1 million) due under its Long-Term Debentures and THB17.3 million in cash paid for corporate income tax. As a result, BTSC's net cash generated from operating activities was THB1,843.3 million (US\$60.2 million).

In the nine months ended December 31, 2012, BTSC's cash flows used in investing activities of THB148.0 million (US\$4.8 million) were primarily attributable to a THB100.0 million (US\$3.3 million) increase in long-term investment relating to the purchase of a financial institution debenture and a THB30.9 million increase in project costs, relating to procurement of rolling stock and the radio system.

In the nine months ended December 31, 2012, BTSC's cash flows used in financing activities of THB1,287.9 million (US\$42.1 million) were primarily attributable to the repayment of Tranche 1 Long-Term Debentures upon their scheduled maturity amounting to THB2,500.0 million (US\$81.6 million), partially offset by net assets value paid to BTSC or its shareholders (depending on whether it is a net cash inflow or a net cash outflow) amounting to THB1,212.3 million (US\$39.5 million) relating to the adjustment of the net book value of assets and liabilities of the BTS SkyTrain Business to prepare the audited carve-out financial statements. See note 2 of the audited carve-out financial statements for further information on the basis of presentation.

Fiscal Year Ended March 31, 2012

In the fiscal year ended March 31, 2012, BTSC had cash flows from operating activities before changes in operating assets and liabilities of THB2,905.0 million (US\$94.8 million) and a net decrease in operating assets and liabilities of THB76.4 million (US\$2.5 million). Net decrease in operating assets and liabilities was principally a result of a THB75.7 million (US\$2.5 million) increase in spare parts, relating to the procurement of spare parts for 12 of BTSC's four-carriage trains, a THB23.9 million (US\$0.8 million) increase in other non-current assets, relating to the purchase of property, plant and equipment and a THB54.4 million (US\$1.8 million) decrease in trade and other accounts payable. This was partially offset by a THB34.4 million (US\$1.1 million) increase in unearned revenues, primarily attributable to cash payments received for Stored Value ticket purchases and top-ups and a THB38.6 million (US\$1.3 million) increase in other operating liabilities, principally a result of an increase in retention payments payable in relation to BTSC's signaling system, an increase of accrued electricity expenses and the cost of the signaling system. In addition, BTSC paid interest expenses of THB769.9 million (US\$25.1 million) due under its Long-Term Debentures. As a result, BTSC's net cash generated from operating activities was THB2,058.7 million (US\$67.2 million).

In the fiscal year ended March 31, 2012, BTSC's cash flows used in investing activities of THB92.4 million (US\$3.0 million) were primarily for a THB69.3 million (US\$2.3 million) increase in project costs, relating to the purchase of signaling equipment and other machinery, as well as the realignment of the On Nut station to facilitate the Sukhumvit Line Extension.

In the fiscal year ended March 31, 2012, BTSC's cash flows used in financing activities of THB2,258.7 million (US\$73.7 million) were primarily attributable to a THB2,258.4 million (US\$73.7 million) net assets value paid to BTSC or its shareholders (depending on whether it is a net cash inflow or a net cash outflow) relating to the adjustment of the net book value of assets and liabilities of the BTS SkyTrain Business to prepare the audited carve-out financial statements. See note 2 of the audited carve-out financial statements for further information on the basis of presentation.

Fiscal Year Ended March 31, 2011

In the fiscal year ended March 31, 2011, BTSC had cash flows from operating activities before changes in operating assets and liabilities of THB2,030.9 million and a net decrease in operating assets and liabilities of THB22.4 million. Net decrease in operating assets and liabilities was principally a result of a THB9.8 million increase in other current assets, relating to increases in prepaid insurance premiums and advance payments and a THB10.6 million decrease in trade and other accounts receivable. In addition, BTSC paid interest expenses of THB695.9 million due under its long-term debentures. As a result, BTSC's net cash generated from operating activities amounted to THB1,312.6 million.

In the fiscal year ended March 31, 2011, BTSC's cash flows used in investing activities of THB811.2 million were primarily for a THB1,025.6 million increase in project costs, relating to rolling stock and other machinery and equipment. This was partially offset by a THB253.9 million increase in restricted deposits at a financial institution in relation to security granted for the procurement of rolling stock.

In the fiscal year ended March 31, 2011, BTSC's cash flows used in financing activities of THB1,471.9 million were primarily attributable to a THB1,468.6 million net assets value paid to BTSC or its shareholders (depending on whether it is a net cash inflow or a net cash outflow) relating to the adjustment of the net book value of assets and liabilities of the BTS SkyTrain Business to prepare the audited carve-out financial statements. See note 2 of the audited carve-out financial statements for further information on the basis of presentation.

Fiscal Year Ended March 31, 2010

In the fiscal year ended March 31, 2010, BTSC had cash flows from operating activities before changes in operating assets and liabilities of THB1,914.1 million and a net increase in operating assets and liabilities of THB13.8 million. Net increase in operating assets and liabilities was principally a result of a THB21.0 million decrease in other current assets, relating to decreases in prepaid insurance premiums and suspense payments paid in advance, a THB11.8 million increase in unearned revenues, primarily attributable to cash payments received for Stored Value ticket purchases and top-ups, a THB16.8 million increase in retentions payable, relating to the new signaling system, and a THB32.4 million increase in other liabilities, relating to accrued interest due under BTSC's long-term debentures, partially offset by a THB78.4 million decrease in trade and other accounts payable. In addition, BTSC paid interest expenses of THB517.7 million. As a result, BTSC's net cash generated from operating activities amounted to THB1,410.2 million.

In the fiscal year ended March 31, 2010, BTSC's cash flows used in investing activities of THB824.2 million were primarily for a THB883.8 million increase in project costs, primarily relating to the procurement of rolling stock and other machinery and equipment. This was partially offset by a THB137.7 million decrease in current investment deposits at a financial institution, primarily attributable to the withdrawal of such cash to pay for rolling stock.

In the fiscal year ended March 31, 2010, BTSC's cash flows used in financing activities of THB3,169.2 million were primarily attributable to the repayment of liabilities amounting to THB10,016.2 million under rehabilitation plan in September 2009 following the Central Bankruptcy Court's termination of BTSC's business rehabilitation in October 2008 and a THB5,003.9 million net assets value paid to BTSC or its shareholders (depending on whether it is a net cash inflow or a net cash outflow) relating to the adjustment of the net book value of assets and liabilities of the BTS SkyTrain Business to prepare the audited carve-out financial statements, partially offset by THB11,854.5 million received from the long-term debentures that were issued in August 2009. See note 2 of the audited carve-out financial statements for further information on the basis of presentation and see "The BTS SkyTrain Operator – BTSC's Business Rehabilitation Plan" for a summary of the business rehabilitation plan.

Liquidity

After the Net Revenue Purchase and Transfer Agreement becomes effective, the daily farebox revenues net of projected O&M Costs will be transferred into BTSGIF's account, and the daily projected O&M Costs portion of the farebox revenues will be transferred into a separate O&M Costs account on the next business day. The O&M Costs for each month includes various costs of farebox, selling expenses and administrative expenses.

Commencing from the end of the third calendar month following the completion under the Net Revenue Purchase and Transfer Agreement, provided there is no event of default occurring under the Net Revenue Purchase and Transfer Agreement, BTSC will be entitled to withdraw the projected O&M Costs for such month out of the O&M Costs account no later than three business days following the end of each month. BTSC will be entitled to withdraw the projected O&M Costs for the first three months following the completion under the Net Revenue Purchase and Transfer Agreement at the end of such period. Therefore, BTSC will be required to fund such O&M Costs (which could be up to three months of O&M Costs) prior to withdrawing such amount from the O&M Costs account.

BTSC's primary sources of funding are cash from operating activities, indebtedness and equity. BTSC's total outstanding indebtedness (comprising finance lease liabilities and long-term debentures) amounted to THB11,877.3 million as of March 31, 2010, THB11,907.1 million as of March 31, 2011, THB11,939.9 million (US\$389.8 million) as of March 31, 2012 and THB9,461.1 million (US\$308.9 million) as of December 31, 2012.

Indebtedness

Long Term Debentures

On August 21, 2009, BTSC issued long-term debentures (the "Long Term Debentures") in five tranches with an initial aggregate principal amount of THB12,000.0 million as follows:

	Maturity Date	Interest Rate	Initial Principal Amount	Outstanding Principal Amount as of March 31, 2012		Outstanding Principal Amount as of December 31, 2012	
		(% per annum)	(THB in millions)	(THB in millions)	(US\$ in millions)	(THB in millions)	(US\$ in millions)
Tranche:							
Tranche 1	August 21, 2012	4.75	2,500.0	2,500.0	81.6	—	—
Tranche 2	August 21, 2013	5.25	2,500.0	2,500.0	81.6	2,500.0	81.6
Tranche 3	August 21, 2014	5.75	4,000.0	4,000.0	130.6	4,000.0	130.6
Tranche 4	August 21, 2015	6.25	1,500.0	1,500.0	49.0	1,500.0	49.0
Tranche 5	August 21, 2016	6.75	1,500.0	1,500.0	49.0	1,500.0	49.0
Total.....			<u>12,000.0</u>	<u>12,000.0</u>	<u>391.8</u>	<u>9,500.0</u>	<u>310.2</u>

As of March 31, 2012 and December 31, 2012, the aggregate principal amount of the Long Term Debentures was THB11,939.6 million (US\$389.8 million) and THB9,461.0 million (US\$308.9 million), respectively. The interest is payable every three months. Under the terms and conditions of the Long Term Debentures (the "Debenture Terms and Conditions"), BTSC is allowed to repurchase the Long Term Debentures at any time and price from the secondary market or other sources. In January 2013, BTSC repurchased an aggregate of THB1,037.0 million in principal amount of Long Term Debentures. The Long Term Debentures are not secured.

The Debenture Terms and Conditions contain various customary covenants, including:

- requiring BTSC to maintain a debt service coverage ratio of at least 1.2;
- limiting BTSC's ability to sell, transfer, or dispose material assets, rights or revenues under the Concession Agreement and other agreements specified under the Debenture Terms and Conditions;
- limiting BTSC's ability to lend or provide financial support, guarantees, or indemnify or accept indebtedness in relation to the obligations of any person;
- limiting BTSC's ability to declare or make any dividend payments or distributions of profits to its shareholders during the occurrence of an event of default under the Debenture Terms and Conditions or where such declaration will cause BTSC to be unable to comply with any provisions under the Debenture Terms and Conditions; and
- limiting BTSC's ability to reduce its paid-up capital.

The Debenture Terms and Conditions also contain various customary events of defaults, including:

- default of any of BTSC's obligations in the amount of THB200.0 million (or its equivalent under other currencies) or more for the first year and THB1.0 billion (or its equivalent under other currencies) or more for the remaining term of the Long Term Debentures, excluding outstanding trade expenses and trade payables;
- BTSC ceasing operations, or selling or transferring its operations under the Concession Agreement, in whole or in substantial part; and
- a material and adverse amendment or revocation of the Concession Agreement or any permits, licenses, consents or other benefits granted to BTSC from government authorities or officials and which are required for business operations of BTSC under the Concession Agreement or other agreements specified under the Debentures Terms and Conditions, provided such amendment or revocation materially affects BTSC's ability to repay debts and is not remedied within a period of 90 days from the occurrence.

Bank Loans

BTSC has obtained certain credit facilities from Bangkok Bank with amounts available to be drawn thereunder. The bank loans relate to the 35 additional carriages purchased from Siemens and the five additional trains from Changchun Railway Vehicles. These loans do not fall within the scope of the Net Revenue Purchase and Transfer Agreement. As a result, the bank loans are not reflected in the audited carve-out financial statements for the fiscal years ended March 31, 2010, 2011 and 2012 and the unaudited carve-out financial statements for the nine months ended December 31, 2011 and 2012. However, any breach of the terms of these loan agreements may trigger a cross-default or cross-acceleration of the Long Term Debentures described above. In addition, on January 30, 2013, BTSC drew down THB1,037.0 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. See "The BTS SkyTrain Operator – Description of Material Agreements – Bank Loans" for summaries of the various loan agreements.

Capital Expenditures

BTSC's capital expenditures have historically been principally for the purchase of rolling stock, signaling equipment, communications systems, automated fare collection equipment, station improvement and administrative equipment. The following table sets out BTSC's historical capital expenditures.

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
(in millions)							
Historical Capital Expenditures:							
Rolling stock.....	323.3	890.7	–	–	–	0.4	–
Signaling system.....	302.2	90.4	53.9	1.8	53.0	–	–
Automated fare collection equipment .	77.0	10.5	9.3	0.3	9.3	–	–
Depot modification	152.7	–	–	–	–	–	–
Others.....	106.8	83.7	31.2	1.0	28.2	51.2	1.7
Total	962.0	1,075.3	94.4	3.1	90.5	51.6	1.7

BTSC has various capital expenditures plans over the next few years, including the purchase of 35 additional carriages from Siemens to increase the number of carriages of its existing 35 trains to four carriages each, the purchase of five additional four-carriage trains from Changchun Railway Vehicles to support further extensions to the Silom Line, upgrades to the signaling system and upgrades to the BTS SkyTrain's operating assets and facilities. However, the capital expenditure relating to the 35 additional carriages purchased from Siemens and the five additional trains from Changchun Railway Vehicles has been allocated to the Long Term O&M Agreement and does not fall within the scope of the Net Revenue Purchase and Transfer Agreement. Therefore, these capital expenditure items will be the responsibility of BTSC and will not be reimbursed by BTSGIF. BTSC has not budgeted for any capital expenditure relating to the BTS SkyTrain Business for the fiscal years ended March 31, 2013 and 2014 and it does not expect to have any material capital expenditures relating to the BTS SkyTrain in the next few years. For any capital expenditures extending beyond the next few years, see “– BTSGIF and the BTS SkyTrain Business and Extensions – Strategies of BTSGIF”.

The nature of BTSC's capital expenditures, including any in the future, is subject to fluctuation from year to year and could be substantially higher in the years when large capital expenditures are required, including for the purchase of rolling stock. In such years, cash generated from the current year's operations may not be sufficient to meet all of BTSC's capital expenditure requirements and BTSC will be required to rely on cash resources accumulated from prior years' operations or external financing, such as bank borrowings. For example, BTSC has entered into loan agreements with banks to finance the purchase of the 35 additional carriages and the purchase of five new trains. See “– Indebtedness – Bank Loans” for further details.

Contractual Obligations

The following table sets forth BTSC's contractual obligations as of March 31, 2012 for the payment due by periods indicated.

	Payment Due By Period				Total
	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years	
	(THB in millions)				
Long-term debentures.....	2,500.0	8,000.0	1,500.0	–	12,000.0
Equipment and other purchase obligations ⁽¹⁾	260.6	–	–	–	260.6
Maintenance payment obligations ⁽²⁾	284.0	–	–	–	284.0
Interest payment obligations ⁽³⁾	649.1	899.8	39.7	–	1,588.6
Total contractual obligations	<u>3,693.7</u>	<u>8,899.8</u>	<u>1,539.7</u>	<u>–</u>	<u>14,133.2</u>

(1) Comprises additional improvement works on the signaling system.

(2) The expenses relating to the train overhaul expected in the fiscal years ended March 31, 2013 and 2014 has been excluded because it cannot be reliably estimated.

(3) Interest on floating rate obligations under the interest rate swap agreement described under “Market Risks – Interest Rate Risk” has been included at the maximum amount of the liability of THB46.3 million.

Off-Balance Sheet Transactions

Guarantees and Contingent Liabilities

As at 31 March 2012, BTSC has provided bank guarantees in favor of the following:

- the BMA amounting to THB37.5 million in respect of certain performance bonds as required under the Concession Agreement; and
- the MEA amounting to THB25.2 million to guarantee BTSC's payment obligations for electricity used as well as any penalties or other obligations and related interest resulting from its use of electricity.

Other than as described above, the BTS SkyTrain Business does not have any material off-balance sheet transactions.

Market Risks

BTSC is exposed to a variety of financial risks, including foreign currency risk and interest rate risk. See the notes to BTSC's carve-out historical financial statements for a description of its accounting policies and additional information.

Foreign Currency Exchange Rate Risk

BTSC's reporting currency is Thai Baht. BTSC's exposure to foreign currency risk arises mainly from maintenance costs and purchases of rolling stock and spare parts. A part of BTSC's maintenance costs under the Maintenance Agreement is denominated in Euros, invoiced and payable in Baht each month at the five business day average of the Bank of Thailand selling rate two business days prior to each payment date. Therefore, BTSC is exposed to foreign currency

exchange rate risk in relation to the Euro prior to such amounts being converted into Baht. Such foreign currency denominated expenses amounted to approximately 4.1%, 4.2% and 3.7% of BTSC's total expenses in the fiscal years ended March 31, 2010, 2011, 2012 and 4.9% and 6.7% of BTSC's total expenses in the nine months ended December 31, 2011 and 2012. After the Maintenance Agreement expires, BTSC may incur additional foreign currency exposure in relation to maintenance costs.

The capital expenditure relating to the purchases of the 35 additional carriages from Siemens and the five additional trains from Changchun Railway Vehicles has been allocated to the operation of the extensions under the Long Term O&M Agreement and any exchange rate exposure relating to such capital expenditure does not fall within the scope of the Net Revenue Purchase and Transfer Agreement. As a result, the audited carve-out financial statements for the fiscal years ended March 31, 2010, 2011 and 2012 and unaudited carve-out financial statements for the nine months ended December 31, 2011 and 2012 are not subject to any exchange rate exposure.

Interest Rate Risk

BTSC's outstanding indebtedness is subject to fixed and variable interest rates. As of March 31, 2012 and December 31, 2012, BTSC's outstanding indebtedness (comprising finance lease liabilities and long-term debentures) amounted to THB11,939.9 million (US\$389.8 million) and THB9,461.1 million (US\$308.9 million), respectively.

Most of BTSC's indebtedness included in the carve-out financial statements is held in the form of long-term debentures which are subject to fixed rates. In relation to the THB4,000.0 million in aggregate principal amount of its Tranche 3 debentures, BTSC has entered into an interest rate swap agreement with Deutsche Bank AG, Bangkok Branch to swap a notional amount of THB3,000.0 million of its 5.75% per annum fixed rate exposure for floating rate exposure, subject to a maximum interest rate of 8.85% per annum. The floating rate payable by BTSC depends on the level of the DB Pulse Basket IndexTM five index business days before each payment date. The DB Pulse Basket IndexTM is intended to reflect the combined performance of the DB Pulse EUR IndexTM and the DB Pulse USD IndexTM over certain periods. The DB Pulse EUR IndexTM is intended to reflect a notional long or short position in the FRB EUR Index over certain periods by reference to changes in three-month EURIBOR and ECB Target Rates, while the DB Pulse USD IndexTM is intended to reflect a notional long or short position in the FRB USD Index over certain periods by reference to changes in three-month LIBOR and FED Target Rates. Under the swap, BTSC is required to make settlement payments every six months, with the last settlement in February 2013. See Note 13 and Note 18 of the notes to the carve-out financial statement for further details of BTSC's interest rate swap and interest rate risk, respectively.

BTSC's finance costs relating to its floating rate exposure amounted to nil, THB30.5 million and THB93.3 million in the fiscal years ended March 31, 2010, 2011 and 2012 and THB70.1 million and THB70.1 million in the nine months ended December 31, 2011 and 2012. Any increase in the DB Pulse Basket IndexTM would result in an increase in the amount of interest that BTSC is required to pay, up to a maximum rate of 8.85% per annum. As of March 31, 2012 and December 31, 2012, the fair value of the swap agreement was THB91.4 million (US\$3.0 million) and THB46.7 million (US\$1.5 million), respectively.

Taxation

The prevailing corporate rate of income tax applicable to Thai companies generally is 30% but will be reduced to 23% in 2012, 20% in 2013 and 2014 and revert to 30% thereafter, unless the Government extends the tax reduction period. BTSC has not paid any corporate income tax during the past three years because it was able to benefit from tax loss carry forwards. However, BTSC began accruing income tax expense beginning from December 5, 2012, after the expiry of its outstanding tax loss carry-forwards on December 4, 2012. BTSGIF is not subject to corporate income tax.

In addition, to the extent that actual Sale Revenue for any particular taxable period exceeds the purchase price of the Sale Revenue allocated for such period, which may be treated as a deemed interest to be paid by BTSC to BTSGIF, BTSC has agreed to reimburse BTSGIF for BTSGIF's liability to pay a special business tax of 3.3% on such excess amounts.

Tax Loss Carry-Forwards

Tax loss carry-forwards primarily comprise BTSC's tax losses arising in relation to its business rehabilitation plan amounting to THB7,756.1 million (US\$253.2 million) as of March 31, 2012. Under Thai tax regulations, tax loss carry-forwards resulting from the normal course of business activity (including in relation to its business rehabilitation plan) can be used for a period of five years after the year of the tax loss. The table below sets forth BTSC's unused tax loss carry-forwards resulting from its normal course of business, including the years in which the carry-forwards expire, as of March 31, 2012.

Period During Which Tax Loss Carry Forward Expires	Amount of Carry-Forwards	
	THB	US\$
	(in millions)	
March 31, 2013	7,756.1	253.2
March 31, 2014	—	—
March 31, 2015	—	—
March 31, 2016	—	—
March 31, 2017	—	—
Total	<u>7,756.1</u>	<u>253.2</u>

The amount of income taxes payable by BTSC in the future will depend on various factors, including its results of operations, the utilization of available tax loss carry-forwards and the level of its capital expenditures. BTSC's tax loss carry-forwards may only be used by itself and not by BTSGIF or any subsidiary of BTSC. BTSC may not be able to use the potential future tax benefits of its tax loss carry-forwards in full or at all if it does not generate sufficient taxable income to offset the benefits before they expire.

Royal Decree

The Government issued the Royal Decree dated October 9, 2012 to grant certain tax exemptions to infrastructure mutual funds, subject to implementing secondary regulations. The Royal Decree 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, including BTSGIF, for a period of ten years from the registration of such infrastructure mutual funds. In order for their unitholders to enjoy the income tax exemption on dividend distributions, such infrastructure mutual funds have to meet all of the conditions listed below for the exemption on value added taxes, specific business taxes and stamp duties. In addition, the infrastructure mutual funds have to provide certain information to the Revenue Department, such as the names, passport or identity numbers of the prospective recipients of the dividend, the amount of dividend to be distributed and the date of dividend payment and to notify such recipients that the distributions are exempted from individual income tax.

The Royal Decree also grants exemptions from the value added taxes, specific business taxes and stamp duties, to:

- such infrastructure mutual funds in relation to the value of the base tax, income and execution of instruments arising out of or in connection with the transfer of an asset back to the original owner or titleholder of the asset, or to government agencies or organizations; and

- any owner or titleholder of assets in relation to the value of the base tax, income and execution of instruments arising out of or in connection with the transfer of assets related to the undertaking of infrastructure businesses of such funds, including (a) the transfer of physical assets which are contractually required to be transferred back to the original owner or titleholder or to be transferred to government agencies or organizations and (b) the transfer of intangible assets where such funds are contractually prohibited from transferring such rights to third parties other than the original owner or titleholder.

In order for the infrastructure funds or owners of assets to enjoy exemptions from value added taxes, specific business taxes and stamp duties, certain conditions have to be met, such as, among others, the transfer of assets must comply with criteria set out by the SEC, a portion of the investment units of the infrastructure fund must be sold to minority investors and the operation of the infrastructure business must be in the public interest of Thailand. The infrastructure mutual funds are also required to notify the Revenue Department of their acquisition of the assets along with the list and price of the assets as well as information on the entities or persons who sell, distribute, transfer or grant the rights to the assets. Infrastructure fund must also provide the Revenue Department with certain information regarding any entities or persons who will utilize such assets, including consideration paid, method of payment and period of use of such assets. Additionally, infrastructure mutual funds are also required to submit their annual financial statements to the Revenue Department within 30 days from the submission of such financial statements to the SEC.

If BTSGIF cannot comply with the conditions listed above, individual Unitholders will be subject to full income tax on distributions in respect of the Investment Units. See “Risk Factors – Risk Factors Relating to the Investment Units – Certain Unitholders may not have favorable tax treatment if secondary tax regulations are not issued on time or impose conditions with which Unitholders cannot comply”.

Thai Board of Investment Tax Incentives

BTSC has been granted certain privileges by the Board of Investment relating to the business of mass transit services and transportation of bulk goods, including (a) exemption from payment of import duty on machinery approved by the Board of Investment, (b) exemption from payment of income tax on net profit from promoted operations for a period of eight years from the date on which income is deemed to be first derived from such operations, (c) a five-year carry forward period for losses for tax purposes from promoted operations from the expiry of the eight-year period and (d) exemption from income tax on dividends paid to shareholders from the profit of promoted operations during the corporate tax exemption period. All of the aforementioned tax privileges have expired, except for (i) the five-year carry forward period for losses for tax purposes from promoted operations which will expire on December 4, 2012 and (ii) the exemption from the payment of import duties on machinery and equipment required for operation of the two extension lines as approved by the Board of Investment on the conditions that such machinery and equipment will be imported by April 10, 2014. These privileges are granted subject to compliance with various conditions, including (i) prohibiting the transfer, disposal, leasing or third party usage of the machinery exempt from import duty unless with the prior consent from the Board of Investment; (ii) requiring the notification of the Office of Board of Investment of any change of shareholding ratio between Thai shareholders and foreign shareholders and any change of shareholding of foreign shareholders; (iii) requiring at least 51% of the registered capital to be held by Thai nationals; (iv) prohibiting the cessation of operation of the BTS SkyTrain Business for more than two months unless with the written approval from the Office of Board of Investment; and (v) requiring the investment amount (excluding land cost and working capital) of at least Baht 4.0 billion.

Inflation

According to the Bank of Thailand, Thailand's annual overall inflation rate, as measured by the headline consumer price index, was -0.9%, 3.3% and 3.8% in 2009, 2010 and 2011, respectively. The Bank of Thailand estimates, in its inflation report dated January 2012, that the inflation rate for 2012 and 2013 will be 3.2% and 2.9%, respectively. BTSC believes that inflation in Thailand has not had a significant impact on its results of operations in recent years.

Changes in Thai GAAP

During the year ended March 31, 2012, a number of revised Thai Accounting Standards ("TAS") and new Thai Financial Reporting Standards ("TFRS"), issued by the Federation of Accounting Profession became effective. TAS 19 (Employee Benefits) had a material impact on the carve-out financial statements of the BTS SkyTrain Business for the fiscal year ended March 31, 2012, increasing the staff and related costs) by THB33.7 million.

Non-GAAP Financial Information

BTSC uses EBIT, Adjusted EBIT and Adjusted EBITDA to provide additional information about its operating performance. EBITDA represents earnings before interest and taxation after adding depreciation and amortization. EBIT represents earnings before interest and taxation. Adjusted EBITDA and Adjusted EBIT represent EBITDA and EBIT, respectively, after deducting gain on debt restructuring under rehabilitation plan. EBIT margins and Adjusted EBITDA margins represent Adjusted EBIT or Adjusted EBITDA, as the case may be, divided by revenues.

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 BTSC's performance that are not required by, or presented in accordance with, Thai GAAP or U.S. GAAP.

As a measure of operating performance, BTSC believes that the most directly comparable measure to EBIT, Adjusted EBIT and Adjusted EBITDA is net profit. BTSC uses EBIT, Adjusted EBIT and Adjusted EBITDA in addition to net profit because net profit includes many accounting items associated with capital expenditures, such as depreciation, as well as certain other non-operating transactions, such as interest income and interest expenses and income tax expenses. These accounting items may vary between companies depending on the method of accounting adopted by each company. By minimizing differences in capital expenditures and the associated depreciation expenses as well as reported tax positions, goodwill amortization and interest income and expenses, EBIT, Adjusted EBIT and Adjusted EBITDA provides further information about BTSC's operating performance and an additional measure for comparing BTSC's operating performance with other companies' results. Funds depicted by EBIT, Adjusted EBIT and Adjusted EBITDA may not be available for debt service due to covenant restrictions, capital expenditure requirements and other commitments.

The following table reconciles BTSC's net profit under Thai GAAP to its definition of EBIT, Adjusted EBIT, Adjusted EBIT margins, Adjusted EBITDA and Adjusted EBITDA margins for the periods indicated:

	Fiscal Year Ended March 31,				Nine Months Ended December 31,		
	2010	2011	2012	2012	2011	2012	2012
	THB	THB	THB	US\$	THB	THB	US\$
	(in millions, except for percentages)						
Net profit for the year/period.....	4,968.4	278.8	837.5	27.3	557.6	827.6	27.0
Add:							
Finance cost.....	460.3	744.7	812.3	26.5	607.9	560.1	18.3
Corporate income tax expense	—	—	—	—	—	17.3	0.6
EBIT	5,428.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Deduct:							
Gain on debt restructuring under rehabilitation plan.....	4,528.0	—	—	—	—	—	—
Adjusted EBIT	900.7	1,023.5	1,649.8	53.8	1,165.5	1,405.0	45.9
Add:							
Depreciation and amortization	979.9	976.8	1,218.6	39.8	881.5	1,007.2	32.9
Provision for long-term employee benefits	31.3	24.8	36.6	1.2	27.4	19.2	0.6
Adjusted EBITDA	1,911.9	2,025.1	2,905.0	94.8	2,074.4	2,431.4	79.4
Revenues.....	3,484.6	3,544.9	4,298.7	140.3	3,119.9	3,636.6	118.7
Adjusted EBIT margin	25.8%	28.9%	38.4%	38.4%	37.4%	38.6%	38.6%
Adjusted EBITDA margin	54.9%	57.1%	67.6%	67.6%	66.5%	66.9%	66.9%

You should not consider EBIT, Adjusted EBIT, Adjusted EBIT margins, Adjusted EBITDA and Adjusted EBITDA margins in isolation or construe it as an alternative to net profit, or as an indicator of operating performance or any other standard measure under Thai GAAP or U.S. GAAP. EBIT, Adjusted EBIT, Adjusted EBIT margins, Adjusted EBITDA and Adjusted EBITDA margins used in this Offering Memorandum may not be comparable to similarly titled measures used by other companies.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF BTSGIF

The following tables present BTSGIF'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 Offering Memorandum.

The pro forma financial statements have been compiled in accordance with the basis set out in Note 3 and Note 4 to the notes to the unaudited pro forma financial information of BTSGIF included in Annex D of this Offering Memorandum, and are drawn up based on accounting policies as described in Note 6 to the notes to the unaudited pro forma financial information of BTSGIF included in Annex D of this Offering Memorandum that are expected to be used for BTSGIF'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 BTSGIF included in Annex D of this Offering Memorandum. Their presentation has been made in accordance with the format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

BTSGIF'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 BTSGIF 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 BTSGIF as at March 31, 2012 and December 31, 2012;
- the financial results of BTSGIF 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 BTSGIF 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 Annex D of this Offering Memorandum and "Summary of Significant Differences between Thai GAAP and U.S. GAAP" for further details.

The objective of the unaudited pro forma financial information is to illustrate what the financial position of BTSGIF 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 BTSGIF on the Listing Date. The unaudited pro forma financial information, because of its nature, may not give a true picture of BTSGIF's actual results of operations, financial position and cash flows.

BTSGIF will receive the Net Farebox Revenues after the offering of the Investment Units, the establishment of BTSGIF 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 BTSGIF.

See Notes 3 and 4 of the unaudited pro forma financial information of BTSGIF included in Annex D of this Offering Memorandum for the key adjustments and assumptions made for the preparation of the unaudited pro forma financial information.

You should note that the unaudited pro forma financial information included elsewhere in this Offering Memorandum was not prepared in connection with an offering registered with the United States Securities and Exchange Commission under the Securities Act and is consequently not intended to be compliant with the United States Securities and Exchange Commission's rules and regulations on presentation of pro forma financial information. Also, Ernst & Young Office Limited's procedures on the unaudited pro forma financial statements have not been carried out in accordance with attestation standards generally accepted in the United States or other jurisdictions (other than Thailand) and accordingly should not be relied on as if they had been carried out in accordance with those standards.

Pro Forma Statements of Financial Position

	As of March 31,		As of December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
	(in millions)			
Unaudited pro forma statements of financial position:				
Assets				
Investment in the net revenue purchase and transfer agreement	61,000	1,992	61,000	1,992
Cash at bank.....	977	32	968	32
Interest receivable	1	–	2	–
Issuance cost – net.....	783	25	489	15
Total assets	<u>62,761</u>	<u>2,049</u>	<u>62,459</u>	<u>2,039</u>
Liabilities				
Accounts payable and accrued expenses ...	4	–	3	–
Total liabilities	<u>4</u>	<u>–</u>	<u>3</u>	<u>–</u>
Net assets	<u>62,757</u>	<u>2,049</u>	<u>62,456</u>	<u>2,039</u>
Net assets				
Fund registered	<u>62,175</u>	<u>2,030</u>	<u>61,784</u>	<u>2,017</u>
Paid-in capital from unitholders	62,175	2,030	61,784	2,017
Retained earnings.....	<u>582</u>	<u>19</u>	<u>672</u>	<u>22</u>
Net assets	<u>62,757</u>	<u>2,049</u>	<u>62,456</u>	<u>2,039</u>

Pro Forma Statements of Changes in Net Assets

	For the Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
(in millions)				
Unaudited pro forma statements of changes in net assets:				
Increase in net assets resulting from operations during the period				
Net income	2,330	76	2,019	66
Increase in net assets resulting from operations				
	2,330	76	2,019	66
Increase in paid-in capital from unitholders				
	62,175	2,030	–	–
Distributions of income to unitholders...				
	(1,748)	(57)	(1,929)	(63)
Decrease in paid-in capital from unitholders				
	–	–	(391)	(13)
Increase (decrease) in net assets during the period.....				
	62,757	2,049	(301)	(10)
Net assets – beginning of period.....				
	–	–	62,757	2,049
Net assets – end of period				
	62,757	2,049	62,456	2,039

Pro Forma Statements of Income

	For the Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
(in millions)				
Unaudited pro forma statements of income:				
Investment income				
Income from the investment in the net revenue purchase and transfer agreement⁽¹⁾				
	2,809	92	2,376	78
Interest income				
	3	–	5	–
Total income				
	2,812	92	2,381	78
Expenses				
Fund management fee.....				
	50	2	37	1
Trustee's fee				
	13	–	10	–
Registrar's fee				
	5	–	4	–
Professional fees				
	13	1	10	1
Audit fee				
	2	–	1	–
Other expenses				
	8	–	6	–
Amortisation of issuance cost				
	391	13	294	10
Total expenses				
	482	16	362	12
Net income				
	2,330	76	2,019	66
Net income available to the unit holders...				
	2,330	76	2,019	66
Add back: excess liquidity due to amortisation of issuance cost.....				
	391	13	294	10
Total distribution available to unitholders				
	2,721	89	2,313	76

(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 Year from April 1, 2011 to March 31,		For the Nine-Months Ended December 31,	
	2012	2012	2012	2012
	THB	US\$	THB	US\$
(in millions)				
Unaudited pro forma statements of cash flows:				
Cash flows from operating activities:				
Net income	2,330	76	2,019	66
Adjustments to reconcile net income to net cash provided by (paid from) operating activities:				
Amortisation of issuance cost	391	13	294	10
Acquisition of investment	(61,000)	(1,992)	–	–
Increase in interest receivable	(1)	–	(1)	–
Increase (decrease) in accounts payable....	4	–	(1)	–
Net cash from (used in) operating activities.....	(58,276)	(1,903)	2,311	76
Cash flows from financing activities				
Proceed from paid-in capital from unitholders ⁽¹⁾	62,175	2,030	–	–
Payment of the issuance cost	(1,174)	(38)	–	–
Distributions of income to unitholders.....	(1,748)	(57)	(1,929)	(63)
Capital reduction.....	–	–	(391)	(13)
Net cash from (used in) financing activities.....	59,253	1,935	(2,320)	(76)
Net increase (decrease) in cash at bank .	977	32	(9)	–
Cash at bank at beginning of period	–	–	977	32
Cash at bank at end of period	977	32	968	32

(1) Based on the sum of the appraisal value and estimated for issuance cost.

PROFIT AND CASH FLOW PROJECTIONS OF BTSGIF

Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in Annex E of this Offering Memorandum and are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by BTSGIF, the Management Company, BTSC, the Sponsor, any of the Initial Purchasers, the Thai Lead Underwriter, the Financial Adviser, the Fund Supervisor or any other person, nor that these results will be achieved or are likely to be achieved. See “Forward-looking Statements” and “Risk Factors”. Investors in the Investment Units are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Offering Memorandum.

The following tables set forth BTSGIF projected statements of income and statements of cash flows for the Projection Period 2013 and the Projection Fiscal Year 2014 as extracted from the “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum. The fiscal year-end of BTSGIF is March 31 of each year. BTSGIF’s first accounting period will be for the period from April 17, 2013 to March 31, 2014. Prospective investors are further advised that the Independent Auditors have not delivered any form of assurance in respect of the profit and cash flow projections of BTSGIF in connection with the International Offering of Investment Units. Such profit and cash flow projections were not prepared with a view toward compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants regarding projections or US GAAP. Accordingly, prospective investors should not place any reliance on the profit and cash flow projections of BTSGIF included herein.

The profit and cash flow projections of BTSGIF for the Projection Period 2013 and Projection Fiscal Year 2014 included in this Offering Memorandum has been prepared by the Management Company and BTSC based on accounting policies described in Note 5 to the notes to the “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum that are expected to be used for BTSGIF’s reporting of future 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 “Projected Statements of Income and Statements of Cash Flows for the Three-Month Period from January 1, 2013 to March 31, 2013 and for the Year Ending March 31, 2014” included in Annex E of this Offering Memorandum.

Actual investment income and cash flows will not begin to accrue until the sale of the Sale Revenue under the Net Revenue Purchase and Transfer Agreement becomes effective. Therefore, actual amounts of investment income and cash flows that will accrue will differ from the investment income and cash flow in the profit and cash flow projections of BTSGIF. In addition, the profit and cash flow projections of BTSGIF have not been updated for events which have taken place since the date of this Offering Memorandum. The Management Company does not intend to furnish any updated or revised profit and cash flow projections.

BTSGIF will receive the Net Farebox Revenues after the offering of the Investment Units, the establishment of BTSGIF 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 BTSGIF.

The profit and cash flow projections of BTSGIF contained in this Offering Memorandum should be reviewed in conjunction with the description of BTSGIF's business and the other information contained in this Offering Memorandum, including the information set forth in "Risk Factors".

This information necessarily is based upon a number of assumptions and estimates that, while presented with numerical specificity and considered reasonable by the Management Company and the Sponsor, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond its control, and upon assumptions with respect to future business decisions which are subject to change. Accordingly, the Management Company and the Sponsor cannot provide any assurance that these results will be realized. The prospective financial information presented in this Offering Memorandum may vary materially from actual results. Neither the Management Company nor the Sponsor makes any representation that these results will be achieved. Investors should not place undue reliance on this information. See "Risk Factors – Risks Relating to Our Organization and the Structure of BTSGIF – The assumptions in "Profit and Cash Flow Projections of BTSGIF" 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".

Investors in the Investment Units should read the whole "Profit and Cash Flow Projections of BTSGIF" section together with the "Projected Statements of Income and Statements of Cash Flows of BTSGIF as of and for the Three Months Ending March 31, 2013 and for the Year Ending March 31, 2014" included in Annex E of this Offering Memorandum.

Projected Statements of Income

	Projection Period	Projection Fiscal 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
Trustee'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 (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	0.63
Cash payout to Unitholders (%)⁽⁴⁾		
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

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- (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 in preparing the “Profit and Cash Flow Projections of BTSGIF”. 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 BTSGIF 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.

In BTSGIF’s actual financials, 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) Cash payment to Unitholders (%) is calculated from the amount payable to Unitholders divided by the Offering Price.

Projected Statements of Cash Flows

	Projection Period	Projection Fiscal Year
	2013 ⁽¹⁾	2014 ⁽²⁾
	THB	THB
	(in millions)	
Projected Statements of Cash Flows:		
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 in accounts payable and accrued expenses	1	2
Net cash from (used in) operating activities	(60,246)	3,616
Cash flow from financing activities:		
Proceed from paid-in capital from unitholders ⁽³⁾	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 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) Based on the sum of value as appraised by American Appraisal (Thailand) Limited and estimated issuance cost.

Bases and Assumptions

The projected profit and cash flow statements for the three-month period from January 1, 2013 to March 31, 2013 and for the year ending March 31, 2014 was prepared based on the significant assumptions set out in Annex E of this Offering Memorandum. The Management Company and BTSC consider these assumptions to be appropriate and reasonable as at the date of this Offering Memorandum. However, investors should consider these assumptions as well as the projected profit and cash flow statements and make their own assessment of the future performance of the Fund. Please refer to Annex E of this Offering Memorandum for further information.

Sensitivity Analysis

The projected statement of income is based on significant assumptions that are outlined in Annex E to this Offering Memorandum. The projected statement of income is also subject to a number of factors such as following:

- The growth rate of farebox revenue
- The growth rate of operational maintenance expense
- The growth rate of staff costs
- The growth rate of energy costs

Investor should be aware that future events cannot be predicted with any certainty and deviations from the figures projected in the projected statement of income are to be expected. To assist investors in assessing the impact of these assumptions on the projected statement of income, a series of tables demonstrating the sensitivity of cash payout to unitholders per unit (including return of cash due to excess liquidity) to changes in certain significant assumptions is set out below.

The sensitivity analysis is intended to provide as a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown. Changes in the Fund's growth rates of the above mentioned factors impact the cash payout to unitholders per unit (including return of cash due to excess liquidity) as set out below.

(1) Farebox revenue

	Cash payout to unitholders per unit (including return of cash due to excess liquidity) (THB in millions)	
	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	693	3,336
Base case	754	3,614
5.0% higher than base case.....	814	3,892

(2) *Operational maintenance expense*

	Cash payout to unitholders per unit (including return of cash due to excess liquidity) (THB in millions)	
	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	760	3,643
Base case	754	3,614
5.0% higher than base case.....	747	3,585

(3) *Staff costs*

	Cash payout to unitholders per unit (including return of cash due to excess liquidity) (THB in millions)	
	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	759	3,638
Base case	754	3,614
5.0% higher than base case.....	748	3,590

(4) *Energy costs*

	Cash payout to unitholders per unit (including return of cash due to excess liquidity) (THB in millions)	
	Projection for the three-month period from January 1, 2013 to March 31, 2013	Projection for the year ending March 31, 2014
5.0% lower than base case.....	756	3,627
Base case	754	3,614
5.0% higher than base case.....	751	3,601

INDUSTRY

The information presented in this section, including all data (actual, estimates and forecasts) relating to, among others, demand, capacity, passenger numbers, number of trips and market share, has been derived from publicly available documents and government publications as well as industry sources. We do not make any representation as to the accuracy of this information. These sources are based on economic and other assumptions that may prove to be incorrect and the information has not been independently verified by BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter, nor any of our or its respective advisors and none of us can guarantee its validity. You should recognize that certain industry data contained in this section is estimated in the absence of official company confirmation or reliable country source information, and you should not place undue reliance on such data. Some amounts in this section are rounded.

This section includes forecasts and other forward-looking estimates. These forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic and competitive market conditions and future government and business decisions, all of which are difficult or impossible to predict accurately. Actual results and future events could differ materially from such projections. You should not place undue reliance on such statements, or on the ability of publicly available documents, government publications, industry sources or any other third party to accurately predict future industry trends or performance.

Overview

Bangkok, as Thailand's capital city, is the center of business, tourism and transportation in the country. The city is strategically located, with accessibility through major international airports and seaports, and the presence of a large pool of competent manpower.

Bangkok commuters have limited choices for commuting within the city. While road transport (which includes private cars, buses, taxis, vans, tuk tuks and motorcycle taxis) is popular, Bangkok streets are often very congested resulting in long commute times. Other alternatives such as boats or trains may provide faster services but coverage is limited only to selected destinations within Bangkok. Furthermore, most businesses are clustered within the central business districts leading to a constant demand for rapid transportation to the inner city.

As the rail transit network in Bangkok develops, the rail transit system as the means of daily commute has become increasingly popular. Ridership on the rail transit systems, namely, the BTS SkyTrain and the Bangkok MRT Subway, have grown at an annual compounded rate of 10.6% and 4.1%, respectively, since their first full calendar year of operation. The following table demonstrates the ridership of the BTS SkyTrain and the Bangkok MRT Subway.

Ridership of Mass Transit System in Bangkok*

(‘000 passengers)

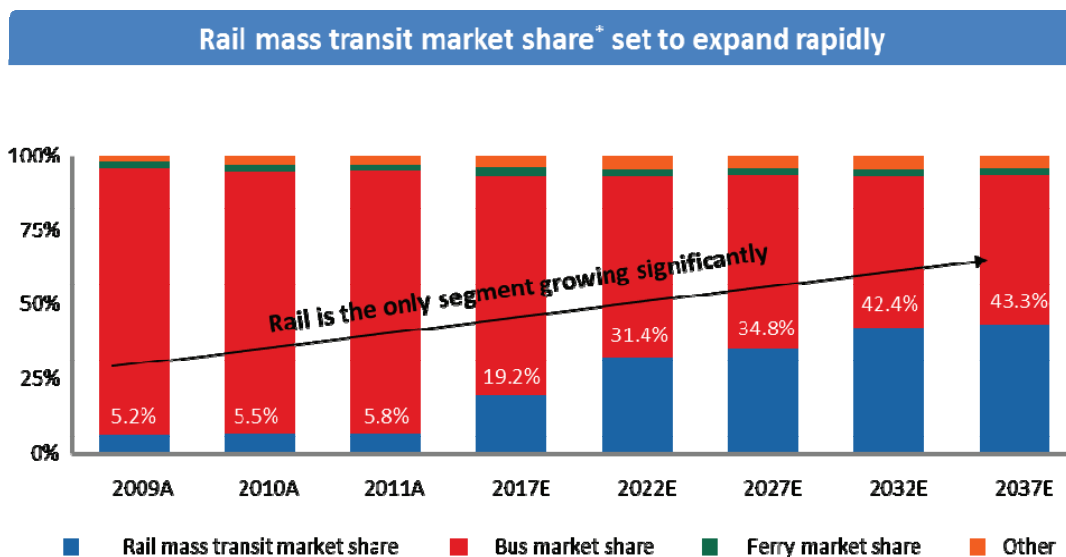
Type of Vehicle	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bangkok MRT											
Subway	N.A.	N.A.	N.A.	14,817	54,607	57,694	59,686	61,418	63,419	64,553	69,502
Growth		0.0%	0.0%	0.0%	0.0%	5.7%	3.5%	2.9%	3.3%	1.8%	7.7%
BTS SkyTrain	74,026	93,494	102,349	115,681	127,350	140,049	132,071	136,350	140,958	143,103	167,348
Growth		26.3%	9.5%	13.0%	10.1%	10.0%	-5.7%	3.2%	3.4%	1.5%	16.9%

Source: Ministry of Transportation (MoT), Thailand

* Calendar Year

N.A. Not Applicable

As a result of the rail network expansion, the footprint of Bangkok’s mass transit network will develop to become more prominent, allowing a much broader population base to complete their journeys on less congested, and more punctual forms of transit. The Office of Transport and Traffic Policy and Planning (“OTP”) has conducted a study that shows a significant increase in rail mass transit market share since 2009. In addition, OTP has forecasted that rail mass transit demand in Bangkok will significantly replace bus transit demand by 2037 as a result of expansion of rail network length. By 2032 and 2037, rail mass transit market share in Bangkok is projected to rise to 42.4% and 43.3%, respectively.



Source: Ministry of Transportation (MoT), Thailand

* Market share is measured in terms of number of trips per day

Industry Outlook

Thai Government Promotes Mass Transport Infrastructure as a National Agenda

The Government has explicitly stated that its policy is to develop the city's infrastructure by investing in mass transit infrastructure projects. Examples of new project developments include the execution of the construction contract for the Blue Line project, the Hua Lamphong-Bang Khae section and the Bang Sue-Tha Phra section, in February 2011. Other mass transit extension projects are also in progress. These include the Bang Sue-Taling Chan section of the Light Red Line (which, according to the State Railway of Thailand, the construction of which is completed and the completion certificate was issued on July 18, 2012) and the Bang Yai-Bang Sue section of the Purple Line (which, according to a group of advisors involved in the project, is 51.1% completed as of June 2012). In addition, the Government has included the "policy on infrastructure, rail transport system development and management of goods and services transportation" as one of the 10 urgent policies to be implemented under the Policy Statement of the Council of Ministers dated August 23, 2011.

As part of the effort to improve the rail transit system in the Bangkok Metropolitan and surrounding areas, the Mass Transit Network Development Plan (2010-2029) has been initiated for a mass transit network of 12 routes with over 300 stations spreading 508.0 km in length, which requires a total investment of approximately THB1,755.2 billion over 20 years. According to OTP, by 2029, an estimate of 5.1 million people will be covered by the network. A more comprehensive mass transit network will connect and function as a feeder to the existing mass transit system, which is then expected to increase ridership for the entire network and attract more people to live along the rail transit system. As residential areas develop along the route, it also creates captive demand for rail transit system services. In line with the Government's policy, construction of 10 mass rapid transit lines within the Bangkok Metropolitan area is targeted to be complete within four years.

Bangkok's Rail Network Currently Relatively Immature

Rail mass transit systems are well-known transportation systems in terms of time efficiency, reliability and safety and are a common transportation system among developed countries. In such countries, because the systems were completed earlier than the Bangkok rail mass transit system, they have now reached a more mature and pervasive (defined as rail mass transit length per million population) state. Berlin and New York, for example, have mature and pervasive networks with 99.8 km and 126.2 km of rail mass transit length per million of population, respectively. Meanwhile in Asia, Singapore and Hong Kong are examples where the development of rail mass transit systems has become more mature as both systems were introduced more than 20 years ago and cover a broad footprint of residential and business areas. Pervasion in Singapore and Hong Kong has reached 28.6 km and 30.7 km per million of population, respectively.

The table below shows the urban mass transit pervasion for the regions and cities indicated.

Region/City	Population (million)	Rail mass transit length (km)	Urban mass transit pervasion*
Asia			
<i>Bangkok</i>	6.9	79.0	11.5
<i>Tokyo</i>	13.0	320.0	24.6
<i>Hong Kong</i>	7.1	218.2	30.7
<i>Singapore</i>	5.2	148.9	28.6
<i>Beijing</i>	19.6	228.0	11.6
<i>Seoul</i>	10.6	152.0	14.3
<i>Jakarta</i>	9.6	110.3	11.5

Region/City	Population (million)	Rail mass transit length (km)	Urban mass transit pervasion*
Europe			
<i>Berlin</i>	3.4	339.4	99.8
<i>London</i>	8.3	430.0	51.8
<i>Paris</i>	9.6	244.4	25.5
America			
<i>New York</i>	8.4	1,060.3	126.2

Sources: United Nations Statistic Division, MTR Corporation Limited, SMRT Corporation Limited, BTSC, BMCL, official websites of rail mass transit system in major cities

* Rail mass transit length per million population

The table below shows a comparison of the population density to the rail mass transit length.

Region/City	Population Density (persons per square km) in 1980	Population Density (persons per square km) in 2010	Rail mass transit length (km)
<i>Bangkok</i>	3,001	5,259	79.5
<i>Tokyo</i>	5,388	6,017	320.0
<i>Hong Kong</i>	5,114	7,139	218.2
<i>Singapore</i>	3,603	7,252	148.9

Sources: Ministry of Information and Communication Technology of Thailand, National Statistical Office Thailand, United Nation Statistic Division, MTR Corporation Limited, SMRT Corporation Limited, BTSC, BMCL, official websites of rail mass transit system in major cities

Traffic Congestion Continues to Stir Demand for Rail Mass Transit

Bangkok has experienced an increase in demand for car transportation over the years. This increase in demand has resulted in severe traffic congestion and air pollution problems. The following table summarizes the number of newly registered vehicles in Bangkok classified by type for the periods indicated.

Number of Newly Registered Vehicles in Bangkok Classified by Type

Type of Vehicle	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	YTD 2012*
Private cars (not more than 7 seats).....	118,564	146,945	176,933	188,936	179,206	175,122	190,057	172,892	255,132	286,590	407,212
Private cars (more than 7 seats)....	9,305	9,434	9,743	9,931	10,747	14,213	13,409	10,440	14,671	15,482	17,574
Taxi and other passengers service vehicles .	7,506	6,982	7,672	11,848	12,021	10,338	10,804	10,850	8,564	9,004	9,751
Commercial passenger service vehicles .	100	18	175	258	326	211	195	133	40	174	53
Total	135,475	163,379	194,523	210,973	202,300	199,884	214,465	194,315	278,407	311,250	434,590

Source: Department of Land Transport

* January 1, 2012 to November 30, 2012

The number of newly registered passenger cars in Bangkok in 2011 was 311,250, an increase of 129.8% from 135,475 cars in 2002 and representing a compounded annual growth rate of 9.7%. From January to November 2012 alone, the number of newly registered passenger cars in Bangkok increased 44.2% to 434,590 from 301,445 in November 2011. Historical car population growth is principally attributable to an increase in income and GDP growth. In addition, the increase in the second half of 2011 and the months from January to November 2012 was largely due to the Government policy of subsidizing tax payments for first time car buyers from September 16, 2011 to December 31, 2012. The increase in the number of cars and ongoing urbanization of Bangkok has not been matched by a corresponding increase in road capacity.

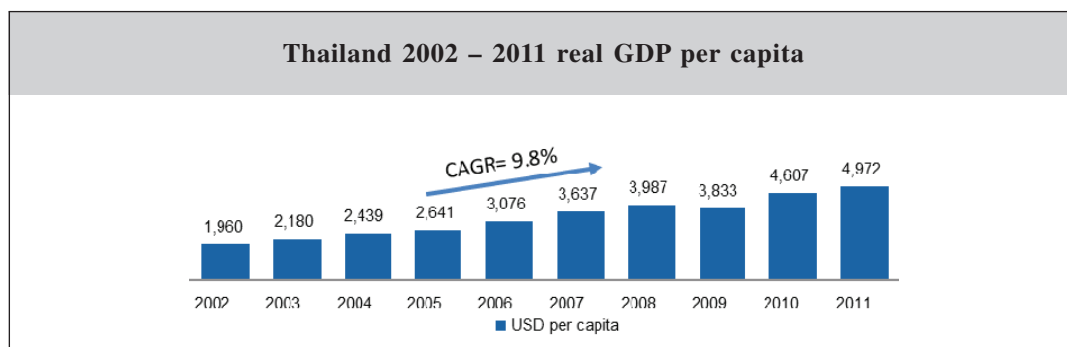
In light of the above, compared to other cities, Bangkok has one of the most severe traffic congestion and related air pollution problems. According to the OTP, the average vehicle speed of private vehicles along the main streets of Bangkok in 2011 during rush hours is 18.5 km/hour in the morning and 22.4 km/hour in the evening, and have remained at these levels for the past five years.

As a result, there is a growing need for speedy, reliable and accessible modes of transportation, leading to an increase in demand for rail transportation systems in the city.

Income Growth Makes Rail Transport Increasingly Affordable

Although the rail transport network provides a quick and reliable form of transport, the fare is relatively higher than alternative modes of transportation. For example, BMTA's regular non air-conditioned buses charge a minimum fare of THB6.5 to most destinations within metropolitan Bangkok while BMTA's air-conditioned buses charges a minimum fare of THB10.0, increasing according to distance traveled, while the rail transport network charges a minimum fare of THB15.0, increasing according to distance travelled.

However, in the past few decades, Thailand has experienced remarkable economic growth as the country transitioned from an agrarian economy to a services and export-based economy. According to the World Bank's data, Thailand's real GDP per capita grew at a compound annual growth rate of 9.8% during the period between 2002 and 2011. Furthermore, according to the latest data from Thailand's Office of the National Economic and Social Development Board and Statistical Forecasting Bureau (National Statistical Office), Bangkok accounted for 10.7% of the country's population and approximately 24.9% of the country's GDP in 2010. Bangkok gross provincial product per capita was approximately THB365,619 in 2010 increased from 254,087 in 2002 representing a compounded annual growth rate of 4.7%.

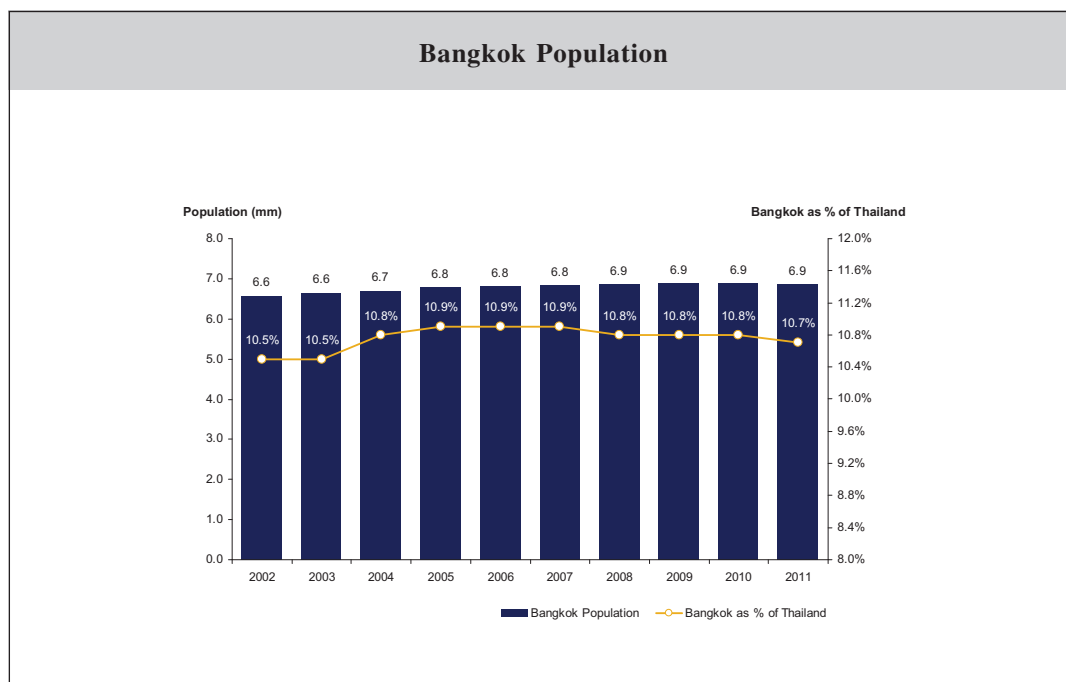


Sources: *Economic Intelligence Unit*

This growth in income has made rail mass transport increasingly affordable and viable to Bangkok commuters. Along with population expansion, economic growth and increasing purchasing power, it is expected that more and more commuters may substitute road public transport with the relatively faster and more convenient rail transit systems, particularly with the planned rail systems extension to cover greater parts of Bangkok and its vicinity.

Population Growth

Changes in the population of Bangkok may also contribute to an increase in the use of rail mass transit, particularly in light of traffic congestion issues discussed above. The population of Bangkok has continuously grown over the past decade, reaching 6.9 million in 2011, representing approximately 10.7% of the country's population, according to the statistics from Thailand's Office of the National Economic and Social Development Board.



Sources: Office of the National Economic and Social Development Board, Thailand; Department of Provincial Administration

Overview of Rail Transportation in Bangkok

Existing Network Excluding the BTS SkyTrain System and Extensions

Bangkok MRT Subway

The Bangkok MRT Subway is the first underground mass transit railway system in Thailand and commenced operation on July 3, 2004. The line is an underground rail system which runs 20.0 km through 18 stations from Hua Lamphong Railway station to Bang Sue. The Bangkok MRT Subway operates through 19 three-car trains with a top speed of 80.0 km per hour and with a maximum capacity of 122.9 million passengers annually. In 2010 and 2011, the Bangkok MRT Subway operated at 54.0% and 56.2% of its capacity, respectively. Its feeders also include many transportation systems such as the BTS SkyTrain and buses. In calendar year 2011, the Bangkok MRT Subway trains carried a total of 69.1 million passengers on the system. The system is connected to the BTS SkyTrain at three stations – Sala Daeng, Asoke and Mo Chit stations.

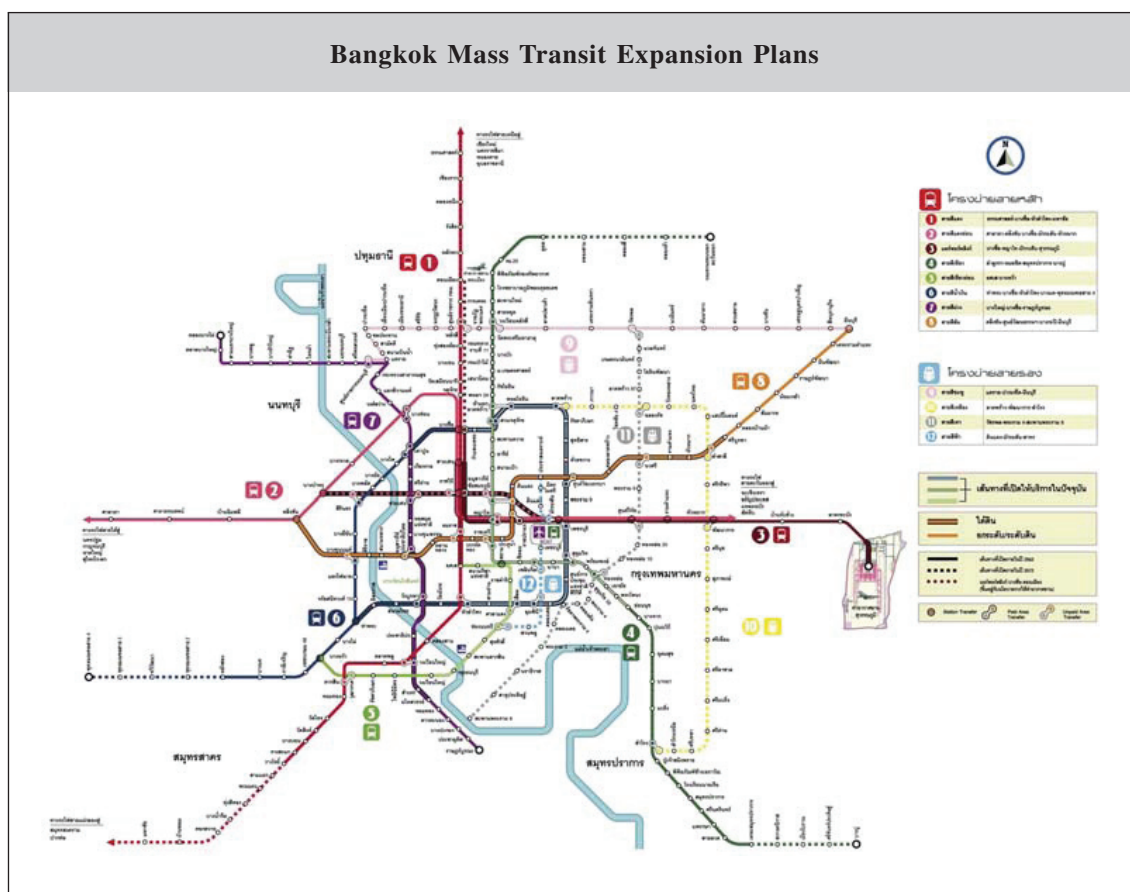
The Bangkok MRT Subway is solely operated by Bangkok Metro Public Company Limited (“BMCL”) under a concession agreement with the Mass Rapid Transit Authority of Thailand (“MRTA”) to exclusively operate the existing network of the Metropolitan Rapid Transit System Chaloem Ratchamongkhon Line (the “Blue Line”). The concession includes the exclusive right to operate the current Bangkok MRT Subway system, as well as the right to manage commercial and advertising space in the system for 25 years until 2029. The MRTA was responsible for the civil works, while BMCL was responsible for the electrical and mechanical works (“E&M”) and rolling stock investment. Under the concession agreement, BMCL is required to pay a certain percentage of fare and commercial revenue, along with an annual fee, to MRTA.

Suvarnabhumi Airport Link

The Suvarnabhumi Airport Rail Link (“SARL Red Line”) is a transit line that connects the Suvarnabhumi Airport to the Phaya Thai station in central Bangkok. The line is 28.5 km long and is elevated, running above the existing eastern railway, with an underground terminal at the airport. It is owned and operated by State Railway of Thailand (“SRT”). The SARL Red Line commenced its operations on August 23, 2010. Its services include the Makkasan Express Line, a 15-minute non-stop service between the Makkasan city air terminal and the airport, the Phaya Thai Express Line, a 17-minute non-stop service between the Phaya Thai terminal and the airport, and the City Line, an approximately 30-minute commuter rail service with stops at eight stations from the airport to Phaya Thai station. The SARL Red Line directly connects with the existing BTS SkyTrain at concourse level at the Phaya Thai station.

Planned Extensions

To provide a mass rapid transportation system that is convenient, quick, safe, cost effective and with wider coverage, and which would have long-term economic benefits while solving traffic congestion in Bangkok and its vicinity, a number of rail transit projects have been proposed by the Government which are at various stages of implementation. These projects include extensions to both the BTS SkyTrain and existing Bangkok MRT Subway lines as well as the construction of new lines that intersect the existing lines.



Source: Office of Transportation and Traffic Policy and Planning

Future BTS SkyTrain Extensions

Following the success of the BTS SkyTrain, the Government has committed to a major expansion of the mass transit systems serving Bangkok and its surroundings, including the BTS SkyTrain. The network extensions include:

- 5.3 km Silom Line Phase 2 Extension southwards of the Silom Line along Pet Kasem Road from Wongwien Yai to Bang Wa, and comprises four new stations, Phothinimit station, Ratchadapisek station, Wutthakat station and Bangwa station. The civil works and the E&M works are to be constructed and funded by the BMA. The civil works for the elevated track related to this project are complete and the electrical and mechanical works are underway. BTSC, the operator for this contract, will be responsible for the investment in the rolling stock, construction of stations and the annual operating and maintenance expenses. The first two new stations of the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa) have been operational since February 2013 and the BMA expects that the remaining two new stations will be operational by the end of 2013. Krungthep Thanakom also appointed BTSC as the system operator of this extension line under the Long Term O&M Agreement dated May 3, 2012.
- 11.4 km extension northwards of the Sukhumvit Line from Mo Chit to Saphanmai and 12.8 km extension eastwards of the Sukhumvit Line from Soi Bearing to Samutprakarn. The civil works of both projects are expected to be funded by the MRTA and the E&M works, operations, farebox collection and maintenance work are expected to be the responsibility of the private operator. Both these extension lines are expected to commence operation by April 2017. The civil works from Soi Bearing to Samutprakarn commenced in March 2012, while the bid for Mo Chit to Saphanmai civil work is expected to be in 2012.

Other Extensions

The Mass Transit Network Development Plan (2010-2029) categorizes the development of the network extension into three phases, the Five-year Immediate Network Plan, the Ten-year Network Plan and the Twenty-year Network Plan.

Five-year Immediate Network Plan. The Five-year Immediate Network Plan consists of projects that are to be expedited according to the cabinet resolution on November 7, 2006. These projects are expected to be operational between 2014 and 2016. Upon the successful implementation of the Immediate Network Plan, the system would total 236.0 km in length. The following are projects under the Immediate Network Plan which are separate from the planned BTS SkyTrain extensions:

MRTA Blue Line Extensions. The MRTA Blue Line extensions are extensions to the current Blue Line which runs from Hua Lamphong to Bang Sue. Once completed, the Blue Line would cross the Chao Phraya River and connect the two sides of Bangkok, the Thonburi region and the Phra Nakhon region, forming a circular line. The planned Blue Line extension, which is expected to begin operating in December 2016, includes:

- 13.0 km extension from the existing Blue Line Bang Sue station to Thaphra intersection. The Bang Sue-Thaphra extension has a total planned investment of approximately THB25.1 billion and is planned to connect to the planned Purple Line at Tao Pun station, to the planned Orange Line at Bang Khun Non and to the planned Light Red line at Sirindhorn.
- 14.0 km extension from the existing Blue Line Hua Lamphong station to Bang Khae to the Outer Ring Road. The Hua Lamphong-Bang Khae extension has a total planned investment of approximately THB49.9 billion and is expected to connect to the planned BTS SkyTrain extension at Bang Wa station.

MRTA Purple Line. The Purple Line is a rapid transit line owned by MRTA. The Purple Line is now under construction and will serve travel demand between Bang Yai in the Nonthaburi Province and the southern area of Thonburi in Rat Burana district. The total distance expected to be covered by the Purple Line is 43.0 km and inclusive of 32 stations.

The Immediate Network Plan of the Purple Line is to develop the Bang Yai-Bang Sue section which is expected to be operational by October 2015. The Bang Yai-Bang Sue section would connect to the planned Blue Line extension at Tao Pun station and is expected to feed in passengers from Nonthaburi province to the Blue Line. Moreover, the Bang Yai-Bang Sue section is also planned to connect to the Bang Sue-Taling Chan section of the Light Red Line at Bang Son, to the planned Pink Line at the Nonthaburi Government Center. The Bang Yai-Bang Sue section of the Purple Line consists of sixteen stations for a total distance of 23.0 km and has a total planned investment of approximately THB59.9 billion.

The MRTA has promulgated the terms of reference for procuring the private sector to bid for the project in the form of PPP Gross Cost basis, whereby the Government will bear the revenue risk from the operation of the Purple Line, while the concessionaire will be responsible for providing the system and the operational and maintenance works during the contract period, and the public sector will reimburse the concession holder for the money invested in the project and pay operational and maintenance fees to the concession holder. As of July 2012, the Purple Line from Bang Yai-Bang Sue project was under negotiation, following the bidding price submission from BMCL, the private operator candidate.

SRT Dark Red Line. The SRT Dark Red Line covers a total distance of 80.8 km from Thammasat University to Maha Chai along the railroad of the SRT. The SRT Dark Red Line is divided into three sections, the Bang Sue-Rangsit-Thammasat University, Bang Sue-Hua Lamphong-Bang Bon and Bang Bon-Maha Chai. The Immediate Network Plan is to develop the Bang Sue-Rangsit-Thammasat University and Bang Sue-Hua Lamphong sections of the Dark Red Line.

The Bang Sue-Rangsit-Thammasat University section of the Dark Red Line is designed to reduce traffic congestion by decreasing the number of state railway trains passing through intersections on public roads and to develop the Phaholyothin area as the transportation hub for Northern Bangkok. The Bang Sue-Rangsit-Thammasat section covers a total distance of approximately 36.3 km with thirteen stations and construction is expected to be complete in 2016. The Bang Sue-Rangsit-Thammasat University section will connect to the existing Blue Line at the Bang Sue station and to the planned Pink Line. The capital expenditure is estimated at approximately THB69 billion.

The Bang Sue-Hua Lamphong section of the Dark Red Line is intended to connect the railway stations with other modes of transportation and reduce traffic congestion by reducing the number of state railway trains passing through intersections of public roads. The section is expected to connect to the existing Blue Line Hua Lamphong station and to the planned Orange Line at Yomarat. The Bang Sue-Hua Lamphong section of the Dark Red Line and the Bang Sue-Hua Mak section of Light Red Line combined have a total of nine stations (excluding Bang Sue station) and is expected to require an investment of approximately THB37 billion with planned bidding process and licenses granting in 2012.

SRT Light Red Line. The SRT Light Red Line covers a total distance of 58.5 km from the east to west regions of Bangkok along the railroad of SRT. The Light Red Line is divided into five sections, the Bang Sue-Taling Chan, Taling Chan-Sala Ya, Bang Sue-Phaya Thai-Makkasan, Makkasan-Hua Mark and Bang Bumru-Makkasan sections. The Five-year Immediate Network Plan is to develop the Bang Sue-Taling Chan and Bang Sue-Makkasan-Hua Mak sections of the Light Red Line.

The Bang Sue-Taling Chan section is expected to channel passengers from western region of Bangkok to the existing mass transit network. The Bang Sue-Taling Chan section is also one of the projects that will cross the Chao Phraya River. It covers a total distance of 15.0 km. Construction was completed in 2012 with investment cost of THB9.0 billion. The Bang Sue-Taling Chan section connects with the planned MRTA Purple Line at Bang Son and with the planned MRTA Orange Line at Taling Chan.

The Bang Sue-Hua Mak section is expected to connect the planned Northern Bangkok transportation hub at Phaholyothin to the Makkasan transportation hub, the Suvarnabhumi Airport Link, the BTS SkyTrain at Phaya Thai station, and the planned Yellow line at Hua Mak station. The Bang Sue-Hua Mak section of the Light Red Line and the Bang Sue-Hua Lamphong section of Dark Red Line combined have a total of eight stations, covering 19 km, and an estimated investment of approximately THB37.0 billion.

Ten-year Network Plan. The Ten-year Network Plan consists of projects that are expected to be in operation by 2019. Upon the successful implementation of the Ten-year Network Plan, the system is expected to extend 154.3 km to a total of 390.0 km in length serving around 3.8 million commuters with network coverage of approximately 525.0 square km. Projects that are included in the Ten-year Network Plan include: the 18.0 km Hua Lamphong-Bang Bon extension to the Dark Red line, the 14.0 km Taling Chan – Sala Ya extension to the Light Red Line, the 21.0 km Bang Sue-Phaya Thai extension to the Suvarnabhumi Airport Link, the 7.0 km Saphanmai Khukot extension to the Dark Green Line, the 1.0 km National Stadium-Yotse extension to the Light Green Line, the 19.8 km Bang Sue-Rat Burana extension to the Purple Line, the development of the 37.5 km Taling Chan-Minburi Orange Line and the development of the 36.0 km Khae Rai-Pakkred-Min Buri Pink Line. The Pink Line may be expedited in order to be completed by 2017 according to MRTA.

Twenty-year Network Plan. The Twenty-year Network Plan consists of projects that are expected to be in operation by 2029. Upon the successful implementation of the Twenty-year Network Plan, the system is expected to extend another 117.9 km in length to a total of 508.0 km and serve around 5.1 million commuters with network coverage of approximately 680.0 square km. Projects that are included in the Twenty-year Network Plan include: the 20.0 km Bang Bon-Maha Chai extension to the Dark Red Line, the 10.5 km Bang Bamru-Makkasan extension to the Light Red Line, the 6.5 km Khukot Lumlukka section and the 7.0 km Samutprakarn-Bangpu section of the Dark Green Line, the 8.0 km Bang Khae-Phutthamonthon Sai 4 extension to the Blue Line, the development of the 30.4 km Lat Phrao-Samrong Yellow Line, the development of the 26.0 km Watcharapon-Rama IX Bridge Grey Line and the development of the 9.5 km Din Daeng-Sathorn Light Blue Line.

BTSGIF AND THE BTS SKYTRAIN BUSINESS AND EXTENSIONS

Overview

BTSGIF will be a publicly traded infrastructure fund in Thailand and provides Unitholders with an attractive opportunity to invest in the revenues generated from BTSC's exclusive concession to operate the BTS SkyTrain. BTSC or the Sponsor, a public company incorporated in Thailand, is a major shareholder of BTSC and will become a major Unitholder of BTSGIF, holding not more than one-third of the total number of Investment Units. The Sponsor will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects and brownfield projects for Bangkok and Vicinity Mass Transit Systems in which BTSC or any of its subsidiaries has entered into or will enter into the relevant agreements in respect of the relevant projects. The Management Company intends to manage BTSGIF's business with the key objective of generating sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return.

BTSC is the sole operator of the BTS SkyTrain. The BTS SkyTrain is an electric elevated railway with two separate lines running above certain of central Bangkok's major public roadways. Under the Concession Agreement, BTSC has the right to operate the BTS SkyTrain through two lines, the Core Sukhumvit Line and the Core Silom Line, together forming part of the Green Line, covering 23 stations with a combined track length of 23.5 km, and the right to collect the full amount of fare derived from the existing 23.5 km route under the Concession Agreement. For further details on the Concession Agreement, see "BTSGIF and the BTS SkyTrain Business and Extensions – The BTS SkyTrain Business – The Concession Agreement". The Core Sukhumvit Line consists of 17 stations and runs northwards and eastwards from central Bangkok for 17.0 km, connecting Mo Chit and On Nut. The Core Silom Line consists of seven stations and runs through one of Bangkok's central business districts for 6.5 km, connecting National Stadium and Taksin Bridge (Saphan Taksin). The two lines intersect at Siam station, which is the BTS SkyTrain's single shared interchange station.

In May 2012, Krungthep Thanakom and BTSC entered into the Long Term O&M Agreement covering the Silom Line Extensions and the Sukhumvit Line Extension, replacing the then existing three short term agreements. The Long Term O&M Agreement also covers the Core Sukhumvit Line and the Core Silom Line after the expiration of the Concession Agreement, scheduled in December 2029, until May 2042. The Silom Line has been, and is being, extended in two stages, while the Sukhumvit Line has been, and will continue to be, extended in various stages. These extensions, the Silom Line Extensions and the Sukhumvit Line Extension, do not form part of the business from which the Sale Revenue is derived.

BTSGIF's investment mandate is to invest in infrastructure businesses, which will initially be the Sale Revenue. The fares derived from the Extension BTS SkyTrain System and the fares derived from the Core BTS SkyTrain System after December 2029 are not covered under the Concession Agreement, and such fares are, therefore, not included in the Sale Revenue that has been sold to BTSGIF. However, BTSC will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, 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 in which BTSC or any of its subsidiaries has entered into the relevant agreement in respect of the relevant projects including (i) any extension of the Concession Agreement and, (ii) the Long Term O&M Agreement, of BTSC. See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement.

In the fiscal year ended March 31, 2012 and the nine months ended December 31, 2012, the BTS SkyTrain carried a total of 176.0 million passengers and 146.3 million passengers, respectively. BTSC's farebox revenues from the BTS SkyTrain Business amounted to THB4,296.8 million (US\$140.3 million) in the fiscal year ended March 31, 2012 and THB3,633.0 million (US\$118.6 million) in the nine months ended December 31, 2012.

Strategies of BTSGIF

BTSGIF's principal investment mandate is to invest in infrastructure businesses which have the capability to generate sustainable income with long term growth potential to provide Unitholders with regular distributions at a competitive rate of return. BTSGIF will adopt the following strategies.

Growth in Initial Asset and Active Business Management

The Management Company's principal investment strategy for BTSGIF is to acquire and actively manage the Sale Revenue to support growth. See "Summary – Structure of BTSGIF" and "Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement" for details of the acquisition. In particular, the Sponsor intends to seek opportunities to increase ridership of the BTS SkyTrain, make farebox adjustments and benefit from the growth of Bangkok's mass transit system by supporting BTSC's business strategies in relation to the BTS SkyTrain Business. See "– Business Strategies of the BTS SkyTrain Business" for details of BTSC's business strategies.

The Management Company intends to actively monitor the operation, and the revenue and expenses, of the BTS SkyTrain Business through daily and other periodic reports from BTSC, the review and approval of the annual budget and the quarterly review of actual expenses incurred for reconciliation purposes. The Management Company also has the ability to monitor material aspects of BTSGIF through its one-third representation in BTSC's Board of Directors. The Management Company intends to nominate persons with appropriate qualifications and the Management Company to be appointed as directors of BTSC to complement the Management Company's efforts in monitoring the BTS SkyTrain Business. Moreover, under the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, BTSGIF has the ability to block agreed "reserved matters" in relation to BTSC, including but not limited to, the incurrence of capital expenditure or new debt over specified amounts and the undertaking of any new lines of business. Under the terms of the Net Revenue Purchase and Transfer Agreement and the Sponsor Support and Guarantee Agreement, the passing of any "reserved matter" requires the vote of at least two directors elected by BTSGIF. The Management Company expects BTSGIF's role in the Board of Directors to facilitate efficient identification and resolution of any issues or events which may affect the value of the Investment Units. Such issues or events include, but are not limited to, the achievement of BTSC's annual budget targets and the performance of BTSC's obligations under material agreements. See "Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement" and "– Sponsor Support and Guarantee Agreement" for further details.

Acquisition Growth

The Management Company may also invest in other infrastructure assets and other assets, securities and/or other instruments as permitted by applicable Thai securities laws. See "Information Concerning the Investment Units and BTSGIF" for a list of investments permitted by such laws.

The Management Company believes that there are potential opportunities in Bangkok's mass transit system. The planned expansion projects under the Government's Mass Transit Network Development Plan (2010-2029) comprise over 12 routes and 300 stations for a total track length of 508 kilometers. Such expansion is expected to require a total investment of approximately THB1,755.2 billion. See "Industry – Industry Outlook – Thai Government Promotes Mass Transport Infrastructure as a National Agenda".

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

The right to purchase and the right of first refusal over the Sponsor's and BTSC's pipeline in Bangkok mass transit.

To demonstrate support for BTSGIF, BTSC and BTSG will grant BTSGIF the right to purchase, and/or the right of first refusal to purchase, the right to receive the revenues, rights, benefits, title and/or any investment in relation to the greenfield projects and brownfield 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. See "Certain Agreements Relating to BTSGIF – Net Revenue Purchase and Transfer Agreement" and "– Sponsor Support and Guarantee Agreement" for summaries of these agreements.

Leverage on the expertise of the Sponsor and BTSC.

The Management Company expects the Sponsor's and BTSC's expertise in the mass transit industry to provide the Sponsor and BTSC with a competitive advantage in tenders for the future development of extensions to the BTS SkyTrain. If the Sponsor, BTSC or their affiliates are selected in such future tenders, the Management Company expects to benefit through the right to purchase and the right of first refusal under the Sponsor Support and Guarantee Agreement and the Net Revenue Purchase and Transfer Agreement, as the case may be.

Competitive Strengths of the BTS SkyTrain Business

BTSGIF's initial investment is the purchase of Sale Revenue arising from the BTS SkyTrain Business. We believe that the competitive strengths relating to the BTS SkyTrain Business are:

Exclusive concession to operate the BTS SkyTrain with a mechanism to adjust the fare structure and no revenue sharing requirement.

Under BTSC's Concession Agreement with the BMA, BTSC was granted the exclusive right to operate the Core BTS SkyTrain System, on a build-operate-transfer basis, until December 2029 and the right to collect the farebox revenue derived from the Core BTS SkyTrain System. BTSC paid for the civil, mechanical and electrical works in the construction of the BTS SkyTrain. Therefore, BTSC benefits from receiving the full amount of the farebox revenue, without revenue sharing, for the 23.5 km route. Furthermore, the Concession Agreement permits BTSC to increase the Effective Fare no more than once every 18 months provided that the Effective Fare does not exceed the Authorized Fare, and contains normal and special fare adjustment provisions for increasing the Authorized Fare that can be charged. See "BTS SkyTrain Operations – The Concession Agreement – Fares" below for further details.

The BTS SkyTrain is the backbone of central Bangkok's mass transit system and covers key popular destinations.

The BTS SkyTrain connects many of the major business, retail and tourist areas of central Bangkok, making it a popular mode of transportation for residents and tourists alike. The BTS SkyTrain network covers the Sathorn, Silom and Asoke business districts and the commercial areas

of Siam and Sukhumvit. The central location of the BTS SkyTrain and its connections to many destinations in the heart of Bangkok enable the BTS SkyTrain to function as a “backbone” of central Bangkok’s mass transit system, connecting with other modes of transportation such as the Bangkok MRT Subway, the SARL Red Line, buses and boats.

The BTS SkyTrain provides connections to business centers in the Silom and Sukhumvit areas as well as to several of Bangkok’s largest and most popular shopping malls, including Siam Paragon, Central Chidlom, MBK, Central World Plaza and the Emporium. Moreover, a substantial number of hotels and a growing number of residential and commercial developments are within close proximity to the BTS SkyTrain and act as a driver for ridership growth. In addition to providing incremental revenue from fees generated from these linkages, these linkages also increase ridership as the added convenience further feeds passengers onto the BTS SkyTrain. Compared to road-based solutions available in central Bangkok, the BTS SkyTrain offers a journey that is not subject to traffic congestion, and in a comfortable environment with air conditioned trains. Safety and punctuality are also key favorable factors, compared with other mass transport alternatives such as buses and mini-buses. BTSC expects Bangkok to remain as a monocentric city, with the BTS SkyTrain network remaining as a key transportation link for passengers because of its coverage of key destinations within central Bangkok.

Resilient business with strong growth track record and prospects.

Since opening, the BTS SkyTrain has proven to be an increasingly popular means of transportation in metropolitan Bangkok given its speed, efficiency and reliability. In the fiscal year ended March 31, 2012 it carried 176.0 million passengers, representing a 5.2% CAGR for the prior five year period. BTS SkyTrain also carried 55.0 million passengers during the period from December 5, 1999 to December 5, 2000 and 191.0 million passengers during the period from December 5, 2011 to November 18, 2012, showing an increase of 10.9% CAGR per year since commencing operations.

The BTS SkyTrain has been a resilient source of revenues and cash flow. Since the BTS SkyTrain commenced commercial operations in December 1999, its farebox revenues – net have increased each year, despite the recent flooding, global financial crisis and social unrest in Thailand.

The Thai Government has adopted policies to stimulate the local economy and resolve traffic problems in Bangkok by giving priority to the investment into and the expansion of the mass transit system. This is to make the transportation system more convenient and accessible. The most up-to-date master plan is the M-MAP prepared by the OTP, which contemplates the expansion of rail line coverage to 390.0 km by 2019 and 508.0 km by 2029. See “Industry – Overview of Rail Transportation in Bangkok – Planned Extensions” for further information on the M-MAP. The OTP further forecasts that along with this expansion, the proportion of passengers using mass transit rail services in Bangkok will increase from 5.8% in 2011 to 43.3% in 2037. As these planned mass transit expansion projects are interconnected, the BTS SkyTrain is in a good position to benefit from the entire network expansion as passengers who want to travel to central Bangkok are likely to pass through the BTS SkyTrain, leading to increased ridership.

Efficient operation with high operational leverage.

The BTS SkyTrain was designed to allow BTSC to maintain low operational costs. This is mainly because BTSC’s system and its rolling stock use modern technology and efficient design. For example, BTS SkyTrain stations and railways are designed to reduce the use of the brake system which leads to low maintenance and electricity costs. Furthermore, labor and electricity (which is generated using natural gas) costs in Thailand are relatively low. In addition, as an elevated railway system, BTSC does not incur the cost otherwise necessary for air-conditioning its stations or ventilating long indoor tunnels, and the length of its escalators are shorter than those found in underground systems, all of which allow the BTS SkyTrain to have lower operational costs relative to underground transit systems.

As ridership and farebox revenues increase, BTSC expects its cost of farebox to increase at a lower rate, principally because, other than depreciation and amortization expenses, most of its other cost of farebox, such as utility costs and employee salary costs, are fixed costs which will not increase proportionately to increases in ridership. As a result, BTSC expects its operating margins to remain high because of such economies of scale.

Strong management expertise.

BTSC's management team is made up of personnel who have broad experience in the mass transit business. For over 10 years, its management team has operated the BTS SkyTrain without any major accidents. In recognition of the high standard of service, BTSC has received awards from various organisations such as the Certificate of Hygiene and Safety OHSAS 18001:2007, ISO9001:2008 for its management services the Certificate of Safety Management Systems from Lloyd's Register.

Business Strategies of the BTS SkyTrain Business

We believe that the positive outlook of the BTS SkyTrain Business is supported by the following strategies of BTSC for the BTS SkyTrain:

Increase BTSC's capability to service customers and to increase ridership.

As of December 31, 2012, the 35 existing three-carriage trains and 12 existing four-carriage trains operating on the BTS SkyTrain are operating at almost full capacity, especially during morning peak hours. BTSC expects ridership will continue to grow with the opening of future extensions to the BTS SkyTrain network (whether operated by BTSC or not), from growth of its existing network and from increased connections to destinations along its routes. Therefore, BTSC aims to capitalize on the growth in ridership in the core system by increasing the ridership capacity of the BTS SkyTrain by adding an additional carriage to the 35 existing three-carriage trains, adding five new four-carriage trains (delivery expected by the end of 2013) and adding 28 new carriages between 2018 and 2021. The purchase cost for additional rolling stocks to be used on the BTS SkyTrain, including the 12 out of the total 28 new carriages to be allocated between 2018 and 2021, is a part of the O&M Costs, which will be deducted when calculating the Sale Revenue.

Furthermore, BTSC continues to add connections to more buildings along the BTS SkyTrain route. It has also developed a common ticketing service that can be used as an electronic payment card in retail store partners, under the "Rabbit Card" brand. The common ticketing system allows for the use of a single card for payment on different types of transportation such as the BTS SkyTrain, the Bangkok MRT Subway and the Bus Rapid Transit (the "BRT"). BTSC believes that this will increase the convenience for passengers and induce increased usage of the BTS SkyTrain. The common ticketing system is now in use on the BTS SkyTrain, the Silom Line Phase 1 Extension and Sukhumvit Line Extension, the BRT and at retail store partners, and BTSC expects the system to be adopted by the Bangkok MRT Subway in 2013.

Adjustment of fare structure.

The Concession Agreement permits BTSC to increase the Effective Fare no more than once every 18 months provided that the Effective Fare does not exceed the Authorized Fare, and contains normal and special fare adjustment provisions (principally in tandem with increases in inflation) for increasing the Authorized Fare that can be charged. See "BTS SkyTrain Operations – The Concession Agreement – Fares" below for further details. As of December 31, 2012, the Effective Fare ranges from THB15 to THB40, while the Authorized Fare ranges from THB18.79 to THB56.36 per ride, providing sufficient room for future Effective Fare increases. The last increase in Effective Fares was made by BTSC in 2007. Subject to market conditions and other factors, it is the intention

of BTSC to increase fares in the first fiscal quarter of 2013/2014 (April 1, 2013 to June 30, 2013) following the cost increases since the last Effective Fare increase in March 2007 as well as the introduction into full service of the four-carriage trains on the Sukhumvit Line. In addition, BTSC expects to adjust its average Effective Fare in line with inflation over time.

Further enhance operating efficiency.

Although BTSC already enjoys a high degree of operating efficiency (see “– Competitive Strengths of the BTS SkyTrain Business – Efficient operation with high operational leverage” for details), BTSC continues to seek ways to continue to increase the operating efficiency of the BTS SkyTrain, including maintaining various vital systems itself instead of using third party service providers to ensure transfer of knowledge occurs from the supplier to the BTSC team and to enhance maintenance cost effectiveness. Thus far, BTSC has taken over the maintenance of major electrical and mechanical systems, including the automatic fare collection system in 2005 and the upgraded TETRA train radio system in 2010. BTSC has also fully performed the maintenance of the signaling system since August 2011 and, since the first deployment of the trains into revenue services, the maintenance of the 12 new trains purchased from Changchun Railway Vehicles that was put into service between December 2010 and October 2011. Furthermore, BTSC also intends to maintain its existing 35 three-carriage trains and other remaining mechanical and electrical systems after the expiry of the Maintenance Agreement with Siemens in December 2014.

In addition, BTSC intends to continue to increase collaboration with the Sponsor, who is purchasing the other businesses previously operated by BTSC. For example, BTSC plans to launch a smart-card for the Sponsor’s residential projects’ tenants that can be used for ticketing on the mass transit system, as an exclusive key-card for the Sponsor’s residential projects and for e-money payment at various places such as department stores. Also, the introduction of the smart-card will improve BTSC’s cost efficiency because the system used to operate the smart card requires less maintenance than the magnetic card system it currently uses.

The BTS SkyTrain Business

General

The BTS SkyTrain is a mass rail transit system operating trains on a dual track railway elevated approximately 12 meters above public roadways in central Bangkok. Under the Concession Agreement, BTSC has the right to operate the Core BTS SkyTrain through two lines covering 23 stations with a combined track length of 23.5 km. The two operating lines are the Sukhumvit Line and the Silom Line. Each line comprises two tracks, running in opposite directions, which are supported by a viaduct structure constructed from precast concrete segments. BTSC’s rolling stock is electrically powered and each of BTSC’s 35 trains consists of three carriages. At the end of 2010, BTSC rolled out 12 new trains, consisting of four carriages each, on the Silom Line and transferred the existing trains on the Silom Line to the Sukhumvit Line. As part of its expansion plans, in September 2010, BTSC ordered 35 additional carriages from Siemens to increase the number of carriages of its existing 35 trains to four carriages each. BTSC expects the additional carriages to be put into service within 2013. BTSC also ordered five new trains with four carriages each from Changchun Railway Vehicles, which BTSC expects to be put into service by the end of 2013. As demand warrants, trains could be extended up to six carriages in length by investing in additional rolling stock.

Following the success of the BTS SkyTrain, the Government and the BMA instituted a policy to further invest in mass transit systems to service the population of Bangkok. As a result, the BMA financed and constructed the extension of the Silom Line in two phases, first by adding two stations after the termination station of Taksin Bridge on the Silom Line, covering an additional 2.2 km, which commenced commercial operations in May 2009, and subsequently by an additional four

stations to the first phase extension, covering an additional 5.3 km. The first two new stations of the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa) have been operational since February 2013 and the BMA expects that the remaining two new stations will be operational by the end of 2013. These extensions are owned by the BMA.

In May 2009, November 2010 and October 2011, Krungthep Thanakom, a company controlled by the BMA, outsourced the operation of the Silom Line Phase 1 Extension (Taksin Bridge – Wongwien Yai), the Sukhumvit Line Extension (On Nut – Bearing), and the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa), respectively, to BTSC under three separate short term operating and maintenance agreements. In May 2012, Krungthep Thanakom and BTSC entered into the Long Term O&M Agreement covering the Silom Line Extensions and the Sukhumvit Line Extension, replacing the previous three short term agreements. The Long Term O&M Agreement also covers the Core Sukhumvit Line and the Core Silom Line after the expiration of the Concession Agreement scheduled in December 2029. The Long Term O&M Agreement is effective for a period of 30 years until May 2042. See “The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement” for a summary of the Long Term O&M Agreement. Under the Long Term O&M Agreement, BTSC charges the BMA an operational fee to operate and maintain the extension and provide train and customer services. The fees under the Long Term O&M Agreement are not included in the Sale Revenue to be purchased by BTSGIF but are subject to the right to purchase, and the right of first refusal to purchase, under the Net Revenue Purchase and Transfer Agreement.

The Concession Agreement

Overview

The BMA issued the Terms of Reference dated April 11, 1991 inviting interested parties to submit detailed proposals for the operation of the elevated mass rail transit system in central Bangkok. Tanayong Consortium, led by Tanayong Company Limited (currently known as BTSG), submitted a proposal for the construction and investment of such elevated mass rail transit system pursuant to the Terms of Reference. The proposal indicated that if selected, Tanayong Consortium is required to incorporate a company to act as a party to undertake the project. After consideration, BMA selected Tanayong Consortium as the operator of the elevated mass rail transit system. Tanayong Consortium therefore incorporated BTSC to undertake the project and execute the Concession Agreement.

Under the Announcement No. 58 of the National Executive Council, an operation of a tram business must be authorized or a concession must be granted by the Ministry of the Interior (the “MOI”). In March 1992, pursuant to the Announcement No. 58 of the National Executive Council, the MOI announced that BTSC would be granted a concession to operate and maintain the elevated mass rail transit system in central Bangkok and appointed the BMA as the law enforcement officer with respect to the concession granted to BTSC pursuant to the Letter of the MOI No. Mor. Tor. 1101/5607 dated March 25, 1992. On April 9, 1992, BTSC entered into the Concession Agreement with the BMA, pursuant to which the BMA granted BTSC the right to design, construct, operate and maintain the Core BTS SkyTrain System for a period of 30 years from the commencement of commercial operations of the system. Under the terms of the Concession Agreement, BTSC has the right to all revenues from activities relating to the system, including fares, advertising, franchising and kiosk rentals during the term of the concession.

BTSC believes that, since BTSC and BMA entered into the Concession Agreement in accordance to the law, the Concession Agreement is valid.

Obligations of BTSC

Under the Concession Agreement, BTSC is required, among other things, to perform the following:

- *Operation and Maintenance.* BTSC is responsible for the operation and maintenance of the system during the term of the concession. Where patronage exceeds capacity, the capacity of the system may be expanded. Where capacity exceeds patronage, the frequency of service may be reduced. If any expansion of the system is conducted at the request of the BMA, BTSC may be entitled to compensation in an amount to be mutually agreed upon by the BMA and BTSC.
- *Safety Regulation.* Notwithstanding BTSC's role as operator of the system and BTSC's right to make regulations as to its use, the BMA reserves the right to issue ordinances and regulations concerning the safety and environment of the system. Where such ordinances or regulations would adversely affect BTSC's financial condition or require additional investment, the BMA is obliged to consult first with BTSC.

Obligations of the BMA

Under the Concession Agreement, the BMA is required, among other things, to perform the following:

- *Land.* The BMA provided BTSC with the land necessary for the system and BTSC was exclusively permitted to use the land for the construction of the system. BTSC has the exclusive right to use structures built on the land whether for the system or for other commercial or retail purposes, although no arrangements which extend beyond the term of the concession may be made without the BMA's prior written consent.
- *Energy Supply.* The BMA is required either to coordinate with BTSC to obtain electricity from the MEA at a price not higher than that applicable to large industrial consumers or assist BTSC with the implementation of BTSC's own private generation scheme (to the extent the same is within the authority of the BMA).

Fares

Initially, the Concession Agreement contemplated the use of a flat fare structure, which was subsequently amended to a distance based fare structure. The fare which BTSC charges for a single journey between two stations on the BTS SkyTrain is the Effective Fare. Under the Concession Agreement, the Effective Fare may not exceed the Authorized Fare, which is the then current maximum fare determined in accordance with the concession. As of December 31, 2012, the Authorized Fare, which benefitted from the Special Fare Adjustment described below that was approved in February 2012, ranges from THB18.79 to THB56.36. However, BTSC may set the Effective Fare at a rate lower than the Authorized Fare as BTSC's management deems appropriate. Pursuant to the Concession Agreement, BTSC may increase the Effective Fare only once every 18 months, provided that such charged fares are not in excess of the Authorized Fare and BTSC makes an announcement to the BMA and the public 30 days in advance. BTSC raised the Effective Fare in March 2007 from THB10 to THB40 per ride, to THB15 to THB40 per ride.

Pursuant to the Concession Agreement, the Authorized Fare can be adjusted in two ways:

- *Normal Fare Adjustment*: upon BTSC's request, by an amount not to exceed 7% of the previous rate if the monthly consumer price index for Bangkok (the "Index"), as determined by the MOC, is equal to or exceeds 5% of the Reference Index of any month occurring at least 12 months prior (Reference Index refers to the last Index used in any previous adjustments in the Authorized Fare).
- *Special Fare Adjustment*: upon the occurrence of any of the following events:
 - (i) the monthly Index increases or decreases by more than 9% compared to the monthly Index of any month occurring at least 12 months prior;
 - (ii) the foreign exchange rate between the Baht and the U.S. Dollar is 10% higher or lower than the currency exchange rate as announced by the BOT and used in the latest adjustment of the Authorized Fare, which is equivalent to THB39.884 per U.S. Dollar;
 - (iii) the interest rates of BTSC's domestic and foreign currency loans are 10% higher or lower than the domestic or foreign "reference rate". The domestic reference rate is the average rate of the domestic minimum lending rates of Bangkok Bank, Krung Thai Bank Public Company Limited, Kasikornbank Public Company Limited and Siam Commercial Bank Public Company Limited used in the latest adjustment of the Authorized Fare, while the foreign reference rate refers to the London Interbank Offering Rate ("LIBOR") that was used in the latest adjustment of the Authorized Fare;
 - (iv) BTSC bears much higher or lower electricity costs;
 - (v) BTSC invests significantly beyond the scope of work under the Concession Agreement; or
 - (vi) BTSC incurs "Exceptional Risk" as defined in the Concession Agreement and as described below.

The special fare adjustment of the Authorized Fare must be mutually agreed upon by both parties to the Concession Agreement. If no agreement is reached within 30 days, at the request of the party desiring the adjustment, the matter will be referred to and determined by the Advisory Committee comprising two members nominated by BTSC, if not objected to by the BMA, two members nominated by the BMA and three independent directors appointed by the four foregoing directors. If the Advisory Committee agrees to adjust the Authorized Fare, but it is against the policy of the Government to permit a fare increase at that time, BTSC will not be allowed to increase the Effective Fare. However, in such case, the Concession Agreement provides that BTSC will be provided with a solution to remedy the loss incurred by BTSC during the relevant period under appropriate measures of the Government.

Each of the following events constitutes an Exceptional Risk under the Concession Agreement: uninsurable force majeure; significant disruption in the local construction or building materials industry; government interference with the BTS SkyTrain; significant delays in the relocation of utilities; material economic change in Thailand; and labour strikes (other than those relating to BTSC). BTSC will not be liable for any loss caused by an Exceptional Risk. If an Exceptional Risk occurs, BTSC is to consult with the BMA as to the necessary remedial action and mitigation of the loss. If no agreement can be reached between the parties, BTSC may terminate the Concession Agreement. In the event of any termination due to Government interference with the

SkyTrain system, BTSC is entitled to be compensated in an amount equal to the BTS SkyTrain's book value and any other damages to which BTSC should be entitled to receive due to the termination thereof. If BTSC terminates the Concession Agreement because of an Exceptional Risk (other than that of Government interference), the BMA is to pay BTSC for properties transferred to the BMA at a price to be determined on a fair basis by arbitration. The compensation and/or damages which BTSC is entitled to receive from BMA under the Concession Agreement shall form part of the Sale Revenue which the Fund shall receive from BTSC under the Net Revenue Purchase and Transfer Agreement.

Indemnity, Taxation and Insurance

BTSC agreed to indemnify the BMA and its officers and employees from all liability and damages resulting from any action or omission of, including wilful acts or negligence of, or non-observance of any rules or regulations by, BTSC or BTSC's employees relating to the concession. This indemnification survives the expiration or termination of the concession.

The BMA is responsible for the payment of all property taxes payable in respect of the buildings and land provided by the BMA to BTSC for the BTS SkyTrain other than that proportion used by BTSC or where BTSC has sublet its interest for commercial activities for which BTSC is responsible.

BTSC is required to take out and maintain all risks insurance and third party liability insurance to the standard of similar persons in similar circumstances. Should any damage occur to the system, BTSC will be obliged to use the proceeds of the resultant insurance claim for reinstatement of the BTS SkyTrain.

Ownership, Transfer of Ownership and Security

The BTS SkyTrain is constructed on public lands provided by the BMA to BTSC. Under the Concession Agreement, the BMA retains its rights in the land, but provides BTSC with the exclusive right to use the land during the term of the concession.

Upon completion of construction in 1999, immovable property (other than the track works) constructed on the land which became a fixture on the land or a component part thereof became the property of the BMA. In addition, on expiry of the Concession Agreement, equipment and controlling equipment situated on the immovable properties referred to above, the rolling stock and, if required by the BMA, equipment and controlling equipment constructed on land other than the land procured by the BMA, and any other office equipment of BTSC used for the purposes of the system will, under the terms of the Concession Agreement, become the property of the BMA. All rights in relation to BTSC's software, copyright or patent rights will also be required to be transferred at that time.

For the duration of the Concession Agreement, BTSC has full ownership of all equipment and other assets constructed on land other than the immovable property that became the property of the BMA upon completion of construction. BTSC also has the right to grant a security interest in all such assets owned by BTSC.

Duration and Termination of Contract

The BMA is entitled to terminate the Concession Agreement upon BTSC's bankruptcy or a wilful breach of the Concession Agreement by BTSC of a material and continuing nature.

The BMA is required to give one month's prior notice of termination if the circumstance cannot be cured. If it is capable of being cured, then not less than six months' notice must be given. In an emergency, the BMA (together with BTSC's creditors) may ensure that the system continues to provide a service by co-operation with BTSC's creditors in the operation of the system on a temporary basis. If BTSC is unable to cure the default within these cure periods, its creditors, represented by the Fund as notified to the BMA pursuant to the Instruction to the BMA, will be entitled to procure another party to accept an assignment of the rights and obligations under the Concession Agreement within six months from the date of the BMA's written notice to the representative of the creditors. If the creditors find a party to accept the assignment, the BMA is required to accept the assignment and will not terminate the Concession Agreement.

If the creditors do not find a party to accept the assignment within the six-month period, the BMA will be entitled to terminate the Concession Agreement. In that case, BTSC will be obliged to compensate the BMA for damages and the ownership of the equipment will be transferred to the BMA. The BMA may claim under a performance bond given under the Concession Agreement for compensation for any loss. The BMA is required to make monetary payment to BTSC for the costs of the relevant portion of the BTS SkyTrain which ownership has been transferred to the BMA at a price equal to the book value of the properties.

BTSC is entitled to terminate the Concession Agreement upon the occurrence of any of the following: the wilful and continuous breach of the Concession Agreement by the BMA in a material and continuing nature rendering BTSC unable to perform its obligations under the Concession Agreement; if the MOI revokes the concession or cancels permission to construct and operate the system or imposes any conditions on or revises such permissions or the Government or any Governmental agency or the BMA, without fault on BTSC's part, cancels the rights or takes any action impairing the rights, substantially affecting BTSC's operations so as to prevent BTSC from performing under the Concession Agreement; or in the event of Government interference constituting an Exceptional Risk as described above. If the default can be cured, BTSC is required to give not less than six months' notice. If the default cannot be cured, then only one month's notice is required. Upon such termination, the BMA is required to pay BTSC damages for its loss, including compensation for the investment and expenses paid by BTSC in the implementation of the system at a price equivalent to the book value and any other damages to which BTSC should be entitled to receive due to the termination thereof.

If BTSC wishes to extend the term of the concession, which is set to expire in December 2029, it must give the BMA not less than three years' notice and not more than five years' notice of its intention to extend. Such extension will be subject to the prior consent of the MOI. However, in light of the signing of the Long Term O&M Agreement, we do not expect the MOI to provide such consent. If the BMA wishes to establish additional lines during the term of the Concession Agreement or to expand the BTS SkyTrain, BTSC has a right of first refusal to negotiate with the BMA to operate such additional lines or the expanded system.

Governing Law and Dispute Resolution

The Concession Agreement is governed by Thai law and subject to arbitration in accordance with the Rules of Arbitration of the Arbitration Institute of the Ministry of Justice. Unless the parties agree to one arbitrator, disputes are required to be settled by arbitration by two arbitrators. If the two arbitrators are unable to agree, they will jointly appoint an additional arbitrator to assist them in the settlement of the dispute.

Number of Passengers

The table below shows the number of passengers carried by the BTS SkyTrain since commencement of commercial operations in December 1999.

	Fiscal Year Ended March 31,												
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
No. of passengers													
(thousands) ⁽¹⁾	17,540	58,818	79,253	96,491	105,093	118,465	131,887	138,558	133,128	135,939	144,474	145,189	176,044
No. of days ⁽¹⁾	118	365	365	365	366	365	365	365	366	365	365	357 ⁽²⁾	366
Average passengers													
per day ⁽¹⁾	148,641	161,146	217,133	264,360	287,140	324,561	361,335	379,610	363,737	372,438	395,820	406,693 ⁽²⁾	480,995
No. of weekdays ⁽¹⁾	80	244	243	244	247	246	246	241	246	245	244	238 ⁽²⁾	245
Average passengers per													
weekday	147,227	176,246	243,507	300,683	328,852	370,547	411,437	434,812	414,595	425,076	451,300	464,475 ⁽²⁾	541,637

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

(2) 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.

Nine Months Ended December 31,		
	2011	2012
No. of passengers (thousands).....	128,010	146,297
No. of days	275	275
Average passengers per day	465,490	531,988
No. of weekdays	178	174
Average passengers per weekday.....	528,582	597,341

Since its opening on December 5, 1999 to November 18, 2012, BTS SkyTrain has carried a total of 1,613,401,071 passengers. In the fiscal year ended March 31, 2012 and the nine months ended December 31, 2012, the BTS SkyTrain served 176.0 million and 146.3 million passengers, respectively, or an average of 541,637 and 589,821 passengers per weekday, respectively, the highest since the BTS SkyTrain commenced operations. During this period, BTS SkyTrain also achieved its highest average of passenger carried per day since it commenced operations, an amount of 714,575 passengers. Since the commencement of operations of the BTS SkyTrain, the number of passengers using the BTS SkyTrain and the Sale Revenue have continued to increase, other than in relation to the number of passengers in the fiscal year ended March 31, 2008. This was principally due to the effect of the increase in Effective Fares in March 2007 and to the lingering effects of the political uncertainty in Thailand at the time, including the coup that occurred in September 2006 and bomb explosions that occurred in Bangkok at the end of 2006. However, the Sale Revenue increased despite the decrease in number of passengers. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Results of Operations – Ridership” for further details.

Fares

BTSC collects fares for travel on the BTS SkyTrain network based on the distance travelled. The Effective Fare that BTSC charges is fixed at a progressive rate based on the number of stations travelled by a passenger, and as of December 31, 2012 ranges from THB15 to THB40, as shown in the table below. BTSC may, from time to time, provide fare discounts under sales promotion activities. See “The Concession Agreement – Fares” for information on raising the Effective Fare.

No. of Stations Travelled													
	0	1	2	3	4	5	6	7	8	9	10	11	12 and Beyond
Effective Fare (THB)	15		20		25		30		35		40		

See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting Results of Operations – Fares” for further details on BTS SkyTrain fares.

Ticket Systems and Ticket Types

The electronic ticketing and automatic fare collection system is controlled by a centralized computer system. The automatic fare collection system includes ticket gates that were originally operated by magnetically encoded tickets, but were subsequently upgraded to also accommodate smart-card tickets. Passengers enter the paid area by inserting the encoded ticket into the ticket gate and then pass through automatic gates, which will record the station and the time of entering the station on the ticket. The BTS SkyTrain’s ticketing and fare collection system automatically produces accounting and operating statistics. A history of all stored-value tickets is kept by the main computers so that incidents of misuse or forgery can be identified quickly and appropriate action can be taken.

The following table shows the various types of tickets that BSTC offers and the percentage of the BTS SkyTrain revenues each ticket type accounts for in the specified periods:

	Fiscal Year Ended March 31, 2012	Nine Months Ended December 31, 2012
Single Journey Ticket – Fare varies with the number of stations travelled and ranges between THB15 and THB40.....	46.2%	49.8%
Stored Value Ticket – A refillable ticket that is valid for up to two years.....	15.3%	16.3%
30-day Smart Card (Adult) – Provides specified number of rides with no distance limit and valid for 30 days	29.1%	26.0%
30-day Smart Card (Student) – Provides specified number of rides with no distance limit and valid for 30 days	8.4%	6.4%
One-day Pass – Provides for unlimited rides during a single day.....	1.0%	1.5%
Total	100.0%	100.0%

BTSC introduced a contactless card system or “smart card” in 2007, which is in addition to the magnetic cards currently held by some of its customers. BTSC expects the number of customers using the smart-card will increase over time as they begin replacing their old magnetic cards following normal wear and tear of such cards.

In May 2012, BTSC's subsidiary, Bangkok Smartcard System Co., Ltd., commenced commercial operations of a new smart card under the "Rabbit Card" brand that allows the holder to use one card to pay for several modes of transportation, currently including the BTS SkyTrain and the extensions, the BRT, as well as for other uses in certain businesses and shopping centers. BTSC expects that the "Rabbit Card" will be used by the Bangkok MRT Subway in 2013. In relation to the BTS SkyTrain, the "Rabbit Card" has a feature that allows the holder to purchase either a Stored Value ticket or the 30-day Smart Card ticket, or both simultaneously. BTSC plans to encourage customers using the existing smart card or magnetic cards to switch over to the "Rabbit Card", and to entice new cardholders to apply for the "Rabbit Card", by incorporating a rewards feature, called "Carrot Rewards", to the "Rabbit Card". "Rabbit Card" users can earn Carrot points by paying for their trips on the BTS SkyTrain and extension, Bangkok MRT Subway trips or BRT trips using the "Rabbit Card", or by using the "Rabbit Card" to purchase goods and services from retail store partners. Users can redeem their Carrot points for cash top ups of the "Rabbit Card" or for vouchers that may be used at retail store partners. BTSC uses its existing hardware and upgraded software to allow for the reading of ticketing information across both mass transit systems.

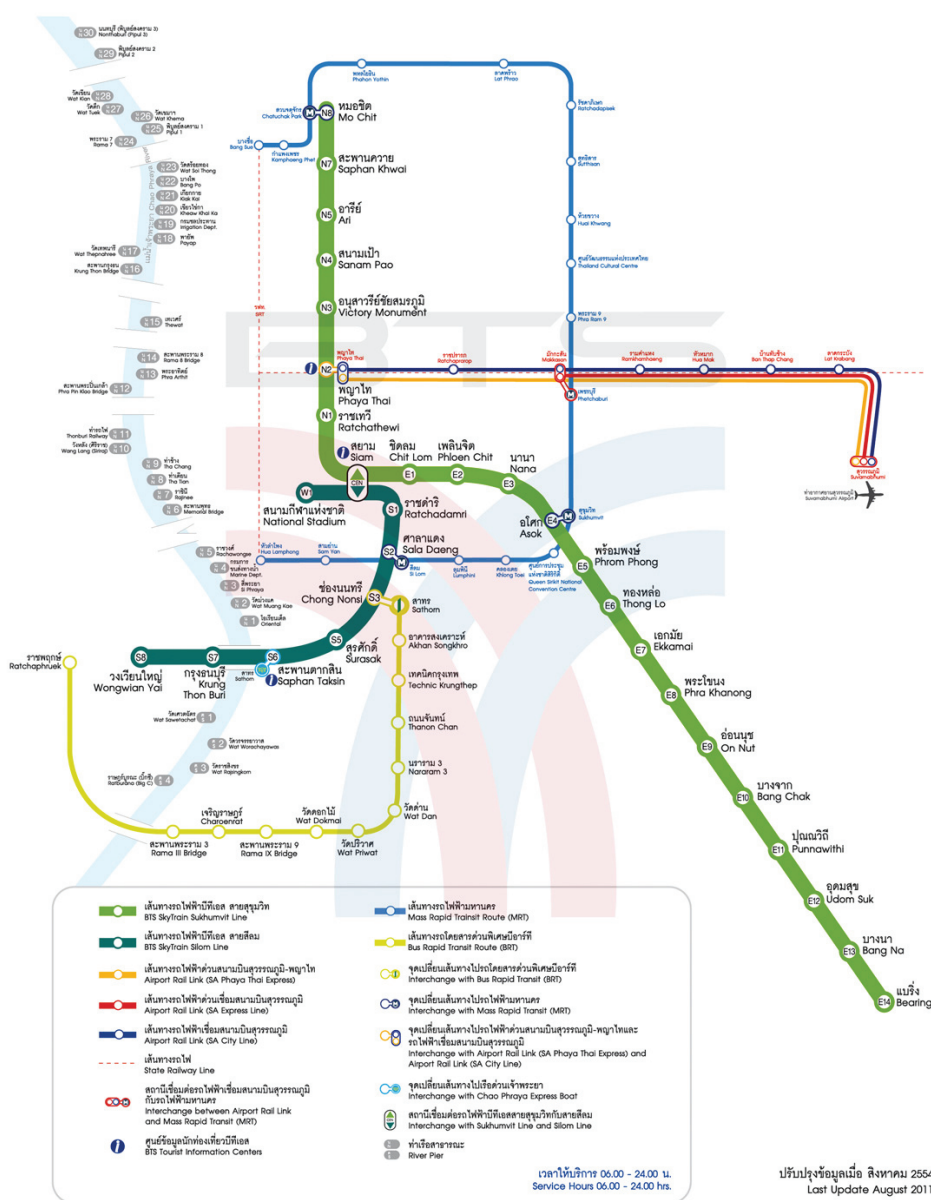
Route Network

Current Network

The BTS SkyTrain plus the extensions consist of two operating lines with a combined total of 31 elevated stations (including the two stations connected to the Silom Line Phase 1 Extension and five stations connected to the Sukhumvit Line Extension), one of which is an interchange between the two lines, as follows:

- *Core Sukhumvit Line and Sukhumvit Line Extension.* The 17.0 km Core Sukhumvit Line runs from On Nut to Mo Chit, following Sukhumvit, Ploenchit, Rama I, Phayathai and Phahonyothin Roads and contains 17 stations. The 5.25 km Sukhumvit Line Extension starts from On Nut heading eastwards to Soi Bearing through five new stations, Bangchak station, Punnaewithi station, Udomsuk station, Bangna station and Bearing station. At morning and evening peak hours (between 7 am. to 9 am. and between 5 pm. to 8 pm.), the current headway between trains is 2:53 minutes, while at non-peak hours, the current headway between trains is 5:30 to 8:00 minutes. The punctuality of the trains (measured by train arrival on schedule within five minutes) is 99.65%. The service reliability (as measured by the number of times a passenger travels before facing a delay of five minutes or more) is equal to or over 1,000.
- *Core Silom Line and Silom Line Phase 1 Extension.* The 6.5 km Core Silom Line starts at the Taksin Bridge (Saphan Taksin) above Chareon Krung Road and runs along Sathorn, Klong Chong Nonsi, Silom, Rajadamri, and Rama I Roads before reaching its terminus immediately east of Ban That Thong near the National Sports Stadium on Rama I Road. The Core Silom Line has seven stations. The 2.2 km Silom Line Phase 1 Extension starts from Taksin Bridge heading west to two new stations, Krungthongburi station and Wongwien Yai station. See "– Planned Route Extensions" for details on the proposed Silom Line Phase 2 Extension. At morning and evening peak hours (between 7 am. to 9 am. and between 5 pm. to 8 pm.), the headway between trains is 4:50, while at non-peak hours, the current headway between trains is 6:00 to 8:00 minutes. The punctuality of the trains (measured by train arrival on schedule within five minutes) is 99.43%. The service reliability (as measured by the number of times a passenger travels before facing a delay of five minutes or more) is equal to or over 1,000.

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



In May 2009, November 2010 and October 2011, Krungthep Thanakom, a company controlled by the BMA, outsourced the operation of the Silom Line Phase 1 Extension (Taksin Bridge – Wongwien Yai), the Sukhumvit Line Extension (On Nut – Bearing), and the proposed Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa) described in “– Planned Route Extensions – Silom Line Phase 2 Extension” below, respectively, to BTSC under three separate short term operating and maintenance agreements. These short term agreements were replaced on May 3, 2012 by the Long Term O&M Agreement, which is effective for a period of 30 years, until May 2042. The Long Term O&M Agreement also covers the Core Sukhumvit Line and the Core Silom Line after the expiration of the Concession Agreement scheduled in December 2029. These lines and extensions, the fares derived from these extensions and the fares derived from the Core Silom Line and the Core Sukhumvit Line after December 2029, are not covered under the Concession Agreement, and such

fares are, therefore, not included in the Sale Revenue that will be sold to BTSGIF. However, BTSC will grant BTSGIF the right to purchase, and/or the right of first refusal to purchase, the rights to receive the revenues, rights, benefits and/or title under (i) any extension of the Concession Agreement, (ii) the Long Term O&M Agreement and (iii) any other agreement entered into with any Government authority in relation to or in connection with the procurement, provision of services, operation and/or maintenance of any part of Bangkok's mass transit system by BTSC. See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement. The Sponsor will also grant BTSGIF the right to purchase, and/or the right of first refusal to purchase, the right to receive the revenues, rights, benefits and/or title under any Government authority in relation to or in connection with the procurement, provision of services, operation and/or maintenance of any part of Bangkok's mass transit system by the Sponsor or any of its affiliates.

Planned Route Extensions

Following the success of the BTS SkyTrain, the Government has committed to a major expansion of the mass transit systems serving Bangkok and its surroundings, including the BTS SkyTrain. There are a number of planned network extensions to the BTS SkyTrain, including:

- *Silom Line Phase 2 Extension.* The 5.3 km Silom Line Phase 2 Extension extends southwards of the Silom Line from Wongwien Yai station to Bangwa Station and comprises four new stations, Phothinimit station, Ratchadapisek station, Wutthakat station and Bangwa station. The civil works and the E&M works are to be constructed and funded by the BMA. The civil works for the elevated track related to this project are complete and the electrical and mechanical works are underway. BTSC was granted the right by Krungthep Thanakom to operate the Silom Line Phase 2 Extension under the Long Term O&M Agreement, until May 2042. The first two new stations of the Silom Line Phase 2 Extension (Wongwien Yai – Bang Wa) have been operational since February 2013 and the BMA expects that the remaining two new stations will be operational by the end of 2013.
- *Sukhumvit Line Extensions.* The 11.4 km extension extends northwards of the Sukhumvit Line from Mo Chit to Saphanmai and the 12.8 km extension extends eastward of the Sukhumvit Line from Soi Bearing to Samutprakarn. The civil works are expected to be funded by the MRTA and the E&M works, operations, farebox collection and maintenance work are expected to be the responsibility of the operator. The civil works for the project have recently commenced and the extensions are expected to commence operation by April 2017. BTSC understands MRTA's responsibilities for the extension project are to be re-assigned to the BMA.

In addition, there are a number of additional potential future extensions to the Green Line, including the 13.5 km extension northwards of the Sukhumvit Line from Saphanmai to Lumlukka and the 7.0 km extension eastward of the Sukhumvit Line from Samutprakarn to Bangpu, as well as other lines and line extensions. See "Industry – Overview of Rail Transportation in Bangkok – Planned Extensions" for further details of the Mass Transit Network Development Plan (2010-2029). However, these potential extensions are still at an early stage of consideration by the local and central Government and would, if undertaken, lie further in the future.

BTSC has the first right of refusal to negotiate for the operation of any new extension lines of the BTS SkyTrain, according to the Concession Agreement. If the BMA intends to operate additional routes during the life of the Concession Agreement or to extend the current BTS SkyTrain, BTSC will have the right to be the first company to negotiate with the BMA to obtain the rights to operate the new routes. However, BTSC will need to accept the best proposal presented by the BMA.

Track and Viaduct Structure

The trains operate on a heavy dual railway track elevated approximately 12 meters above street level, other than at the Taksin Bridge station, where there is only a single railway track. The tracks are supported by a pre-cast, segmented viaduct structure which is supported by reinforced concrete columns. Each column is supported by piles which extend approximately 55 meters underground. Traction power is provided by means of a third rail. The third rail is made of steel and aluminum and, for safety reasons, is covered to the maximum possible extent. Although it is more expensive than an overhead supply, the third-rail system has been adopted to minimise visual intrusion. The viaduct is made of pre-cast concrete segmental construction erected by trusses and then stressed together. The span length between the viaducts is approximately 35 meters with larger spans and modified deck structures used at road junctions for the safety of passengers and operation.

Rolling Stock

BTSC originally took delivery of 35 trains, which were manufactured by Siemens and designated for conditions in Bangkok. Each train consists of three cars with a maximum capacity of 1,106 passengers, divided into 126 seated passengers and 980 standing passengers. The BTS SkyTrain station platforms can accommodate trains with up to six cars. The trains are powered by alternating current electric motors fed by a third rail and are able to travel to a maximum speed of 80 km/h. The average operating speed of our trains is approximately 35 km/h. Each car is equipped with two air conditioning units and has approximately 42 individual seats arranged longitudinally. The cars are connected with wide walk-through gangways which allow passengers to move freely within the train. The wheels have a resilient rubber layer between the rim of the wheel and the axle, which improves the quality of the ride and significantly decreases the noise level.

Each train is operated by a single driver who may use the Automatic Train Operation (“ATO”) system or drive in “Supervised Manual” mode. The ATO system controls the train automatically and permits the maintenance of a strict schedule. Unless there is a problem, a driver using the ATO system is only required to close the train doors and start the train moving. The ATO system allows trains to be operated in a number of modes. Hence, at peak hours trains run in a mode so as to maximise the capacity of the system, but during off-peak they are operated in a mode which reduces power usage. In “Supervised Manual” mode, the driver’s actions are continuously monitored and, if necessary, overridden by the Automatic Train Protection System (the “ATP System”). The ATP System is a “fail safe” system that supervises the operation of a train either in ATO mode or in “Supervised Manual” mode. In the event that the driver initiates an unsafe situation, the ATP System will take over and brake the train to a complete halt. It will also ensure that at all times a safe separation is maintained between trains. In the event of an emergency, trains can be manually operated in a “Restricted Manual” mode at speeds of up to 35 km/h.

To support the increased number of passengers and the 2.2 kilometer Silom Line Phase 1 Extension from Taksin Bridge station to Wongwien Yai station which commenced operation in 2009, BTSC purchased an additional 12 four-car trains, totalling 48 cars, from CRC, a subsidiary of China Northern Locomotive and Rolling Stock Industry Group Corp. and the leading manufacturer of trains and electric trains in the People’s Republic of China. CRC gradually imported all trains into Thailand by June 2010 and the new trains were put into service by the end of February 2011. Each train consists of four cars with a maximum capacity of 1,490 passengers, divided into 168 seated passengers and 1,322 standing passengers. All other features of the new trains are similar to BTSC’s existing trains from Siemens, as described above. BTSC used the new trains on the Silom Line and transferred the existing trains that were serving the Silom Line to the Sukhumvit Line so that it could increase the train frequency on the Sukhumvit Line. The total cost of the new trains was US\$65.4 million, all of which have been paid.

To support BTSC's further expansion, as well as to cater for an increase in the number of passengers:

- in September 2010, BTSC entered into an agreement to purchase 35 additional carriages from Siemens to increase the number of carriages of its existing 35 trains to four carriages each. BTSC began taking delivery of these new carriages in August 2012 and all such carriages shall be delivered no later than March 2013. BTSC expects all trains on the Sukhumvit Line to have four carriages each within 2013. The total cost of the new carriages is the aggregate of €43.2 million and THB81.9 million (US\$57.0 million and US\$2.7 million, respectively), which BTSC funded through project financing. As of December 31, 2012, BTSC paid an aggregate of €33.3 million and THB68.9 million (US\$44.0 million and US\$2.2 million, respectively). On February 28, 2013, BTSC paid an additional €2.5 million and THB3.7 million (US\$3.2 million and US\$0.2 million, respectively) and expects to pay the remaining amounts as and when BTSC takes delivery of the carriages, and in no event any later than March 2013; and
- in October 2011, BTSC entered into an agreement to purchase five additional four-carriage trains from CRC to support further extensions to the Silom Line. BTSC expects to take delivery of these new trains in between July and August 2013 and to commence service using these trains by December 2013. The total cost of the new trains is the aggregate of €14.2 million (US\$18.7 million) and RMB110.3 million (US\$17.6 million), which BTSC intends to fund through Baht-denominated bank financing. BTSC paid €11.4 million (US\$15.05 million) in December 2011 and expects to pay the remaining amounts in August 2013.

The cost of these new carriages and trains has been allocated to the Sukhumvit Line Extension and Silom Line Extensions and does not fall within the scope of the Net Revenue Purchase and Transfer Agreement. Therefore, these capital expenditure items will be the responsibility of BTSC and will not be reimbursed by BTS GIF.

Stations

The BTS SkyTrain comprises 23 elevated stations, including one common interchange or central station at Siam. Combined with two additional stations on the Silom Line Phase 1 Extension and five additional stations on the Sukhumvit Line Extension, there are a total of 31 elevated stations. The stations, generally, are 150 meters long. The central station has platforms between the tracks which allow a cross-platform connection between the two lines.

Most of the BTS SkyTrain station infrastructure has been designed to be above ground in order to avoid cluttering existing street-level facilities and contributing to further traffic congestion. The elevated track and most stations have a single-column support structure.

Each station has three levels:

- the street level is the entry point to each station. Stairways, escalators and elevators (at selected stations) lead the passengers to the station concourse. The street level is also used to store equipment such as generators, fuel tanks, water tanks and water pumps;

- the concourse level is located above street level and serves as the entry point to the platform. The concourse is divided into a public area for those who have not yet entered the system through the ticket gate, and an internal area for all passengers who have entered the system. The public area contains the automatic ticket machine, the staffed ticket office and the ticket gates, as well as additional amenities, including newsstands, small shops, food kiosks and ATM machines. The internal area leads from the ticket gates to the platform using stairways and escalators, as well as restricted areas, accessible only to BTSC's staff; and
- the platform is the highest level of each station. All station platforms offer shelter and are located on one level with the exception of Siam interchange (transfer) station, which has two platform levels to facilitate passenger transfer between the Silom Line and the Sukhumvit Line.

In addition, at the Mo Chit, Siam, Asok, On Nut and Chong Nonsi stations, elevators for the handicapped can be used with the assistance of BTSC's staff. BTSC is responsible for maintaining these elevators. The BMA is considering the installation of elevators at all of the stations, whereby the BMA or Bangkok Thanakom is responsible for the costs of the elevator construction and BTSC is responsible for the costs of maintenance. Such maintenance costs with respect to the Core BTS SkyTrain System will form part of the O&M Costs.

All BTS SkyTrain stations are equipped with a warning system, a protection system and an extinguishing system. Vulnerable areas, such as machine rooms, are installed with sprinkler systems or carbon dioxide gas extinguishing systems. See “– Safety and Security” for further details. All stations have a backup power supply system. In addition, approximately half of the BTS SkyTrain stations have an electricity sub-station to provide electricity to the third rail to power the trains. Each station has a station manager who is responsible for ensuring safe and efficient operations. Station managers monitor the system through closed circuit television monitors and communicate with passengers and train controllers.

In addition, recognising the importance of attracting tourists to use the BTS SkyTrain as their means of transportation while in Bangkok, BTSC has set up tourist information centers in the Siam, Nana and Taksin Bridge stations. At the tourist information centers, visitors can get useful information on Bangkok's tourist attractions and assistance in travelling around Bangkok. The services include offering boat tickets for the Chao Praya River Tour, long distance call facilities, internet services and the sale of souvenirs. The tourist information centers are open daily from 8:00 am to 8:00 pm.

Several stations have sky-bridges and walkways that connect the station's concourse directly to neighbouring hotels, shopping malls, Bangkok MRT Subway stations and business centers. BTSC receives payment from the owners of such buildings for the permission to construct sky-bridges and walkway connections to the BTS SkyTrain. The owners of such buildings remain responsible for the construction and maintenance costs of their respective sky-bridge and walkway connections. The Concession Agreement does not extend to these sky bridges and walkway connections and, according to the BMA's policy, seeking commercial benefits, including the lease of advertising and commercial space, from such sky-bridges and walkway connections is not allowed.

Examples of significant connections include the following:

Stations	Shopping Malls	Hotels	Buildings and others
Mo Chit.....	–	–	MRT station
Victory Monument.....	Fashion Mall and Century Movie Plaza	–	Uthomporn Building
Phayathai	–	–	SARL Red Line/Airport Link
Ratchathewee	–	The Asia Hotel Bangkok	–
Siam.....	Siam Center Central World Siam Paragon Digital Gateway	–	–
Chidlom	Central Chidlom Gaysorn Plaza Amarin Plaza	Grand Hyatt Erawan Bangkok Hotel	Maneeya Center
Phloen Chit.....	–	–	Park Ventures Wave Place Building
Asok.....	Terminal 21 Robinson Department Store	Sheraton Grande Sukhumvit Hotel	MRT station Times Square Building Exchange Tower Interchange 21 Tower
Phrom Phong	Emporium	–	–
Thong Lor.....	–	–	Nobel Remix
On Nut	Tesco Lotus, On Nut Branch	–	–
Ratchadamri.....	–	St. Regis Hotel	–
Chong Nonsi	–	–	Sathorn Square Office Sathorn Nakorn Tower
Sala Daeng.....	Silom Complex	–	Thaniya Plaza Building MRT station
Surasak.....	–	Eastin Grand Sathorn	–
National Stadium.....	Mah Boon Krong (MBK)	–	Bangkok Art and Culture center
Ekamai	Major Cineplex	–	Nusasiri Building

The BMA is considering the addition of a second track at the Taksin Bridge station, which was originally meant to be a temporary station until the Silom Line Extension becomes fully operational. When the BTS SkyTrain system first opened, due to limited space in the vicinity, the Taksin Bridge station had, and continues to have, only a single railway track. With the opening of the first two stations of the Silom Line Phase 2 Extension in February 2013 and the remaining two stations becoming operational by the end of 2013, the single railway track is expected to become a bottleneck to the ability of BTSC to operate more frequent train service on this stretch of the track.

Press reports stated that the BMA had initially sought permission from the Department of Rural Roads to expand the Taksin Bridge station in order to make way for an additional track and platform, but permission has not yet been, and may not be, granted. As a result, the BMA may be

required to permanently dismantle the Taksin Bridge station, use the area currently occupied by the Taksin Bridge station for the second track and also construct a pedestrian sky-way in addition to moving walkways for the convenience of passengers, who will have to take the BTS SkyTrain from the Surasak 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. However, BTSC does not believe that closure of the station would result in a material adverse impact to the BTS SkyTrain system farebox revenues. In addition, any decrease in farebox revenues would also be partially offset by a decrease in operating costs resulting from the closure of the station.

Power Supply

The MEA supplies power to the BTS SkyTrain through two power supply distribution points, one at the depot at Mo Chit and the other at Paisingto. The BTS SkyTrain has been designed to operate from both or from either of the supply points. Hence the loss of one source will not affect service. Since BTSC commenced operations in December 1999, it has not had to cease operations because of a power outage, and there has not been any incident whereby both power supply distribution points failed to supply power at the same time. In addition, BTSC uses technology that allows braking trains to produce electricity which is then fed back into the system for the use of other trains, which reduces electricity usage. Emergency power supplies are available in the event of a power failure to ensure the safety of passengers and the preservation of critical data and links necessary for the speedy resumption of service.

Control Center

The BTS SkyTrain is controlled from BTSC's headquarters at Mo Chit, where control officers are stationed 24 hours a day. Each control officer uses computer control panels and monitors as tools to control the system's operation. This control center is responsible for monitoring the BTS SkyTrain (including the Silom Line extension) to ensure operation in accordance with daily time schedules and designated routes.

The control center determines the minimum safety distances between trains. As the control center can locate all trains in the BTS SkyTrain on closed circuit television monitors, BTSC is able to maintain effective control over the BTS SkyTrain at all times. In addition, BTSC has radio communication equipment for the control center to communicate with the driver of each train and with the stationmaster at each station, with the control center acting as the central coordinator should any problems arise.

Signalling System

The signalling system has been designed to provide safe and efficient operation of the BTS system. It uses an internet protocol-based network with fully redundant configuration and transmits control data to the train through the rails and exchanges additional information through bi-directional data links at stations. It also uses a fiber optic network for transmitting information on operations to the control center. The signalling system has a fail-safe and hot standby feature, and in the event of any disruption, trains will be able to operate in either direction on either line safely and at normal speeds.

In February 2007, BTSC entered into an agreement with the Bombardier Group to replace the existing signalling system to increase the BTS SkyTrain capacity, lower BTSC's maintenance costs and prepare its network for potential line expansions. The replacement signalling system is a computer based train communication system and was installed in July and August 2011. The new signaling system also provides flexibility to set up a remote access temporary control room in case of failure of the central control room. In accordance with the terms of the agreement, the Bombardier Group is required to provide BTSC with technical support and training. To reduce its

dependence on third party service providers, BTSC intends to maintain the signalling system itself following the expiry of the 104-week warranty period. The installation of this signalling system has reduced the minimum headway from two minutes to one and a half minutes, and BTSC expects that this signalling system will allow BTSC to have better control of energy consumption. The total project cost for replacing the signalling system was an aggregate of €16.9 million (US\$12.8 million) and THB583.7 million (US\$19.1 million), all of which has BTSC paid. The new signalling system is operational on the Silom Line and the Sukhumvit Line.

Communications System

The BTS SkyTrain has a sophisticated communications system involving telephones, radio, intercoms, closed-circuit television and public address systems based on the use of fiber optic cables. Telephones are installed in each key area. In the case of an emergency, passengers can communicate with the train driver through an intercom system installed on each train. Public address broadcasts can be made from the control center to the platform or from the train driver to passengers.

Safety and Security

BTSC believes it operates one of the world's safest mass transit systems. BTSC has received awards from various organisations such as the Certificate of Hygiene and Safety OHSAS 18001:2007, ISO9001:2008 for its management systems the Certificate of Safety Management Systems from Lloyd's Register. Since BTSC commenced operations in December 1999, it has handled over 50 million passenger trips with no loss of life and no significant injury. BTSC is dedicated to implementing strict safety codes throughout its system, all BTS SkyTrains and stations are equipped with emergency features, and BTSC has a handbook on rules, regulations and emergency procedures available to all passengers. BTSC tested its system for six months prior to starting operations in order to check for any breaches in safety. Since the start of BTSC's operations, it has continued to regularly test and drill its staff on safety and emergency procedures.

Every train is equipped with an ATP system that ensures all trains maintain a safe distance from one another and remain within proper speed limits. Automatic doors have features to prevent passenger injuries. In case of emergency, passengers can communicate with the driver's cab via a passenger intercom system, while the train radio enables the driver to contact the control center at all times. In case of fire, trains are equipped with fire extinguishers. All trains are built using tested non-flammable materials, designed to prevent fires from spreading or overwhelming the train cars with harmful smoke. Emergency evacuation is conducted through the exits located at the front and back end of each train.

Each station was designed using strict safety codes and features an emergency exit, a public announcement system to convey any emergency warning, a fire protection system in line with the standards of the National Fire Protection Association (the "NFPA") and lightning absorption equipment. In addition each station is equipped with a closed-circuit TV system and a central control panel to regulate station escalators and elevators. The BTS SkyTrain contains more than 1,200 closed-circuit TVs. The control panel can be used to stop trains and control its doors in case of emergency.

The trains have been designed so that generally no single electrical or mechanical fault will result in the train being delayed or operating below normal operating parameters. In the event of an occurrence of most faults, each train's motors have enough power such that a train with a full complement of passengers can drag or push another train with a full complement of passengers to the nearest station. If a power outage occurs, each train has an electricity reserve system so that relevant safety systems can continue to work.

Fire Protection

As the BTS SkyTrain is an elevated rail system, passengers are exposed to a significantly lower risk of injury due to fire or smoke inhalation than underground systems. The BTS SkyTrain has advanced fire protection systems in accordance with NFPA practice. Administration buildings and depots have sprinkler systems installed. These systems are supported by booster pumps and water storage facilities. Fire hose cabinets, hose reels and portable extinguishers are also installed in stations. In areas where equipment could be damaged by water, a gas drenching system has been installed. Manual and automatic fire alarms are located in the depot and at all stations.

Maintenance

Siemens provides BTSC with maintenance services under a maintenance agreement BTSC has entered into with Siemens dated December 30, 2004, which was subsequently amended on September 30, 2009 (as amended, the “Maintenance Agreement”). The Maintenance Agreement expires on December 30, 2014, but may be extended at the option of BTSC for an additional 10 years under the same terms and conditions other than the scope of services and the fees payable. See “The BTS SkyTrain Operator – Description of Material Agreements – Maintenance Agreement” for a summary of the Maintenance Agreement. The Maintenance Agreement prescribes in advance the scope of the maintenance works to be undertaken, and such plans were drawn up to ensure sufficient trains would be available to provide a normal service. In addition, BTSC schedules train overhauls every seven to eight years, and the schedules are planned such that all trains are overhauled gradually over a period of two years so that normal service is not affected. BTSC began the first overhaul of its trains at the beginning of 2006 and completed the overhaul at the end of 2008.

The Maintenance Agreement does not cover the additional 12 trains purchased from CRC. BTSC provides such maintenance services itself. Under the terms of the purchase agreement for the additional 12 trains, CRC is required to provide training for the operation and maintenance of such trains to BTSC employees within one month prior to the delivery of the first train and provide training for overhaul maintenance within 18 months after the delivery of the first train.

Competition

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.

Research and Development

BTSC’s mass transit research and development efforts are focused on understanding the behaviour of its passengers to improve the services that will satisfy the needs of its passengers, and hence, to expand its market base. Results of past research and development efforts resulted in new products such as various types of tickets to suit market demand. BTSC also monitors developments relating to the operation of its route network to improve the system and accommodate any changes in a timely manner.

BTSC also monitors new technologies and innovations relating to the mass transit industry to improve its services and reduce its cost of farebox. For example, BTSC upgraded its fare collection system, which used to support only magnetic cards, to accept contactless smart cards, to increase efficiency and support the increasing number of passengers using the BTS SkyTrain. This improved system also forms the basis of the proposed common ticketing system with the Bangkok MRT Subway system and, potentially, other transportation systems.

Insurance

BTSC maintains non-life 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. BTSC’s policy is to continuously maintain the insurance policies, except for terrorism insurance, which is subject to evaluation on an annual basis. The primary beneficiaries of these insurance policies are currently the BMA and BTSC. 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 BTSGIF as co-beneficiary and additional co-insured. Details of the insurance that BTSC has obtained as of December 31, 2012 are as follows:

	Type of Insurance	Insured Amount
1	1.1 General Third Party Liability	US\$25,000,000 (for each and every occurrence)
	1.2 Product Liability	US\$25,000,000 (for each and every occurrence and in the aggregate during the period of insurance)
2	2.1 Property “All Risks”	US\$300,000,000 (for each and every occurrence)
	2.2 Machinery Breakdown	US\$25,000,000 (for each and every occurrence)
	2.3 Business Interruption	
	(1) Arising from 2.1 – Property “All Risks”	(1) THB5,967,174,492 (for each and every occurrence)
	(2) Arising from 2.2 – Machinery Breakdown	(2) US\$25,000,000 (for each and every occurrence)
	The insurance described in 2.1, 2.2 and 2.3 is subject to a sublimit of US\$20,000,000 in respect of loss or damage from floods.	
3	Property Terrorism	US\$5,000,000 (for each and every occurrence and in the aggregate during the period of insurance)

BTSC has engaged Aon (Thailand) Ltd to conduct a review of the insurance policies relating to the BTS SkyTrain system to ensure adequacy of insurance coverage in relation to the risk, market availability, and compliance with the Net Revenue Purchase and Transfer Agreement. Aon (Thailand) Ltd concluded in its report that the current insurance policies are in line with market standards for risks of this type and nature and cover major insurable risk exposures of the BTS SkyTrain system as well as its extension lines, and comply with the requirements of Net Revenue Purchase and Transfer Agreement.

Employees

BTSC had 1,915 employees as of March 31, 2012 and 1,958 employees as of December 31, 2012. BTSC's employees can be categorized as follows:

	As of March 31,			As of December 31,	
	2010	2011	2012	2011	2012
Operational.....	1,337	1,628	1,734	1,721	1,773
Administrative	184	117	181	178	185
Total	1,521	1,805	1,915	1,899	1,958

Legal Proceedings

Other than as described below, there are no material litigation, arbitration or other legal proceedings directly in relation to the BTS SkyTrain which BTSC believes will have a material adverse effect on our business, financial condition, results of operations and prospects. See “Risk Factors – Risks Relating to the BTS SkyTrain Business – 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”.

Proceedings as Defendants Relating to BTSC's Business Rehabilitation

On February 20, 2006, BTSC filed a petition for business rehabilitation with the Central Bankruptcy Court, which ordered the business rehabilitation of BTSC on July 7, 2006 and appointed BTSC to be the plan administrator on August 21, 2006. The Central Bankruptcy Court terminated the business rehabilitation plan on October 29, 2008. See “The BTS SkyTrain Operator-BTSC's Business Rehabilitation” for details of BTSC's business rehabilitation plan.

BMA Proceedings

Pursuant to the business rehabilitation plan of BTSC, the BMA submitted to the official receiver an application for repayment of various debt claims. The official receiver allowed the BMA's debt repayment claims totalling THB20.6 million, subject to conditions. However, the official receiver dismissed the BMA's debt repayment claims with respect to land and property taxes totaling THB72.4 million, on the basis that a portion of such taxes had been paid and the remaining portion claimed had not been proven, and with respect to rent payments totaling THB201.4 million, on the basis that such rents were not due at the time of the business rehabilitation plan but related to future rental payments. The BMA filed an objection with the Central Bankruptcy Court against the official receiver's order and BTSC filed an objection to the objection filed by the BMA. On April 27, 2011, the Central Bankruptcy Court rejected the BMA's objection and concurred with the Official Receiver's order. The case is now under the consideration of the Supreme Court Bankruptcy Division. BTSC has not made any provision in its financial statements for the amounts under appeal.

Other Proceedings as Defendants

Claims in relation to Accessibility of the BTS SkyTrain

Mr. Suparatham Mongkolsawas and others have instituted proceedings in the Central Administrative Court against the BMA as the first defendant, the Governor of the BMA as the second defendant and BTSC as the third defendant, alleging violations of the BMA Act B.E. 2528 (1985), the Rehabilitation for Disabled Person Act B.E. 2534 (1991) and other ministerial regulations relating to the provision of elevator and other facilities for disabled persons in relation to the BTS SkyTrain. BTSC was informed that, on January 15, 2009, the judge-commissioner in the case provided an opinion that the defendants were not legally obliged to proceed with their defence because at the time of execution of the Concession Agreement, the ministerial regulation which prescribes the defendants' obligation to provide elevator and facilities to the disabled persons did not yet exist. Accordingly, the Central Administrative Court dismissed the case. The plaintiffs have filed an appeal, which is being considered by the Supreme Administrative Court.

THE BTS SKYTRAIN OPERATOR

Overview

BTSC was founded in 1992 and, in the same year, was granted a concession by the BMA to exclusively operate the Core BTS SkyTrain for a period of 30 years from the commencement of commercial operations of the Core BTS SkyTrain. BTSC completed construction of the civil works for the project, which BTSC transferred to the BMA in 1999 in accordance with the terms of the Concession Agreement. BTSC began commercial operations of the Core BTS SkyTrain on December 5, 1999. In May 2009, Krungthep Thanakom outsourced the operation of the Silom Line Phase 1 Extension to BTSC. Operations on the Silom Line Phase 1 Extension began on May 15, 2009. In November 2010, Krungthep Thanakom outsourced the operation of the Sukhumvit Line Extension to BTSC. Operations on the Sukhumvit Line Extension began on August 12, 2011. BTSC signed the Long Term O&M Agreement with Krungthep Thanakom on May 3, 2012, which covers the Extension BTS SkyTrain System and the Core BTS SkyTrain System after 2029. See “The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement” for a discussion of BTSC’s current rights under that agreement. The fares derived from the Core BTS SkyTrain System after 2029 and the fares derived from the Extension BTS SkyTrain System are not covered in the Concession Agreement, and thus, are not included in the Sale Revenue that have been sold to BTSGIF.

On May 29, 2010, BTSC commenced trial operations of the BRT, which BTSC operates on behalf of the BMA, with commercial operations starting on September 1, 2010. The BRT is a project pioneered by the BMA to provide a bus service that is faster than the general bus service using a special lane reserved for the BRT on existing roads. The BRT has 12 stations covering 15.0 km.

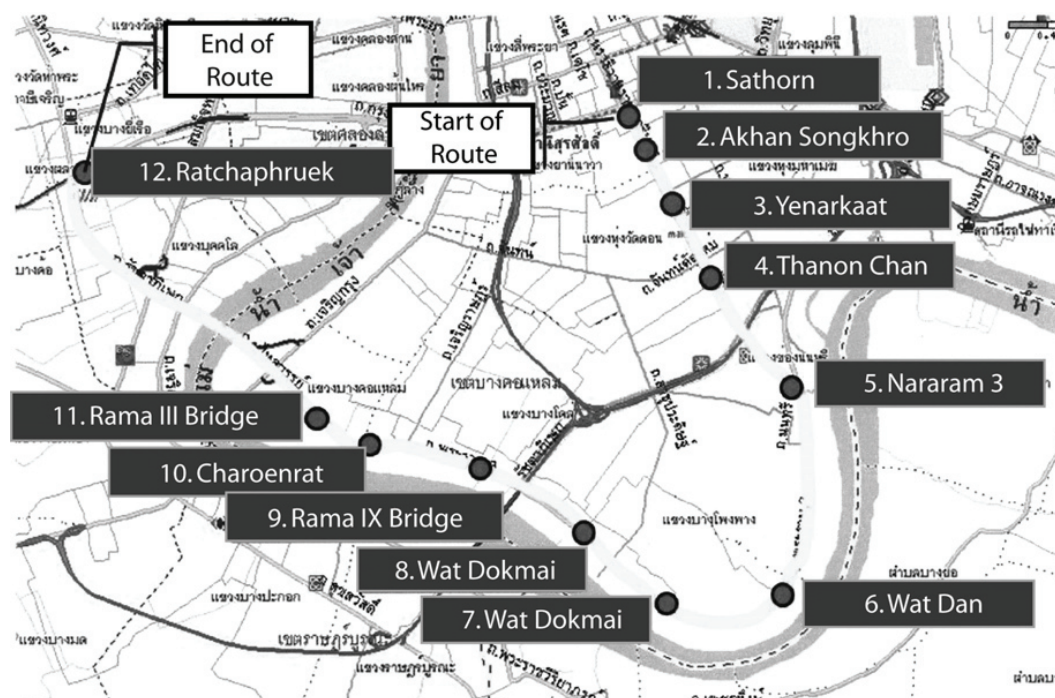
BTSC also has a media business conducted through its subsidiary VGI Global Media Public Co., Ltd. (“VGI”) and its subsidiaries. The media business comprises the conduct of commercial activities in or related to the BTS SkyTrain, including advertising and merchandizing space in BTS SkyTrain train stations and on BTS SkyTrain trains, as well as providing management services of the advertising space for various superstores, office buildings and entertainment venues. The media business accounted for THB1,842.3 million (US\$60.1 million), or 25.4%, of BTSC’s consolidated operating revenues in the fiscal year ended March 31, 2012 and THB2,005.8 million (US\$65.5 million), or 30.3%, of BTSC’s consolidated operating revenues in the nine months ended December 31, 2012.

In addition, BTSC has a smart card business conducted through its subsidiary Bangkok Smartcard System Co., Ltd. The smart card business began as a joint development of a common ticketing system between the BTS SkyTrain and the Bangkok MRT Subway system. In May 2012, BTSC’s subsidiary, Bangkok Smartcard System Co., Ltd. commenced commercial operations of the smart card under the “Rabbit Card” brand. See “BTSGIF and the BTS SkyTrain Business and Extensions – Ticket Systems and Ticket Types” for further information on the “Rabbit” card. The smartcard business accounted for THB66.5 (US\$2.2), or 0.0%, of BTSC’s consolidated operating revenues in the fiscal year ended March 31, 2012 and THB18.5 million (US\$0.6 million), or 0.3%, of BTSC’s consolidated operating revenues in the nine months ended December 31, 2012.

On May 4, 2010, the Sponsor acquired 94.60% of the total issued shares of BTSC. Between June and August 2010, the Sponsor completed a rights offering of shares to its existing shareholders and a private placement of the unsubscribed rights offering shares and used the proceeds to partially repay the loan that it obtained to acquire the shares of BTSC. The Sponsor acquired an additional 1.9% of BTSC shares in June 2011. As of December 31, 2012, the Sponsor holds 97.46% of the total issued shares of BTSC.

BTSC's BRT Business

BTSC operates the first BRT route on behalf of the BMA. The BRT is a project pioneered by the BMA to link the various Bangkok mass transit systems and provide an integrated public service for the city and its suburbs. It operates a bus service that is faster than the general bus service using a special lane reserved for the BRT on existing roads. The BRT has 12 stations, covering 15.0 km, running from Chong Nonsi on Narathiwat Ratchanakarin Road, crossing Rama III Bridge to Ratchapruk Road. The BRT Sathorn station is connected to the BTS Chong Nonsi station. The map below shows the route network of the BRT.



The BMA funded the construction of the bus lane and bus stations and outsourced the procurement and operation of the buses to BTSC under an agreement with Krungthep Thanakom dated February 10, 2010 (the “Bus Operation and Procurement Agreement”). The BMA also outsourced the management of the BRT stations to BTSC under an agreement between BTSC and Krungthep Thanakom dated May 11, 2010 (the “Bus Station Management Agreement”). The construction of the bus lane and the BRT stations are completed. The BRT commenced trial operations on May 29, 2010 and commercial operations on September 1, 2010. The fares are THB10 for adult, THB7 for college students and are free for students.

Under the Bus Operation and Procurement Agreement, all revenues from BRT fares belong to the BMA, while BTSC is entitled to service fees totalling THB529.6 million (US\$17.3 million) over a seven-year period commencing on May 29, 2010, regardless of the number of passengers carried. In the first year, the fee (which excludes pre-operating expenses) was THB61.0 million (US\$2.0 million) per annum, with such fee increasing to THB84.1 million (US\$2.7 million) per annum in the seventh year in accordance with a specified schedule. BTSC was also entitled to pre-operating expenses of THB5.4 million (US\$0.2 million) in the first year to compensate BTSC for its start-up costs. Under the terms of the Bus Operation and Procurement Agreement, BTSC bears the operating expenses, maintenance expenses and investment in the buses. BTSC ordered 25 buses from Siam Standard Energy Co., Ltd. that were manufactured by Shanghai Shenlong Bus Co., Ltd., a manufacturer in the People’s Republic of China, all of which were delivered before the end of May 2010. The total cost of the 25 buses, together with five additional buses to be delivered in 2013, was THB223.5 million (US\$7.3 million), all of which has been paid. The buses are air-conditioned, are fuelled by natural gas and are of a higher standard than average buses currently in use in Thailand.

Under the Bus Station Management Agreement, BTSC is entitled to service fees totalling THB737.0 million (US\$24.1 million) over a seven year period commencing May 29, 2010 to operate the bus stations, park and ride areas, central control area and gas stations, and to provide maintenance services for the BRT. The fees comprise THB13.7 million (US\$0.4 million) to compensate BTSC for its start-up costs, with the remaining fees to be paid in installments ranging from THB84.2 million (US\$2.7 million) in the first year to THB112.9 million (US\$3.7 million) in the seventh year.

In addition to the fees that BTSC expects to receive, BTSC expects to benefit from additional passengers on the BTS SkyTrain because BTSC believes the BRT will make it more convenient for passengers to use the BTS SkyTrain as the BRT route passes through various residential areas and business districts, which have high population densities and in which traffic jams are prevalent, and connects to the BTS Chong Nonsi station.

The BMA has announced plans to launch two other BRT routes. The first is the route from Mo Chit to the Government Center on Chaeng Wattana Road, comprising seven stations and covering a total distance of 14.0 km. The second is the route from Chong Nonsi to Pracha Uthit, comprising seven stations and covering a total distance of 23.0 km. Both additional routes are expected to connect to the BTS SkyTrain route network.

BTSC's Media Business

BTSC's Media Business Overview

BTSC's media business segment comprises the conduct of commercial activities in or related to the BTS SkyTrain, including advertising and merchandising space in BTS SkyTrain stations and trains, as well as providing management services for advertising space for various superstores, office buildings and entertainment venues. When BTSC first began its media business, it outsourced the management and operations of the advertising space within the BTS SkyTrain to VGI pursuant to a licence agreement. On September 30, 2009, BTSC purchased all of the outstanding issued shares of VGI, and on October 4, 2012, BTSC reduced its shareholding in VGI to 70.0% as a result of the initial public offering of VGI. On March 12, 2013, BTSC sold an additional 3.3% shareholding interest in VGI, reducing its shareholding in VGI to 66.7%.

Media Business Derived from BTSC's Mass Transit Business

Under the Concession Agreement, BTSC has been granted the rights to carry out commercial activities in or related to the BTS SkyTrain, which includes the advertising space on the trains and train stations as well as merchandising space in train stations. Advertising on the BTS SkyTrain reaches a target audience of approximately 600,000 people per weekday. As of December 31, 2012, the total advertising area available within the BTS SkyTrain is approximately 27,000 square meters, which VGI exploits using permanent media comprising more than 7,000 advertising panels, 80 liquid crystal display ("LCD") television screens on train stations, 918 in-train LCD television screens and 47 train wraps. In addition, the BTS SkyTrain contains approximately 6,000 square meters of retail space that housed 464 shops and 527 kiosks as of December 31, 2012. VGI also manages the advertising space on the 25 BRT buses which BTSC is operating and maintaining on behalf of the BMA. Further, VGI intends to seek the opportunity to manage advertising and merchandising space in the BMA's BTS SkyTrain stations on the Silom Line Phase 1 Extension and Sukhumvit Line Extension and in future BTS SkyTrain stations.

Modern Trade and Media Management Services

VGI has expanded the scope of its media business to focus on the "modern trade" business, which is the management of advertising spaces, in the form of both static panels and LCD television screens, in leading superstores such as Tesco Lotus and Lotus Express, Big C and Watsons. VGI has the exclusive right (under predominantly two to five-year contracts) to manage advertising space in specified areas within the premises of these leading superstores.

On December 8, 2010, VGI entered into the Sales Floor Acreage Agreement to manage advertising in the sale floor acreage in Tesco Lotus, including the installation of advertisements on shelves, coolers and billboards on or between the shelves etc. VGI has the right to operate and manage the area commencing from March 1, 2011 to February 28, 2015.

In addition, on October 31, 2009, VGI expanded its services to cover the management of advertising space in office buildings and entertainment venues through the THB90.0 million acquisition of all of the outstanding issued shares in Point of View Media Group Co., Ltd (“POV”). VGI’s objective is to capture the mid-to high-income profile viewer base to tap into a larger base of the advertising spend budgets of advertisers and to be the price setter in LCD digital signage network in Thailand.

Retailing advertisers typically demand a minimum guarantee on annual revenues to be generated. BTSC believes that VGI’s unique service platform, covering mass transit, modern trade and POV clients, enables VGI to deliver higher sales to its retailer clients and therefore provides VGI with a competitive advantage because VGI is able to agree to higher minimum guarantees when compared to its competitors. In addition, VGI does not have any media business competition in relation to the media business derived from the BTS SkyTrain because BTSC has the exclusive right to carry out commercial activities, which includes the advertising and merchandising space on the BTS SkyTrain trains and stations, under the Concession Agreement.

BTSC’s Smart Card Business

BTSC operates its smart card business through its subsidiary Bangkok Smartcard System Co., Ltd. (“BSS”) in which Bangkok Bank, one of Thailand’s largest banks, owns a 10.0% equity interest (as of December 31, 2012). BTSC’s smart card business began as a joint development of a common ticketing system between its BTS SkyTrain and the Bangkok MRT Subway system. BTSC entered into a ticket system development agreement dated June 22, 2009 (the “Ticket System Development Agreement”) with BMCL, the Bangkok MRT Subway operator, to jointly develop a common ticketing system in the form of a stored-value smart card for the convenience of passengers. BSS obtained an e-money license from the Ministry of Information and Communication Technology on June 24, 2011 and from the Ministry of Finance on July 1, 2011.

In May 2012, BSS commenced operations of the “Rabbit Card”, a new smartcard which enables a common ticketing system for Bangkok’s mass transit systems, as well as a payment method for products and services at many retail stores. Currently, the Rabbit Card can be used on the BTS SkyTrain network and extensions, on the BRT, as well as for approximately 25 retail brands. Retail partners include, among others, McDonald’s, Starbucks, Black Canyon, Au Bon Pain, Burger King, Mister Donalt, Oishi Group and selected outlets in Siam Paragon and The Emporium. BTSC expects that the “Rabbit Card” will be able to be used on the Bangkok MRT Subway in 2013.

Under the Ticket System Development Agreement, BTSC has agreed to grant BMCL the right to invest and hold shares in BSS in proportion to the average daily number of passengers of the BTS SkyTrain and the Bangkok MRT Subway as of the latest six months before the day that BMCL acquires shares in BSS.

BTSC’s Business Rehabilitation Plan

The economic crisis which occurred in 1997 led to increases in interest rates, decreases in the availability of credit and other factors. In addition, the Thai Ministry of Finance changed its foreign exchange policy from a fixed exchange rate system to a managed float system in July 1997, resulting in a devaluation of the Baht. The majority of BTSC’s borrowings were in foreign currency, and the economic crisis resulted in a substantial increase in BTSC’s indebtedness, and was the principal reason for high interest expenses compared to BTSC’s earnings and such company’s inability to repay its respective debts when due.

BTSC commenced commercial operations of the BTS SkyTrain in December 1999. At that time, as a result of the economic crisis, a decrease in the value of the Baht resulted in the increase of BTSC's indebtedness, because most of its indebtedness was denominated in foreign currencies. In addition, because the purchasing power of Bangkok residents was materially lower than estimated as a result of the economic crisis, the number of passengers riding the BTS SkyTrain, and therefore, BTSC's revenues, were lower than BTSC had projected as part of its business plan. As a result, BTSC had net losses beginning in 2000 that led to an accumulated capital deficit. In addition, BTSC was unable to fulfil the conditions of project loan agreements and the former maintenance agreements relating to the BTS SkyTrain, including the payment of debt when due. BTSC then entered into negotiations with its creditors to restructure its debts, during which time a Circular of Agreement with a group of lenders and certain contractors which laid out agreed practices on the relaxation of the payment of debt and other various conditions was effective.

On February 20, 2006, BTSC filed a petition for business rehabilitation with the Central Bankruptcy Court, which ordered the business rehabilitation of BTSC on July 7, 2006. The Central Bankruptcy Court appointed BTSC to be the planner on August 21, 2006 and approved the rehabilitation plan on January 31, 2007. On October 8, 2008, BTSC issued THB11,643.0 million in aggregate principal amount of convertible bonds. On October 9, 2008, BTSC issued 1,034.1 million shares at a price of THB15.80 per share as part of the debt-to-equity conversion component of the rehabilitation plan, and 1,986.5 million shares to new investors at a price of THB1.60 per share.

On October 29, 2008, the Central Bankruptcy Court ordered the termination of BTSC's business rehabilitation plan because it had complied with most of the material terms and conditions stipulated in the plan. Notwithstanding the termination of the plan, BTSC still remains subject to certain rehabilitation plan obligations, including ongoing repayment obligations to the BMA as described under “– Legal Proceedings – BMA Proceedings”.

Description of Material Agreements

Long Term O&M Agreement

Krungthep Thanakom and BTSC entered into the Long Term O&M Agreement dated May 3, 2012, under which Krungthep Thanakom appointed BTSC as the service provider for operating and maintenance services in relation to the following:

- starting from May 8, 2012, the 2.2 km Phase 1 Silom Line Extension;
- starting from May 8, 2012, the 5.25 km Sukhumvit Line Extension;
- starting from December 5, 2012, the 5.3 km Phase 2 Silom Line Extension; and
- starting from December 5, 2029 (following the expiration of the Concession Agreement), the 23.5 km Core Sukhumvit Line and the Core Silom Line.

The term of the Long Term O&M Agreement is 30 years, expiring on May 2, 2042. The management fees to BTSC are set forth in the Long Term O&M Agreement and are payable monthly. Any proposed adjustment to the management fees as a result of changes in expenses, including an increase in the cost of rolling stock, is required to be approved by the BMA.

BTSC's obligations include, but are not limited to, the following:

- providing the expertise and diligence expected from a provider experienced in providing similar operating and maintenance services;
- providing maintenance services (including any required spare parts) in relation to the infrastructure, train systems and other systems to allow the BTS SkyTrain to operate in good order and safely;

- providing maintenance and operating services in relation to the automatic fee collection system; and
- procuring insurance policies required under the Long Term O&M Agreement.

Krungthep Thanakom has the right to terminate the Long Term O&M Agreement, without further notice, if BTSC fails to perform its material obligations and to remedy such failure within a reasonable time specified by Krungthep Thanakom. Krungthep Thanakom also has the right to terminate the Long Term O&M Agreement immediately, without notice, if BTSC is bankrupt, other than in the case of rehabilitation. BTSC has the right to terminate the Long Term O&M Agreement if Krungthep Thanakom fails to pay any undisputed management fees and such failure is not remedied within the timing specified under the Long Term O&M Agreement.

Bank Loans

THB1,165.0 million Facility Agreement

BTSC entered into a facility agreement with Bangkok Bank dated April 2, 2012 in respect of a THB1,165.0 million facility (the “THB1,165.0 million Facility Agreement”) for the purpose of funding the purchase of five new four-carriage trains from Changchun Railway Vehicles. The facility is unsecured.

The interest rate per annum is the MLR minus 2.0% per annum. The interest is payable monthly. The first drawdown is required to be within six months of the execution of the THB1,165.0 million Facility Agreement, with the remaining principal to be drawn down in installments within 36 months from the execution. As of December 31, 2012, BTSC has not drawn down such loan. The facility is to be repaid in quarterly installments at amounts specified in the THB1,165.0 million Facility Agreement, with the balance amount payable in December 2018.

The THB1,165.0 million Facility Agreement contains customary covenants, including requiring BTSC to maintain a debt service coverage ratio of at least 1.2.

The THB1,165.0 million Facility Agreement contains customary events of defaults, including the breach of any provision under the THB1,165.0 million Facility Agreement or any other agreement with Bangkok Bank.

THB917.0 million Promissory Note

BTSC issued a promissory note to Kasikornbank Public Co., Ltd. dated March 1, 2013 in the amount of THB917.0 million (the “THB917.0 million Promissory Note”) for the purpose of refinancing debt owed by BTSC to Bangkok Bank. The interest rate per annum is the MLR minus 3.3%. This loan is secured by a pledge over the shares of VGI. The repayment date for this loan is August 28, 2013.

THB500.0 million Promissory Note

BTSC issued a promissory note to Bangkok Bank dated February 28, 2013 in the amount of THB500.0 million (the “THB500.0 million Promissory Note”) for the purpose of financing BTSC’s working capital. The interest rate per annum is 3.9%. This loan is unsecured. The repayment date for this loan is March 20, 2013.

BTSC has agreed to certain customary undertakings, including that Bangkok Bank has the right to withdraw money from BTSC’s bank account in order for BTSC to meet its obligations. Events of default under the THB500.0 million Promissory Note include, among others, non-payment under this agreement or other agreements with Bangkok Bank, insolvency and breach of

any representations and warranties under the agreement. Under the terms of the THB500.0 million Promissory Note, any default under the THB500.0 million Promissory Note will result in the cross-default of all other credit facilities with Bangkok Bank. In the event of a cross-default, Bangkok Bank would have the right to terminate all their agreements with BTSC and cause all facilities thereunder to become immediately due and payable by BTSC.

THB100.0 million Promissory Note

BTSC issued a promissory note to Bangkok Bank dated February 28, 2013 in the amount of THB100.0 million (the “THB100.0 million Promissory Note”) for the purpose of financing BTSC’s working capital. The interest rate per annum is 3.9%. This loan is unsecured. The repayment date for this loan is March 20, 2013.

BTSC has agreed to certain customary undertakings, including that Bangkok Bank has the right to withdraw money from BTSC’s bank account in order for BTSC to meet its obligations. Events of default under the THB100.0 million Promissory Note include, among others, non-payment under this agreement or other agreements with Bangkok Bank, insolvency and breach of any representations and warranties under the agreement. Under the terms of the THB100.0 million Promissory Note, any default under the THB100.0 million Promissory Note will result in the cross-default of all other credit facilities with Bangkok Bank. In the event of a cross-default, Bangkok Bank would have the right to terminate all their agreements with BTSC and cause all facilities thereunder to become immediately due and payable by BTSC.

Maintenance Agreement

Siemens and BTSC entered into the Maintenance Agreement dated December 30, 2004 and subsequently amended on September 30, 2009, under which Siemens is to provide BTSC with maintenance services. The Maintenance Agreement expires on December 30, 2014, but may be extended at the option of BTSC for an additional 10 years under the same terms and conditions other than the scope of services and the fees payable. Any intention to extend must be notified to Siemens in writing at least 12 months prior to the expiration date and a new agreement must be entered into at least six months prior to the expiration date.

The scope of Siemen’s basic maintenance services includes, but is not limited to, the provision of all routine and preventative maintenance services (including any required spare parts), the repair of all damage unless such damage is due to the act or omission of BTSC, or its staff, agents or contractors. In addition, Siemens is to provide provisional maintenance services related to expected overhauls and asset replacements, and contingency maintenance services related to unplanned asset replacements.

The fees in relation to basic maintenance services is a lump sum calculated based on mileage per train at a specified rate, which may be increased if the actual mileage is higher. The fees are payable monthly. The fees relating to provisional and contingency maintenance services are charged separately based upon price quotes obtained from Siemens and in accordance with the terms of the Maintenance Agreement. In addition, Siemens is allowed to charge for any additional maintenance services if such services require the employment of a sub-contractor, work outside normal working hours or work during normal working hours in excess of the limit specified in the Maintenance Agreement.

Under the terms of the Maintenance Agreement, if BTSC reasonably determines that there is an emergency, or that the safety or operability of the BTS SkyTrain is endangered, and Siemens is unavailable or fails to act for any reason, BTSC is allowed to immediately appoint an alternative contractor to carry out the necessary works and demand the costs from Siemens. Siemens is required to pay liquidated damages calculated under the terms of the Maintenance Agreement if the BTS SkyTrain fails, for a three month period, to meet the specified performance targets in respect of train availability. The limit on the liquidated damages under the Maintenance Agreement is 5% of the annual maintenance fee.

BTSC may terminate the Maintenance Agreement if it reasonably determines that Siemens is in default of any of its obligations. Siemens may terminate the Maintenance Agreement if BTSC becomes bankrupt or fails to make payment of any undisputed amount within the specified remedy period.

BTSC's Board of Directors

BTSC's board of directors has ultimate responsibility for the administration of the affairs of BTSC. BTSC's current Articles of Association provide for at least five, but not more than 17, directors. Under BTSC's current Articles of Association, not less than half of the directors are required to reside in Thailand. In addition, the current Articles of Association provide for one-third of BTSC's board of directors to retire at each annual general meeting of shareholders. The directors who are to retire during the first and second years following the registration of BTSC are to be drawn by lots. In subsequent years, those directors who have held the office the longest must retire first and retiring directors are eligible for re-election. The business address of all the directors is that of BTSC's registered office.

As of December 31, 2012 BTSC's current directors prior to the establishment of BTSGIF are as follows:

Name	Age	Position
Mr. Keeree Kanjanapas	63	Chairman
Mr. William A. Gloyne	62	Director
Mr. Surapong Laoha-Unya	51	Director
Mr. Anat Arbhabharama	75	Director
Pol. Maj. Gen. Vara Ieammongkol	78	Director
Mr. Lo Yun Sum	62	Director
Mr. Kavin Kanjanapas	38	Director
Mr. Kong Chi Keung	38	Director
Mr. Natthasak Chaichana	45	Director
Mr. Chulchit Bunyaketu	70	Independent Director
Mr. Anan Santichewasatian	59	Independent Director
Mrs. Pichitra Mahaphon	61	Independent Director

Under the terms of the Net Revenue Purchase and Transfer Agreement, BTSC is required to amend its Articles of Association to provide for nine directors, comprising one-third nominated by the Sponsor, one-third nominated by BTSGIF and one-third independent directors, with the qualifications set out in the Thai SEC's regulation applicable to publicly listed companies.

Mr. William A. Gloyne, Mr. Lo Yun Sum and Mr. Natthasak Chaichana have resigned from the board of directors and such resignation became effective on March 11, 2013. Prior to the closing of the Net Revenue Purchase and Transfer Agreement, Mr. Kong Chi Keung, Mr. Anat Arbhabharama and Mr. Vara Ieammongkol will resign from the board of directors and three new directors nominated by BTSGIF will be appointed.

The proposed BTSC board of directors following the establishment of BTSGIF is as follows:

Name	Age	Position
Mr. Keeree Kanjanapas	63	Chairman
Mr. Kavin Kanjanapas	38	Director
Mr. Surapong Laoha-Unya	51	Director
Ms. Voravan Tarapoom*	57	Director
Mr. Wasin Wattanaworakijkul*	47	Director
Mr. Sudhipongse Phuaphanprasert*	50	Director
Mr. Anan Santichewasatian	59	Independent Director
Mr. Chulchit Bunyaketu	69	Independent Director
Ms. Pichitra Mahaphon	61	Independent Director

* Ms. Voravan Tarapoom, Mr. Wasin Wattanaworakijkul, Mr. Sudhipongse Phuaphanprasert are directors to be nominated by BTSGIF.

Under BTSC's current Articles of Association, any resolutions of the board of directors are required to be passed by the affirmative majority vote of at least 51.0% of the number of directors present at the meeting and entitled to vote. Under BTSC's proposed amendments to the Articles of Association, to the extent permitted by law, a resolution of the board of directors will be required to be passed by the affirmative vote of at least 51.0% of the number of directors present at the meeting and entitled to vote, except in case of the Reserved Matters. Other proposed amendments to the Articles of Association include the entrance into any Reserved Matter by BTSC requiring the approval by the board of directors of BTSC with the affirmative vote from at least one BTSC director nominated by BTSGIF. However, if BTSC's amended Articles of Association cannot be registered in such manner, BTSC and BTSG are still obligated to comply with the requirement that Reserve Matters be approved by 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). See "Information Concerning the Investment Units and BTSGIF – Management of the Fund – Management Company – Procedures in Granting Consent on Reserved Matters and Negative Undertakings".

Under BTSC's current company affidavit, for a document to be binding on BTSC, either Mr. Keeree Kanjanapas or Mr. William A. Gloyne, together with either Mr. Surapong Laoha-Unya or Mr. Anat Arbhahirama, must jointly sign the document, along with the BTSC seal affixed. Under BTSC's proposed amendments in company affidavit (effective following the establishment of BTSGIF), for a document to be binding on BTSC, two of the three directors nominated by BTSG (Mr. Keeree Kanjanapas, Mr. Kavin Kanjanapas and Mr. Surapong Laoha-Unya) must jointly sign the document, along with the BTSC seal affixed.

Certain information with respect to BTSC's current directors prior to the establishment of BTSGIF is set out below:

Mr. Keeree Kanjanapas. Mr. Keeree Kanjanapas has served as Chairman of BTSC since 2010 and Executive Chairman and Chief Executive Officer of BTSC since 1996. In addition, Mr. Kanjanapas is also the Chairman of BTSG and a director of various subsidiaries of the Company, including Bangkok Smartcard System Co., Ltd., BTS Assets Co., Ltd., BTS Land Co., Ltd. and Tanayong Property Management Co., Ltd. Mr. Kanjanapas was nominated the Top Executive Program (CMA 10) Year 2010 by the Capital Market Academy.

Mr. William A. Gloyne. Mr. William A. Gloyne has served as Director of BTSC since 2008. He served as the Chief Financial Officer of BTSC from 2010 to 2012. He is also a director and Chief Financial Officer of G Steel Public Company Limited.

Mr. Surapong Laoha-Unya. Mr. Surapong Laoha-Unya has served as a director of BTSC since 2006. He is also the Chief Operating Officer of BTSC, a director of BTSG and a director of Carrot Rewards Co., Ltd. and VGI. Mr. Laoha-Unya holds a Bachelor of Engineering degree, majoring in Civil Engineering, from Kasetsart University and a M.M.E degree in Civil Engineering from Chulalongkorn University.

Mr. Anat Arbhabhirama. Mr. Anat Arbhabhirama has served as a director of BTSC since 2008. He is also a director of BTSG and various subsidiaries of BTSG, including BTS Assets Co., Ltd. and BTS Land Co., Ltd. Mr. Arbhabhirama holds a Doctorate Degree in Engineering (Civil Engineering) from the University of Colorado, a Honorary Doctorate Degree in Engineering from Prince of Songkla University and a Honorary Doctorate Degree in Engineering from Chulalongkorn University.

Pol. Maj. Gen. Vara Ieammongkol. Pol. Maj. Gen. Vara Ieammongkol has served as a director of BTSC since 2010. He does not hold any other positions outside BTSC. Pol. Maj. Gen. Vara Ieammongkol holds a Bachelor of Science degree from Chulachomklao Royal Military Academy.

Mr. Lo Yun Sum. Mr. Lo Yun Sum has served as a director of BTSC since 2010. He is also the Chairman of Goldkate Holdings Limited, operates three La Vita Department Stores and 11 Sport City Stores. In addition, Mr. Lo Yun Sum is a consultant of Messrs, Peter Mo & Co., Solicitors. Mr. Lo Yun Sum holds a Bachelor of Laws degree from London University and is a qualified solicitor in Hong Kong Special Administrative Region and the United Kingdom.

Mr. Kavin Kanjanapas. Mr. Kavin Kanjanapas has served as a director of BTSC since 2009. He is also a director of BTSG and various subsidiaries of BTSG, including Bangkok Smartcard System Co., Ltd. and VGI Global Media Public Company Limited.

Mr. Kong Chi Keung. Mr. Kong Chi Keung has served as a director of BTSC since 2010. He is also the Chief Financial Officer of BTSC, a director of BTSG, a director of VGI Global Media Public Company Limited, a director of BTS Assets Company Limited, a director of VGI Advertising China Limited and a director of Absolute Hotel Services Co., Ltd. Mr. Kong Chi Keung holds an Executive Master of Business Administration from Sasin Graduate Institute of Business Administration of Chulalongkorn University and a Honorary Bachelor of Business Administrative from University of Greenwich, United Kingdom.

Mr. Natthasak Chaichana. Mr. Natthasak Chaichana has served as a director of BTSC since 2010. He is also the Legal Director of BTSC. Mr. Natthasak Chaichana holds a Bachelor of Law degree from Thammasat University.

Mr. Chulchit Bunyaketu. Mr. Chulchit Bunyaketu has served as an independent director of BTSC since 1992. He is also the Group Vice Chairman of King Power International Group. Mr. Chulchit Bunyaketu holds a Master's Degree of Political Science from Kent State University, U.S.A., Advance Diploma, Public Administration, Exeter University, England and a Bachelor of Law degree from Chulalongkorn University.

Mr. Anan Santichewasatian. Mr. Anan Santichewasatian has served as an independent director of BTSC since 2008. He is also the Director and Chief Financial Officer of Ekarat Engineering Plc. Mr. Anan Santichewasatian holds a Master of Business Administration degree from Kasetsart University and a Bachelor Business Administration (Accounting) degree from Vocational Education and Technology Institute.

Mrs. Pichitra Mahaphon. Mrs. Pichitra Mahaphon has served as an independent director of BTSC since 2010. She is also the Executive Director of Advance Advisory Co., Ltd. Mrs. Pichitra Mahaphon is a member of The Royal Institute of Chartered Surveyors and the Appraisal Institute. She holds a Bachelor degree from University of Oregon, United States.

Certain information with respect to BTSC's proposed directors following the establishment of BTSGIF is set out below:

Mr. Keeree Kanjanapas. See above for information on Mr. Keeree Kanjanapas.

Mr. Kavin Kanjanapas. See above for information on Mr. Kavin Kanjanapas.

Mr. Surapong Laoha-Unya. See above for information on Mr. Surapong Laoha-Unya.

Ms. Voravan Tarapoom. Ms. Voravan Tarapoom will be a director of BTSC and a member of the Investment Advisory Committee following the establishment of BTSGIF. She is also, among others, the Chief Executive Officer of BBL Asset Management Co., Ltd., a Consultant for the Federation of Thai Capital Market Organization (FETCO) and Independent Director of Thai Bond Dealer Association (TBMA). Ms. Tarapoom holds a Bachelor of Architecture degree from Silpakorn University and a Master of Business Administration degree from University of North Texas, United States.

Mr. Wasin Wattanaworakijkul. Mr. Wasin Wattanaworakijkul will be a director of BTSC and a member of the Investment Advisory Committee following the establishment of BTSGIF. He is also the Managing Director, Mutual Fund Business Group of BBL Asset Management Co., Ltd., Certification Board Member of Thai Financial Planners Association (TFPA) and Director, Mutual Fund Business Group of Association Investment Management Company (AIMC). Mr. Wattanaworakijkul holds a Bachelor of Business Administration degree from Chulalongkorn University and a Master of Business Administration degree from Chulalongkorn University.

Mr. Sudhipongse Phuaphanprasert. Mr. Sudhipongse Phuaphanprasert will be a director of BTSC and a member of the Investment Advisory Committee following the establishment of BTSGIF. He is also the Deputy Managing Director, Property Fund Business Group of BBL Asset Management Co., Ltd. Mr. Phuaphanprasert holds a Bachelor of Civil Engineering degree from Chulalongkorn University and a Master of Business Administration degree from Georgia State University, United States.

Mr. Chulchit Bunyaketu. See above for information on Mr. Chulchit Bunyaketu.

Mr. Anan Santichewasatian. See above for information on Mr. Anan Santichewasatian.

Mrs. Pichitra Mahaphon. See above for information on Mrs. Pichitra Mahaphon.

BTSC's Audit Committee

BTSC's current audit committee is appointed by its current board of directors, consisting of at least three independent directors, one of whom is to have sufficient knowledge and experience to review the reliability of the financial statements. The members of BTSC's audit current committee prior to the establishment of BTSGIF, and the proposed members following the establishment of BTSGIF, are as follows:

Name	Age	Position Within Committee
Mr. Chulchit Bunyaketu	70	Chairman
Mr. Anan Santichewasatian	59	Member
Ms. Pichitra Mahaphon	61	Member

BTSC's audit committee is accountable to the board of directors for the performance of its duties. The scope of authority, duties and responsibilities of the audit committee include the following:

- to review the company's financial reporting process to ensure that it is accurate and adequate;
- to review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- to review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
- to consider, select and nominate an independent person to be the company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- to review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the company;
- to prepare, and to disclose in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
 - (a) an opinion on the accuracy, completeness and credibility of the company's financial report;
 - (b) an opinion on the adequacy of the company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
 - (g) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
 - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
- to perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee.

As a consequence of the 1997 Asian financial crisis, two securities brokerages made a margin call and sold shares in Hwa Kay Thai Holdings Limited that Mr. Kanjanapas Keeree Kanjanapas (under the alias, Mr. Wong Chong Shang) and Flying Elephant Investment Company Limited, a company controlled by Mr. Keeree, had provided as collateral under a margin loan. In connection with such margin call sales, in 1999 Mr. Kanjanapas Keeree and Flying Elephant Investment Company were sanctioned by the Securities and Futures Commission of Hong Kong for missing to report disposals of shares in Hwa Kay Thai Holdings Limited, in which they were substantial shareholders. The fines imposed were minimal, and no restriction was imposed on Mr. Keeree's holding of directorships in listed companies in Hong Kong.

BTSC's Executive Officers

Our current executive officers will remain executive officers of BTSC following the establishment of BTSGIF. Our executive officers consist of the following:

Name	Age	Position
Mr. Keeree Kanjanapas	63	Chairman, Executive Chairman, Chief Executive Officer
Mr. Surapong Laoha-Unya	51	Director, Chief Operating Officer, Chief Administrative Officer (Acting)
Mr. Kong Chi Keung	38	Chief Financial Officer
Ms. Namthip Kimchan	49	Financial Controller
Mr. Visuth Udompitisub	44	Deputy Chief Financial Officer and Finance Director

Certain information with respect to our other executive officers who are not members of our board of directors is set out below:

Mr. Keeree Kanjanapas. See above for information on Mr. Keeree Kanjanapas.

Mr. Surapong Laoha-Unya. See above for information on Mr. Surapong Laoha-Unya.

Mr. Kong Chi Keung. See above for information on Mr. Kong Chi Keung.

Ms. Namthip Kimchan. Ms. Namthip Kimchan has served as a Financial Controller of BTSC since 2012. Ms. Namthip Kimchan holds a Bachelor of Business Administration degree from Ramkhamhaeng University.

Mr. Visuth Udompitisub. Mr. Visuth Udompitisub has served as Deputy Chief Financial Officer and Finance Director of BTSC since 2012. Mr. Visuth Udompitisub holds a Master of Business Administration degree from Duquesne University, United States and a Bachelor of Business Administration degree from Assumption University.

BTSC's Corporate Governance Policy

BTSC's board of directors has passed a resolution to approve BTSC's corporate governance policy, which establishes guidelines that comply with the SET principles of good corporate governance and best practice recommendations. The following is a summary of our corporate governance policy:

- protect and facilitate shareholders' rights by promoting the equal treatment of shareholders in all matters, timely dissemination of information, exercise of such rights, facilitating shareholder's attendance and voting at the meetings, giving information relating to shareholder's meeting and giving opportunity to shareholders to ask questions and express their opinions at the shareholder meetings;

- provide fair treatment of stakeholders, which includes the shareholders, customers, employees, trading partners and the society, the community and the environment;
- provide a structure to implement clear duties, responsibilities and independence for the board of directors;
- provide timely and transparent disclosure of information;
- implement appropriate internal controls and risk management; and
- inculcate good ethics and implement appropriate codes of conduct.

THE SPONSOR

The Sponsor is a holding company and conducts its business through four business segments: the mass transit business, the media business, the property development business and the services business. The Sponsor had total revenues of THB9,251.9 million (US\$302.1 million) in the fiscal year ended March 31, 2012 and THB8,493.2 million (US\$277.3 million) in the nine months ended December 31, 2012. It had total assets of THB66,888.9 million (US\$2,183.8 million) as of March 31, 2012 and THB65,289.8 million (US\$2,131.6 million) as of December 31, 2012.

In relation to the Sponsor's four business segments:

- **Mass Transit.** The Sponsor's subsidiary, BTSC, is the sole operator of the BTS SkyTrain. See "Business – Overview" for details of the BTS SkyTrain Business.
- **Media.** The Sponsor's media business is conducted principally through its subsidiary, VGI Global Media Public Co. Ltd. See "BTS SkyTrain Operation – BTSC's Media Business" for details of the media business.
- **Property.** The Sponsor's property business has historically been its core business since its establishment in 1968. It develops various projects ranging from condominiums to hotels. Since the Sponsor's acquisition of BTSC, it has developed various projects along mass transit routes, in particular the BTS SkyTrain route network. These include two residential condominium developments, namely the Abstracts Sukhumvit 66/1 (already completed) and the Abstracts Phahonyothin Park (construction expected to be complete by the end of 2012) and two hotel projects, namely the Eastin Grand Sathorn (operational since May 2012) and the U-Sathorn (under construction). Other existing projects that the Sponsor owns include a mixed-use property development project in Bangkok (the Thana City Project), hotels in Chiang Mai and Kanchanaburi and two leasehold apartment buildings in central Bangkok. In addition, the Sponsor owns certain land parcels in Bangkok and in the provinces. However, the Sponsor currently has a policy to slow down its property development business to focus on its mass transit and media business, recently divesting in September 2012, one land plot in Phuket, Thailand. The Sponsor's property business segment accounted for THB728.3 million (US\$23.8 million), or 9.3%, of its total operating revenues in the fiscal year ended March 31, 2012 and THB778.9 million (US\$25.4 million), or 10.6%, of its total operating revenues in the nine months ended December 31, 2012. As of March 31, 2012, the book value of its properties was THB13,668.0 million.
- **Services.** The Sponsor's services business segment comprises a e-money services smartcard business, as well as joint ventures in the construction management business, hotel management business and leisure management business. The "Rabbit Card" is the Sponsor's new e-money services smartcard, and is operated through the Sponsor's subsidiary, Bangkok Smartcard System Co., Ltd., in which Bangkok Bank, one of Thailand's largest banks, owns a 10.0% equity interest. See "Business – Ticket Systems and Ticket Types" for details of the "Rabbit Card". The services business segment accounted for THB0.7 million (US\$0.0 million), or 0.0%, of its total operating revenues in the fiscal year ended March 31, 2012 and THB30.9 million (US\$1.0 million), or 0.4%, of its total operating revenues in the nine months ended December 31, 2012.

The Baht flotation in the 1997 economic crisis in Thailand had a severe impact on many Thai companies, particularly those which took out loans in foreign currencies. Due to the depreciation of the Baht at the time, loan amounts in foreign currencies, including the Sponsor's foreign currency-denominated loans, significantly increased in Baht terms, and the Sponsor was unable to

repay its debts. On August 18, 2003, the Sponsor filed a petition for business rehabilitation with the Central Bankruptcy Court, which ordered the business rehabilitation of the Sponsor on December 30, 2003. The Central Bankruptcy Court approved the rehabilitation plan and appointed the Sponsor to be the plan administrator on May 30, 2005. The Central Bankruptcy Court terminated the business rehabilitation plan of the Sponsor on November 14, 2006. As at December 31, 2012, the Sponsor had the outstanding balances of cash deposited with the Central Bankruptcy Court as guarantees of settlement of unsecured and secured creditors, amounting to THB192.0 million and THB40.7 million, respectively, due to the debts pending final court judgment or comptroller's orders. Such amounts of cash deposited are still lower than the maximum amount of debt that may arise on a proportional basis of unsecured and secured creditors by THB95.6 million and THB416.5 million, respectively. The Sponsor is obliged to pay or transfer assets to settle such debts as stipulated in the rehabilitation plan. However, the Sponsor completely recorded such debts in its accounts and the secured creditors are provided guarantees by the mortgage of the Sponsor's assets in full.

CERTAIN AGREEMENTS RELATING TO BTSGIF

Certain terms used in this section of the Offering Memorandum are defined in the “Glossary” contained elsewhere in this Offering Memorandum. The following description is based on the translation of the Thai language fund scheme filed with, and approved by, the Thai SEC.

BTSGIF will be established with one of its objectives being to invest in Sale Revenue. The Net Farebox Revenues do not include the other businesses operated by BTSC, including the operations of the Extension BTS SkyTrain System, the BRT, the advertising business operated by BTSC’s subsidiary VGI Global Media Public Co. Ltd. and the smart card business operated by BTSC’s subsidiary Bangkok Smartcard System Co., Ltd.

Following the establishment of BTSGIF, BTSGIF will enter into the Net Revenue Purchase and Transfer Agreement with BTSC, under which BTSC will sell the Sale Revenue to BTSGIF. 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 BTSGIF to buy, the Sponsor’s shares in BTSC upon the occurrence of an event of default in accordance with the terms and conditions of the Net Revenue Purchase and Transfer Agreement. In addition, the Sponsor will grant BTSGIF the right to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets and/or the right of first refusal to purchase the revenues, rights, benefits, title, interest and/or any investment in relation to the Identified Assets, the greenfield projects and brownfield projects for Bangkok and Vicinity Mass Transit Systems in which BTSG or any of its affiliates has entered into the relevant agreement in respect of the relevant projects.

Under the Net Revenue Purchase and Transfer Agreement, BTSC will remain the operator of the BTS SkyTrain and will be responsible for, among others, the operation and management of the BTS SkyTrain, maintenance of the BTS SkyTrain and the rolling stock, and the collection of fares.

Net Revenue Purchase and Transfer Agreement

The Fund will enter into the Net Revenue Purchase and Transfer Agreement to purchase the Sale Revenue from the operation of the Core BTS SkyTrain System and will enter into the agreements and documents as referred into “Certain Agreements Relating to BTSGIF” and other documents necessary for completion of the investment in the Initial Assets. Below is a summary of the material terms of the Net Revenue Purchase and Transfer Agreement:

- | | |
|-------------------|--|
| 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 Sale Revenue. |

- Conditions Precedent..... • 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 • 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.. • 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 2 p.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. For a discussion of certain risks relating to the Net Revenue Purchase and Transfer Agreement, please refer to “Risk Factors – Risk Relating to Our Organization and the Structure of BTSGIF – BTSGIF may not have ownership over the future Sale Revenue at the time that it is sold to BTSGIF 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”.
- 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 account 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.

- 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 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 Net Farebox 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 requires 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.

- In accordance with the procedures and timing as agreed between the parties under the Net Revenue Purchase and Transfer Agreement, BTSC shall submit copy of invoices and supporting documents showing the actual O&M Costs paid by it during the 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 Day 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 is 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 percent 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 Day 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% 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's 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 to 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.

Right to Purchase and

Right of First Refusal BTSC irrevocably grants the Fund:

- BTSC agrees to grant the Fund (a) the right to purchase in respect of BTSC's or any of its subsidiaries' 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). See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement.
- 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.

- 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 such Identified Asset, BTSC and/or its subsidiaries may enter into discussions with any 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.
- 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.

- 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.

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 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.

Key Obligations of

the Fund

- 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.
- In accordance with the procedures and timing as agreed between the parties under the Net Revenue Purchase and Transfer Agreement, there shall be the calculation and 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 is 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 percent 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 is 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% 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 "Information Concerning the Investment Units and BTSGIF – Fees Collected from the Fund – Incentive Fees".

Relevant Accounts and

Transfer

The relevant bank accounts under the Net Revenue Purchase and Transfer Agreement will be as follows:

- 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 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 deposits, 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.
- 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 Days 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.....

- 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 is required to cease on the Concession Expiry Date.
- 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 shall advance payment to BTSC within the period specified in the agreement as part of the O&M Costs.

Reserved Matters and
Negative Undertakings
of BTSC

Reserved matters are set out in “Information Concerning the Investment Units and BTSGIF – Management of the Fund – Management Company – Procedures in Granting Consent on Reserved Matters and Negative Undertakings”. The negative undertakings that BTSC will be restricted from include, among others,

- 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 BTSG 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); and
- undertaking the actions above unless a prior written approval or consent from the Fund is obtained.

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 with 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 with the affirmative vote from at least one of BTSC's directors nominated by BTSGIF; 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 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. For more information, see "Information Concerning the Investment Units and BTSGIF – Management of the Fund – Management Company – Procedures in Granting Consent on Reserved Matters and Negative Undertakings".

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| Indemnity | <ul style="list-style-type: none"> • 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. |
| 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. |

- 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 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.
- 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.

Moreover the Fund as BTSC's creditors representative may exercise its step-in right under the Concession Agreement pursuant to the Instruction to the BMA in case that BMA intends to terminate the Concession Agreement due to BTSC's breach of the Concession Agreement.

- If the Fund either purchases the BTSC shares from BTSG in accordance with the Agreement to Purchase and to Sell Shares or becomes the owner of the 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:
 - (i) at the Sponsor's request, procuring that BTSC separate the revenue of BTSC generated from the Excluded Assets from the 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, transferring 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, transferring 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 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; 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 Net Revenue Purchase and Transfer Agreement.

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.

- Assignment.....
- 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.

The execution version of the Net Revenue Purchase and Transfer Agreement may differ from this summary of key terms but will not be materially different.

Sponsor Support and Guarantee Agreement

Below is a summary of the material terms of the Sponsor Support and Guarantee Agreement.

- Parties.....
- BTSG as sponsor and guarantor;
 - The Fund as purchaser; and
 - BTSC as seller.
- Key Obligations of BTSG..
- 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.
 - BTSC agrees to give the Fund participation in BTSC Board of Directors as follows:
 - 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 with 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 Reserved Matter by BTSC shall be approved by the board of directors of BTSC with the affirmative vote from at least one of BTSC's directors nominated by BTSGIF. 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.
- 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. For a discussion of certain risks relating to the Sponsor's guarantee and pledge of shares, see "Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer 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 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 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.

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.

- 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:
 - (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.

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.

Right to Purchase and

Right of First Refusal BTSG irrevocably grants the Fund the rights as follows:

- (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. See "The BTS SkyTrain Operator – Description of Material Agreements – Long Term O&M Agreement" for a discussion of BTSC's current rights under that agreement.

- 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% (“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 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 such 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.

- 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.
- 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 during which 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, the Identified Assets so long as the above 20 years period has not lapsed.

BTSG's right to purchase

BTSC shares • The Fund agrees that:

- (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 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, the Fund is required to 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 offeror, 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 is required to 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 is required to 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.

- 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 is required to 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 is required to 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.

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..... • 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 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 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.

The execution version of the Sponsor Support and Guarantee Agreement may differ from this summary of key terms but will not be materially different.

Share Pledge Agreement

Below is a summary of the material terms of the Share Pledge Agreement.

- | | |
|---|--|
| Parties..... | <ul style="list-style-type: none">• BTSC 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. For a discussion of certain risks relating to the Sponsor’s guarantee and pledge of shares, see “Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer 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.

The execution version of the Sponsor Support and Guarantee Agreement may differ from this summary of key terms but will not be materially different.

Agreement to Purchase and to Sell Shares

Below is a summary of the material terms of the Agreement to Purchase and to Sell Shares.

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. For a discussion of certain risks relating to the Sponsor’s guarantee and pledge of shares, see “Risk Factors – Risks Relating to Our Organization and the structure of BTSGIF – BTSGIF may not be able to acquire control of BTSC after an event of default under the Net Revenue Purchase and Transfer Agreement”. • 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.....
- 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.

The execution version of the Agreement to Purchase and to Sell Shares may differ from this summary of key terms but will not be materially different.

RELATED PARTY TRANSACTIONS

Overview

In general, transactions between:

- BTSC (acting in its capacity as the BTS SkyTrain Operator), BTSGIF, the Management Company (acting in its capacity as the investment manager of BTSGIF), the Fund Supervisor (acting in its capacity as the fund supervisor of BTSGIF) or any subsidiary or other related party of BTSGIF; and
- BTSC (acting in its personal capacity), a subsidiary or other related party of BTSC (other than a subsidiary or other related party of BTSGIF), a subsidiary or other related party of the Management Company (other than a subsidiary or other related party of BTSGIF), a subsidiary or other related party of the Fund Supervisor (other than a subsidiary or other related party of BTSGIF), a director or controlling shareholder of BTSC, the Management Company or the Fund Supervisor, a controlling Unitholder (including BTSG) or a related party of any such director, controlling shareholder or controlling Unitholder,

would constitute a related party transaction.

BTSC

BTSC (acting in its capacity as the BTS SkyTrain Operator) is a party to a number of agreements or transactions with “related parties” as described above under Thai laws and regulations, and BTSC engages from time to time in transactions with them. Described below are such material transactions that BTSC has entered into. BTSC believes these agreements and transactions have generally been entered into in the ordinary course of business on arm’s length terms or on terms that it believes have generally been at least as favorable to it as similar transactions with non-affiliates would have been. See note 4 to the audited carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business and the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business included elsewhere in this Offering Memorandum.

BTSC’s Related Parties

Some of BTSC’s key related parties include:

- VGI Global Media Public Co. Ltd.;
- BSS;
- BTS Assets Company Limited;
- Nuvo Line Agency Co., Ltd; and
- the Sponsor.

Summary of BTSC’s Related Party Transactions

VGI Global Media Public Co., Ltd. provides BTSC with advertising and marketing services. BTS Assets Company Limited provides BTSC with land rental services for passenger parking areas and the Sponsor provides BTSC with stock warrants for the Sponsor’s employee stock option scheme.

In the fiscal years ended March 31, 2010, 2011 and 2012, our selling expenses with these related parties amounted to THB14.1 million, THB21.1 million and THB18.5 million (US\$0.6 million), respectively, and our administrative expenses with these related parties amounted to THB3.4 million, THB2.7 million and THB5.0 million (US\$0.2 million), respectively. In the nine months ended December 31, 2011 and 2012, our selling expenses with related parties amounted to THB13.8 million (US\$0.4 million) and THB34.5 million (US\$1.1 million), respectively, and our administrative expenses with related parties amounted to THB1.9 million (US\$0.1 million) and THB6.0 million (US\$0.2 million), respectively.

As of March 31, 2010, 2011 and 2012, our prepaid expenses with related parties amounted to nil, nil and THB8.9 million (US\$0.3 million), respectively, and our unearned revenues with related parties amounted to nil, THB33.0 thousand and THB7.1 million (US\$0.2 million), respectively. As of December 31, 2012, our prepaid expenses with related parties amounted to THB4.8 million (US\$0.2 million), and our unearned revenues with related parties amounted to THB8.3 million (US\$0.3 million).

As of December 31, 2012, our trade and other payables with related parties amounted to THB8.9 million (US\$0.3 million) and trade and other receivables with related parties amounted to THB1.7 million (US\$0.1 million). We did not have any trade and other payables or trade and other receivables with related parties as of March 31, 2010, 2011 and 2012.

See Note 4 of the notes to our audited carve-out financial statements for the fiscal years ended March 31, 2010, 2011 and 2012 and Note 4 of the notes to our carve-out financial statements for the nine months ended December 31, 2011 and 2012, for further details.

BTSC's Procedures in Approving Related Party Transactions

All related transactions must be approved by BTSC's Board of Directors with the attendance of the Audit Committee or approval of the shareholders' meeting, as the case may be, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, 2003 and the Notification of Capital Market Supervisory Board No. Tor Jor. 21/2551 re: Rules on Connected Transactions, as well as laws on securities and exchange, regulations, notifications, orders or requirements of the Stock Exchange of Thailand relating to the execution of related transactions.

BTSC's Related Party Transaction Policies

BTSC (in its capacity as the BTS SkyTrain Operator) may need to enter into related transactions in the future. However, in entering into such transaction, BTSC will be required to use the general trading conditions and a market price that can be compared with the price and terms given to other third parties. BTSC will also be required to comply with the relevant regulations of the Thai SEC and the Stock Exchange of Thailand.

If there are any related transactions to be entered into by BTSC (in its capacity as the BTS SkyTrain Operator) and a person who may have conflict of interest or conflict of any kind, BTSC will be required to request the Audit Committee to review and give comment on the necessity and appropriateness of such transactions.

BTSGIF

In entering into any related party transactions between the Management Company on behalf of the Fund and the related party, such transaction shall be made in compliance with the Securities Law as set out in “Information Concerning the Investment Units and BTSGIF – Related Party Transactions and Disclosure Requirements”.

BTSGIF’s Related Parties

BTSGIF’s related parties include:

- the Management Company;
- BTSC; and
- the Sponsor.

Summary of BTSGIF’s Related Party Transactions

BTSGIF’s unaudited pro forma financial statements as of and for the year from April 1, 2011 to March 31, 2012 and the nine month period ended December 31, 2012 assumes that BTSGIF has significant business transactions with related parties. These transactions consist of the management fee and registrar fee payments to the Management Company, as described in note 4.8 and the incentive fee payments to BTSC, as described in note 4.7. It is assumed that such transactions arise in the ordinary course of business and are concluded on commercial terms between BTSGIF and those related parties.

BTSGIF’s Procedures in Approving Related Party Transactions

BTSGIF is only allowed to enter into related transactions which are not prohibited by the Thai SEC. Related transactions must be approved by Unitholder resolution if such related transaction relates to (i) the acquisition or disposition of infrastructure assets having a value of more than the higher of THB20.0 million or 3.0% of NAV at the time of entry into such related transaction, (ii) the entry into, amendment or termination of contracts to engage a third party operator of infrastructure businesses having a value of more than the higher of THB20.0 million or 3.0% of NAV at the time of entry into such related transaction and (iii) the entry into any agreement, consent or vote in relation to (i) or (ii) above.

BTSGIF’s Related Party Transaction Policies

BTSGIF may need to enter into related transactions in the future. However, BTSGIF will be required to enter into such transactions on an arm’s length basis and comply with the conditions and requirements prescribed under Sor. Nor. 29/2549. Further, BTSGIF will be required to disclose any related transactions to the SET and in BTSGIF’s financial statements and annual reports. See “Information Concerning the Investment Units and BTSGIF – Related Party Transactions and Disclosure Requirements – Related Party Transaction Policies”.

REGULATIONS

Regulations Relating to BTSGIF

Overview

The establishment and management of an infrastructure fund in Thailand must be approved by the Thai SEC. The Thai SEC is empowered with ensuring compliance with the Securities Law.

Under the Securities Law, an infrastructure fund must be set up and managed by a management company. The management company must be licensed by the Ministry of Finance of Thailand to engage in a mutual fund management business. In relation to the management and administration of the infrastructure fund, the management company must appoint an infrastructure fund manager and a fund manager whose names are on an approved list of the Thai SEC. The management company must also appoint a fund supervisor, whose name must also appear on an approved list of the Thai SEC, which will perform its duties to protect the rights and interests of the fund's unitholders. The Securities Law governs the establishment of an infrastructure fund, the offering and allocation of investment units and the management, operation, administration and dissolution of an infrastructure fund. In addition to the above, the Securities Law was also meant to regulate the contents of the Fund Scheme and the Prospectus of an infrastructure fund, the restrictions on unitholding, investment criteria, increases and decreases of registered capital, the appraisal of properties, the contents of an infrastructure fund's report which must be submitted to the Thai SEC as well as the submission of applications, notifications and documents to the SEC. Below is a summary of the material rules and guidance under the Securities Law relating to the various parties listed below:

The Management Company

A management company must meet the qualifications set out in the Ministerial Regulations. As such, it must have a minimum of THB100 million paid-up capital and must have obtained a securities business licence from the Ministry of Finance of Thailand to engage in a mutual fund management business. The notification of the Ministry of Finance and the Securities Law both contain provisions relating to the requisite qualifications of a "major shareholder" (which is a shareholder holding more than 10% of the total issued shares of a company) and changes in major shareholders of the management company (which require the prior approval of the Thai SEC), the composition of the board of directors (including audit committee members) of the management company, including the appointment of the executive officers of the management company and the infrastructure fund manager and the fund manager responsible for an infrastructure fund.

The Fund Supervisor

The fund supervisor must be an entity whose name is on the approved list of the Thai SEC. The fund supervisor must: be a commercial bank, a securities company, an insurance company or any other financial institution incorporated under specific legislation; have a capital fund reserve as required by applicable laws; and have adequate and appropriate systems and procedures as required to carry out its duties and responsibilities. Under the Securities Law, a fund supervisor, among other things, must: ensure that the management company complies strictly with its duties and obligations under the Securities Law and the Fund Scheme, inspect the infrastructure assets acquired by the infrastructure fund, verify the accuracy of the calculation of the net asset value and the value of investment units and, when a report of the infrastructure fund is submitted to the Thai SEC, provide an opinion on the operation of the infrastructure fund within the report.

The Infrastructure Fund Manager and Fund Manager

A management company may only appoint an infrastructure fund manager and a fund manager whose names are on the approved list of the Thai SEC. The duties of the infrastructure fund manager include making decisions related to the investment or disposal of infrastructure assets. The duties

of the fund manager include making decisions related to the investment or disposal of assets other than infrastructure assets (including government bonds, debt instruments, certificates of deposits) in order to manage the fund's liquidity in accordance with the criteria prescribed by the Securities Law.

The Infrastructure Asset Operator

The management company may appoint an infrastructure asset operator to operate or manage the infrastructure assets. Such person must have the capability to manage the relevant infrastructure assets as delegated by the management company. Such person must also have knowledgeable and personnel in relation to the management of the infrastructure assets with appropriate and adequate experience.

Investment Advisory Committee

The management company is required to establish an investment advisory committee, comprising representatives from the management company, one of which shall be the infrastructure fund manager, and experts who have experience in the relevant infrastructure assets and qualifications as set out by the Securities Law, to provide guidelines and advice in relation to the acquisition or disposal of, as well as the management of, infrastructure assets.

Offering and Allocation of Investment Units

At the initial public offering, the management company is required to offer and allocate the investment units as follows:

- (i) apply the board lot allocation process and treat all subscribers equally and fairly except that the management company may set aside specific portions of investment units for the following persons:
 - (a) in case there is more than one class of units, to the major subscriber; or
 - (b) the persons who fall within the list of “special subscribers” as prescribed by the Office of the Thai SEC or the sponsor of the infrastructure fund provided that such allocation has been disclosed in the prospectus;
- (ii) offer and 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”) except for:
 - (a) an allocation of not exceeding 50% of the total number of investment units offered for sale to any of the following persons, in each case including the persons within the “same group”:
 - the Thai Government Pension Fund, established under the Government Pension Fund Act B.E. 2539 (1996);
 - a “provident fund”;
 - a retail mutual fund, established under the Securities Law;
 - the Social Security Fund as established under the Social Security Act B.E. 2533 (1990), as amended (the “Social Security Act”);
 - a juristic person established under Thai law which is exempted from corporate income tax payment; or

- (b) an allocation to an underwriter who subscribes for and holds investment units pursuant to its commitment under an underwriting agreement whereby such underwriter 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 year, the underwriter will be barred from casting votes in respect of the portion exceeding 50%.

Restrictions on Unitholding

Under the Securities Law, any person may hold the investment units of the infrastructure fund in an aggregate amount not exceeding one-third of the total number of investment units sold and not exceeding 50% of the total units of each class, in the case that there is more than one class of units, except for:

- (a) a unitholding not exceeding 50% of the total number of investment units sold to any of:
 - the Thai Government Pension Fund, established under the Government Pension Fund Act B.E. 2539 (1996);
 - a “provident fund”;
 - a retail mutual fund, established under the Securities Law;
 - the Social Security Fund as established under the Social Security Act;
 - a juristic person established under Thai law which is exempted from corporate income tax payment; and
- (b) a unitholding by an underwriter who subscribes for and holds investment units pursuant to its commitment under an underwriting agreement whereby such underwriter will hold investment units in excess of one-third of the total number of investment units sold for a period of not more than one year from the subscription date.

Restrictions on Unitholding by Foreign Investors

In the offering and allocation of investment units, if the infrastructure business in which the infrastructure fund will invest is subject to foreign shareholding limitations, the management company must not allocate investment units to Foreign Investors in excess of such limits.

Investments by an Infrastructure Fund

The Securities Law sets out the investment parameters of an infrastructure fund which stipulate, among other things:

- the types and characteristics of infrastructure assets or infrastructure businesses in which an infrastructure fund is permitted to invest;
- that the management company is required to invest for the acquisition and possession of any infrastructure asset with a total value of not less than 75% of the infrastructure fund’s total asset value within six months following the registration of the establishment of the infrastructure fund or the registration of the capital increase and maintain such investment proportion as of the end of each financial year;

- that the infrastructure fund is required to not operate the infrastructure business itself but to seek benefit from the infrastructure assets by means of granting a leasehold or other rights to other persons or assigning other persons to operate;
- that the debt to equity ratio of the infrastructure fund shall not be higher than three to one (3:1), except for a breach of such ratio which is not as a result of an additional borrowing or issuing of additional quasi-debt units;
- that the acquisition or disposal of infrastructure assets having a value of more than THB100,000,000, or 30% or more of the infrastructure fund's total assets, at the time of such acquisition or disposition of assets requires a unitholders' resolution, unless the value thereof is more than THB100,000,000 but less than 30% of the infrastructure fund's total assets which have been approved by the fund supervisor; and
- that the infrastructure fund may invest in assets other than infrastructure assets as permitted by the Securities Law and subject to certain investment limits.

Appraisal

Appraisal of infrastructure assets shall be prepared in compliance with the requirements of the Thai SEC which include, among others:

- (i) the appraiser is required to prepare a full valuation report of infrastructure assets where the title due diligence is conducted for the purpose of public disclosure;
- (ii) there is required to be at least one appraiser in the case that the valuation of infrastructure assets to be invested in by the infrastructure fund is THB50,000,000 or more;
- (iii) if the infrastructure assets will be acquired from "related persons", the valuation of such assets is required to be undertaken by at least two appraisers;
- (iv) the appraiser is required to have appropriate experience or expertise in such relevant infrastructure business;
- (v) the appraiser is required to consider the full extent of the benefit or utilization of the assets, taking into consideration the terms and conditions of relevant contracts;
- (vi) the appraisal is required to be undertaken no more than one year before investment or acquisition of the infrastructure assets;
- (vii) the same appraiser is required to not consecutively appraise the same project more than twice; and
- (viii) a regular valuation of infrastructure assets invested in by the infrastructure fund is required to be undertaken once every three years from the latest appraisal, or when there is a material change affecting the value of the infrastructure assets as per the management company's or the fund supervisor's opinion or the auditor's opinion.

Fees

The management company is only permitted to collect fees, pay remunerations or charge reasonable expenses from investment unit subscribers, unitholders or the infrastructure fund to the extent that such expenses are necessary, appropriate and related directly to the management of the infrastructure fund. The management is required to ensure that fund scheme clearly states the terms in relation to collection of fees, other remunerations or expenses from the fund or unitholders.

Dividend Payment

If the infrastructure fund has a 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 Securities Law from time to time) of the adjusted net profit for the year as dividends to unitholders. If the infrastructure fund has retained earnings, it may pay dividends to unitholders out of such retained earnings. However, payment of dividend either from the adjusted net profit or retained earnings is permitted to be made only when the Fund has no loss.

Increase of Registered Capital

An increase of registered capital of the infrastructure fund by issuing new investment units is subject to approval by the unitholders and the prior approval of the Thai SEC (save for the case of a right issuance which does not require approval of the Thai SEC). In the case of a circular resolution, an infrastructure fund must obtain a majority vote representing more than one-half of the total issued investment units with voting rights. In the case of a resolution from a meeting of unitholders, the required quorum is not less than either (i) 25 unitholders or (ii) half of the total number of unitholders, in each case, holding investment units in aggregate of at least one-third of the total number of investment units sold. Passing the resolution requires a vote of not less than three-fourths of the total votes of unitholders present at the meeting and eligible to vote. In addition, the management company is required to send notice of the increase of registered capital to the unitholders containing the information prescribed by the Securities Law (including, the objective of the capital increase, the details of the relevant infrastructure assets to be acquired, the amount by which the capital will be increased the case of an offering information).

Regulations Relating to the BTS SkyTrain

Overview

BTSC is subject to a number of laws and regulations, including laws of general application and regulations specifically applicable to the transportation business, the Announcement No. 58 of the National Executive Council and the Investment Promotion Act, including factory business operation related laws. In addition, since BTSC's operations fall within the meaning of "service provider" under the Consumer Protection Act B.E. 2522 (1979), BTSC is subject to consumer protection mechanisms for safety of use of goods and services under the Consumer Protection Act B.E. 2522 (1979) and the Consumer Case Procedure Act B.E. 2551 (2008), as well as regulations, rules, orders and announcements issued therefrom.

The Bangkok Metropolitan Administration

The BMA is the body that governs the Bangkok metropolitan area. Under the Bangkok Metropolitan Administration Act B.E. 2528 (1985), the BMA's functions include maintaining law and order, city planning, construction and maintenance of roads, waterways and drainage systems, provision of transportation services, traffic management, social welfare services, and other services in Bangkok. The BMA is headed by the Governor of Bangkok who is elected and serves a four-year term. The Governor is assisted by deputy Governors, who are each appointed by the Governor and serve a four-year term. In addition, members of the Bangkok Metropolitan Assembly are elected to represent the interest of the citizens under the Bangkok Metropolitan Administration Act B.E. 2528 (1985). The BMA is organised into 19 offices and 50 district offices.

The BMA's revenue comes from two sources: regular income and extra income. The regular income is derived from local taxes, fees, fines, licence fees, service fees and rental fees for the BMA's assets. The extra income is derived from Government subsidies relating to projects specified by the Government.

Under the Concession Agreement, the BMA is responsible for supervising BTSC's operations to be in accordance with the Concession Agreement. In addition, the BMA is responsible for approving construction designs relating to the BTS SkyTrain, including bridges between BTS stations and nearby buildings.

Office of National Environment Board (“ONEB”)

According to the Enhancement and Conservation of the National Environmental Quality Act B.E. 2535 (1992) (the “Environmental Enhancement Act”), major infrastructure projects with potential environmental impacts must receive National Environment Board (“NEB”) approval prior to construction. Since the Environmental Enhancement Act came into force upon elapse of a period of 60 days from April 4, 1992, which is after the date on which the Concession Agreement was signed and came after the Cabinet approved the concession, BTSC was not required to obtain ONEB's approval for the project. However, the Environmental Enhancement Act will apply to any expansion of the BTS SkyTrain, including those initiated under the two supplements to the Concession Agreement Office of the National Economic and Social Development Board (“NESDB”).

The Act Governing the Consent for the Private Sector to Participate in or Operate State Business B.E. 2535 (1992) (the “Joint Venture Act”) empowers the NESDB to approve or disapprove certain economically or socially significant projects. Since the concession was approved before the Joint Venture Act came into force, BTSC is not obligated to seek NESDB's approval for its currently operating BTS SkyTrain. However, the BMA may need to obtain the approval from NESDB for future expansion of the BTS SkyTrain, depending on the scale of the expansion.

THE THAI SECURITIES MARKET

The Stock Exchange of Thailand

The first organised stock exchange in Thailand was the privately sponsored Bangkok Stock Exchange, established in 1962. Approximately 35 securities were listed on the Bangkok Stock Exchange but trading remained low by comparison with present volumes. Following a Government initiative in 1969, plans were made for an official stock exchange, and in May 1974, the Securities Exchange of Thailand Act B.E. 2517 (1974) (the “SET Act”) was enacted, leading to the replacement of the Bangkok Stock Exchange with the Securities Exchange of Thailand. In January 1991, the Securities Exchange of Thailand was renamed the Stock Exchange of Thailand (“SET”). The SET Act provided the basis for regulation of the primary and secondary securities markets in quoted securities in Thailand and placed responsibility for control of the SET with the Ministry of Finance. The SET is the principal stock exchange in Thailand and is organised as a non-profit entity, composed of members which are securities companies. The SET is responsible for, among other things, processing all listing applications, ensuring that disclosure requirements for listed companies are met and monitoring all trading activities in respect of listed securities. TSD now acts as a clearing house, securities depository, dividend paying agent, transfer agent and registrar for the majority of Thai companies listed on the SET.

Dealings at the SET commenced in April 1975, with a total of 16 quoted securities. The SET Index was also established on this date. The SET Index was established to show the market price movement of securities traded on SET. The SET Index includes all listed ordinary shares. It was set at 100 on the SET’s opening day. The SET Index uses the most recent transacted price for a security when no transaction in that security occurs on a particular day and is adjusted for new listings, de-listings and changes in capitalization.

Public limited companies, state-owned enterprises, juristic persons established under special purpose legislation or investment projects or foreign listed companies having the appropriate qualifications may file applications with the SET to have their securities listed.

There were four separate boards on the SET on which trading took place on computerised systems: the main board (or domestic board) for regular trading of ordinary shares, preference shares, warrants and investment units; the odd-lot board for dealings in odd lots; the big lot board for dealings in large lots of securities; and the foreign board for trading in foreign registered shares and, if the registrar of the investment units is TSD, investment units which are available to be registered in the name of non-Thai nationals.

On July 16, 2012, the SET promulgated a new regulation regarding the trading, clearing, and settlement of securities on the SET, which revokes the trading boards. This new regulation came into effect on September 3, 2012. Subsequently, the trading of securities, including investment units, will depend on the type of securities and the trading methods performed, which include the Automated Order Matching and Trade Report methods. The Automated Order Matching is for the trading of securities, both Thai and foreign registered securities, in board lots and odd lots. The Trade Report (previously known as Put-Through) is for the trading of securities in large lots, foreign registered securities, off-hour trading and buy-in whereby the brokerage firms negotiates and agrees on the price and then send the result through the trading system of the SET. Investment units will be traded in one board lot or multiples of board lots of 100 investment units.

Trading hours are divided into two sessions. In the first session, trading commences between 9.55 a.m. and 10.00 a.m. and ceases at 12.30 p.m., and in the second session trading commences between 2.25 p.m. and 2.30 p.m. and ceases between 4.35 p.m. and 4.40 p.m., except that trading on the odd-lot board ceases at 4.30 p.m. Trading days are Monday through Friday, except for Saturdays and Sundays or holidays as prescribed by the SET each year.

In February 1992, the National Legislative Assembly passed the Securities and Exchange Act, which replaced the SET Act and came into force in May 1992, and provided for the establishment of the Thai SEC and empowered it to introduce policies for the development and supervision of the securities markets and related activities in Thailand. A public offering of newly issued investment units is permitted only where the management company has received approval from the Thai SEC to establish and manage a fund and where a prospectus in the prescribed form has been submitted to the Thai SEC and distributed to investors.

Oversight

While primary responsibility for the regulation of new securities issues has shifted to the Thai SEC, the SET continues to operate the stock exchange and is responsible for listing application approvals once the Thai SEC registration, prospectus and related requirements have been met for Thai public offerings.

In July 1992, the SET expanded its Securities Depository Centre by allowing (in addition to brokers) local custodians, sub-brokers and juristic persons who are eligible depositors as stipulated by the SET to become members of the settlement system. At the same time, the SET introduced regulations to facilitate the establishment of the scripless trading system. The SET requires that bid and offer quotations for investment units be within prescribed spreads, depending on the market price per investment unit and in accordance with a table of values, such that the minimum spread will usually be within 1% of the market price. Subject to certain exceptions, the SET also limits price movements of investment units during a trading session to a maximum of 30% of the previous business day's closing price.

A member shall charge the brokerage or agent's fees for trade from their customers at the rate according to an agreement on the rates of fees made with the customers, enforceable from January 1, 2012 onwards. Where the customers are institutional investors, the member shall charge the brokerage or agent's fees at the agreed rate but at not more than 1% of the trading value. Once investment units are listed on the SET, a management company is required to report the following, among other things, to the SET:

- (i) the determination of a date for a meeting of Unitholders by the Management Company, agenda of the meeting and the last day for the acknowledgement of the meeting notice (where the Management Company seeks approval from the Unitholders by giving them written notice to seek a resolution);
- (ii) the Management Company's resolution determining the date of closing the register for the suspension of the Investment Unit transfer, or the date of determination of the list of Unitholders for the Unitholders meeting, or the date of the granting of any rights to the Unitholders;
- (iii) any payment or non-payment of distribution by BTSGIF;
- (iv) any resolution of BTSGIF to increase registered capital, allocate Investment Units or decrease registered capital;
- (v) the Management Company seeking a resolution from the Unitholders to make material amendments to the Fund Scheme;
- (vi) any borrowings or creation of material encumbrances on the assets of BTSGIF by the Management Company on behalf of BTSGIF;
- (vii) the occurrence of any event or change which may have a material effect on the value of the assets of the infrastructure business which BTSGIF invests in or has, together with the rationale;

- (viii) the occurrence of any event to the infrastructure business which may affect the rights, benefits or decisions of the Unitholders or the change in the price of Investment Units;
- (ix) the announcement by the Management Company of the dissolution of BTSGIF;
- (x) any changes to the structure of the holding of the Unitholders of BTSGIF exceeding 10% of the total number of sold Investment Units;
- (xi) any gain or loss of significant commercial contracts of the infrastructure business which relates to BTSGIF;
- (xii) any acquisition or disposal of the infrastructure business assets by BTSGIF in accordance with the rules prescribed under the notifications of the SEC;
- (xiii) any entry into related party transactions under the rules prescribed under the SEC notifications;
- (xiv) any default in repayment or failure to fulfil the obligations under any transaction in relation to the acceptance of financial assistance which is worth 5% or more of the total assets of BTSGIF as shown in the most recent financial statements or consolidated financial statements, together with the guidelines for rectifying such events;
- (xv) the launch of new significant products, significant development in relation to resources, technology, products and markets, or significant discoveries in relation to natural resources by the infrastructure business;
- (xvi) any significant disputes in the infrastructure business which affect the operation of BTSGIF, such as a dispute in relation to labour, contractors or persons selling products to BTSGIF;
- (xvii) any significant legal disputes of BTSGIF;
- (xviii) any significant change in BTSGIF's accounting policy;
- (xix) any dissolution and liquidation of the infrastructure business;
- (xx) the appraisal of value of the infrastructure business's significant assets by an independent appraiser for disclosure to the Unitholders or general investors;
- (xxi) any event which affects or will affect the rights and benefits of Unitholders or their decisions to make an investment, or the change in the price of the Investment Units;
- (xxii) any change to the head office of the Management Company;
- (xxiii) any change to the Management Company, auditor or fund supervisor;
- (xxiv) the assets value, net assets value, value of Investment Units, financial statement and consolidated financial statements of BTSGIF, progress report (in case the assets invested by BTSGIF is incomplete) of BTSGIF, each prepared in accordance with the relevant notifications of the SEC;
- (xxv) the summary of the result of operations of BTSGIF in the form prescribed by the SET; and
- (xxvi) any other information as prescribed by the SET.

Thailand Securities Depository Company Limited

In November 1994, the SET established a private limited company, Thailand Securities Depository Co., Ltd., or TSD, pursuant to the Thai SEC Act to undertake four main functions: registrar, securities depository centre, clearing house and broker operation services. Since the commencement of its operations in January 1995, TSD operates a clearing and settlement system for scripless shares of Thai public companies. The TSD is 99.9% owned by the SET and has a registered capital of THB200.0 million. Under the Thai SEC Act, TSD may operate without a license from the Thai SEC as long as the SET owns a minimum of 75% of the total shares of TSD. The following persons may become members of TSD: (1) securities companies; (2) commercial banks; (3) finance companies; (4) life or non-life insurance companies; (5) financial institutions established by specified legislation; and (6) other persons as prescribed by the SET.

Securities Lending and Borrowing

In January 2008, the Ministry of Finance issued ministerial regulations allowing a person wanting to conduct the business of securities lending and borrowing to apply for a licence from the Minister of Finance through the Thai SEC. The Thai SEC prohibits the borrowing of securities for the purpose of selling such securities in a tender offer for such securities.

In the borrowing or lending of securities, a licensed securities lender and borrower are required, among other things, to prescribe the procedure for accepting the customer, to arrange for the risk management system and for a securities lending agreement to be executed. Pursuant to Thai regulations, such agreement must, at a minimum, specify certain provisions. For example, the securities borrower is required to provide unencumbered collateral to the lender. The collateral may be given in the form of cash (Baht or U.S. Dollars), listed securities, investment units of a daily redemption fund, Government bonds, bonds of the Bank of Thailand or bonds of a state owned enterprise guaranteed by the Government. The collateral in the form of U.S. Dollars must be calculated by using either: (i) the closing price at the end of the previous business day prior to the valuation date announced by the SET or the referenced price at the end of the previous business day prior to the valuation date announced by the Thai Bond Market Association, Reuters, Bloomberg, or by a service provider on information concerning trading of securities certified by the Thai SEC; or (ii) the price reflecting the current market price of such collateral.

Foreign Ownership

The Thai Government has generally allowed foreign investment, but on a controlled basis in certain sectors of the economy. Investment in certain Thai securities by “non-Thai persons” (as defined in relevant laws) may be limited by the Foreign Business Act B.E. 2542 (1999), by a Board of Investment Promotion Certificate issued under the Investment Promotion Act B.E. 2520 (1977), as amended, or by restrictions under Thai SEC notifications. The Investment Unit Registrar may refuse to register transfers of Investment Units to a non-Thai person, or divestment may otherwise be required, if as a result of such transfer the percentage of issued and outstanding Investment Units registered in the name of non-Thai persons would exceed the then applicable limitation on foreign ownership of the Investment Units. Ownership of the Investment Units by non-Thai persons as such is not otherwise restricted by Thai law. Where a foreign person acquires investment units that would exceed the applicable limit, the investor is exposed to the risk of losing the benefit of such investment because ownership may not be registered in such foreign person’s name. See “Risk Factors – Risks Relating to the Investment Units” for details.

It is not always possible for a foreign purchaser of Thai securities (that are subject to such limits) to know in advance whether shares purchased by him will fall within the limits and be eligible to be registered in his name, or whether the Investment Unit Registrar will have to decline to effect registration of the transfer.

Settlement

General

All settlement and clearance of transactions effected on the SET must be handled by the TSD on the third business day following the day of the contract date. The TSD offsets sales and purchases of each member and only the net balance of securities and cash delivered or received by the member through the TSD is credited.

Investment Units in Certificated Form

The investment unit registrar or the management company will issue the investment unit certificates to unitholders only upon their requests. The unitholder shall submit the application for issuance of the investment unit certificate, together with a fee to the investment unit registrar.

The investment unit certificates issued to the unitholders shall have the following particulars as prescribed by the Thai SEC:

- information necessary and adequate for the unitholders to refer to as evidence of a right against the management company and third parties; and
- in cases where there are restrictions on the rights of unitholders, such restrictions must be clearly specified.

A Unitholder who holds Investment Unit certificates and wishes to transfer the Investment Units must present the duly endorsed Investment Unit certificate with the signatures of the transferor and the transferee to the Investment Unit Registrar. The transfer of Investment Units become effective and enforceable against any third party only when the Investment Unit Registrar records the name of the transferee in the register.

Investment Units in Scripless Form

In July 1992, the SET introduced regulations to facilitate the establishment of a scripless trading system. Under this scripless system, a member broker, sub-broker or local custodian may deposit certificates in respect of securities with the TSD. Any person becoming a TSD participant is required to open at least one account with the TSD for the deposit, withdrawal or transfer of securities.

After the TSD has accepted a deposit of securities, it will hold such securities on behalf of its participants or its participants' clients. In addition, each TSD participant is obliged to maintain a list of owners of the securities deposited with it for establishing ownership rights to the securities and any other security holder rights. Sales and purchases of securities are settled by off-setting the relevant securities deposit accounts via computers and at the end of each trading day the TSD delivers a statement showing the balance of securities held for each participant.

Passbooks Evidencing Rights in Investment Units

The management company may issue passbooks evidencing rights in investment units to unitholders who have expressed their intention to deposit investment units and request a passbook in lieu of an investment unit certificate. Unitholders shall update passbooks at the offices of the management company or its agents. The passbooks may not be purchased, sold, transferred or pledged. Unitholders may, however, transfer investment units evidenced by passbooks by submitting an application and the relevant details of the purchaser as specified by the Investment Unit Registrar to the Investment Unit Registrar. The Investment Unit Registrar will register the transfer of the investment units and update the passbook of the seller.

Transfer of Investment Units

Transfers of listed investment units in certificated form is valid as between the transferor and the transferee by filing complete details in an application for transfer of an investment unit which is signed by both the transferor and the transferee, attaching thereto the documents for the transfer of investment units as prescribed by the Investment Unit Registrar. An application form must be received by the Investment Unit Registrar and the name of the transferee must be duly registered in the register of unitholders to be valid against a third party.

Transfer of investment units evidenced by passbooks are made by way of submitting to the Investment Unit Registrar an application for transfer, including the relevant details of the purchaser as specified by the Investment Unit Registrar. The Investment Unit Registrar will register the transfer of the investment units and update the passbook of the seller. The investment units so transferred will be registered under the name of the purchaser and the investment units will be issued in the form of a certificate or passbook or will be deposited in the scripless system pursuant to the instruction of the purchaser.

Transfers of scripless investment units are made by way of criteria specified by the Investment Unit Registrar and/or the SET and/or the TSD. The transferor shall pay the investment unit transfer fee (if any) as prescribed by the Investment Unit Registrar and/or the SET and/or the TSD.

Listing of Newly Issued Investment Units

Although a fund whose investment units are listed on the SET is required to maintain a listing on the SET for all its issued investment units, it must make a separate application for the listing of new investment within 30 days from the closing date of the subscription period of the newly issued investment units. The newly issued investment units are deemed listed securities on the date that the management company has allotted the investment units.

Internet Trading

In January 2000, the SET allowed the trading of securities through the Internet. A member broker wishing to offer Internet trading services is required to apply for permission from the SET and the broker's computer and security systems must meet the regulations of the SET. The current standard for internet trading was issued in June 2011 with the purpose of facilitating and safeguarding internet trading by non-member brokers.

TAXATION

The discussion below is not intended to constitute a complete analysis of all tax consequences relating to the ownership of the Investment Units. Prospective purchasers of the Investment Units should consult their own tax advisors concerning the tax consequences of their particular situations. This description is based on laws, regulations and interpretations as now in effect and available as of the date of this Offering Memorandum. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of the Investment Units. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below.

Thai Taxation

This summary contains a description of the principal Thai income tax consequences of the purchase, ownership and disposition of Investment Units by an individual not resident in Thailand or a corporate investor who is both not resident and not carrying on business in Thailand for tax purposes (referred to herein as “non-resident individual holders” and “non-resident corporate holders”, respectively, and together as “non-resident holders”). It does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase Investment Units. The summary is based upon the tax laws of Thailand in effect on the date of this Offering Memorandum.

PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR OWN PROFESSIONAL ADVISORS CONCERNING THE ACQUISITION, OWNERSHIP AND DISPOSITION OF INVESTMENT UNITS, INCLUDING THE CONSEQUENCES UNDER THAI LAW, THE LAWS OF THE JURISDICTION OF WHICH THEY ARE RESIDENT AND ANY TAX TREATY BETWEEN THAILAND AND THEIR COUNTRY OF RESIDENCE FOR TAX PURPOSES.

In general, the registered owner of Investment Units will be treated as the owner of such Investment Units for Thai income tax purposes. In the case of Investment Units that settle through the TSD’s scripless system, the holder whose name appears on the list of owners with respect to the Investment Units maintained by each TSD-member broker, sub-broker, or custodian will be treated as the owner for Thai income tax purposes. See “The Thai Securities Market – Settlement”.

Taxation of Distributions

Dividends in respect of the Investment Units are not subject to Thai withholding tax when paid to non-resident holders. Dividends in respect of the Investment Units received by non-resident individual holders are exempt from personal income tax during the first ten years after the setting up of the Fund (subject to the normal terms of the Announcement of the Revenue Department of Thailand), and after which period, dividends are subject to personal income tax computed at the end of each year at progressive rates ranging from 5% to 37%. Dividends in respect of the Investment Units received by non-resident corporate holders are not subject to Thai corporate income tax. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Taxation – Royal Decree”.

Taxation of Capital Gains

Capital gains realised by a non-resident corporate holder from the sale or other disposition of the Investment Units are not subject to Thai withholding or corporate income tax. Capital gains realised by a non-resident individual holder from the sale or other disposition of the Investment Units outside the SET are not subject to Thai withholding tax and personal income tax at the end of each year.

Tax Treaties

Each non-resident individual holder should inquire for himself or herself whether he or she is entitled to the benefit of a tax treaty between Thailand and his or her resident country. Where an applicable tax treaty so provides, any otherwise taxable gain on the sale or other disposition of ordinary shares may be exempt from or subject to reduced Thai withholding tax.

Thailand currently has tax treaties for the avoidance of double taxation within the following countries: Armenia, Australia, Austria, Bahrain, Bangladesh, Belgium, Bulgaria, Canada, Chile, Republic of Cyprus, the Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Japan, Republic of Korea, Kuwait, Laos, Luxembourg, Malaysia, Mauritius, Myanmar, Nepal, The Netherlands, New Zealand, Norway, Oman, Pakistan, the People's Republic of China, the Philippines, Poland, Romania, Russia, Seychelles, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States, Uzbekistan and Vietnam.

Stamp Duty

No stamp duty is payable on a transfer of listed Investment Units.

U.S. Federal Income Taxation

This disclosure is limited to the U.S. federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the U.S. federal tax treatment of the units or the underlying shares.

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY YOU FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON YOU UNDER THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (B) SUCH DISCUSSION IS BEING USED IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTION OR MATTERS ADDRESSED HEREIN; AND (C) YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a description of certain U.S. federal income tax consequences to the U.S. Holders described below of acquiring, owning and disposing of the Investment Units, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire the Investment Units. The discussion set forth below is applicable to U.S. Holders (as defined below). This description addresses only the U.S. federal income tax considerations of U.S. Holders that will hold our Investment Units as capital assets. As used herein, the term "U.S. Holder" means a holder of an Investment Unit that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This description does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including alternative minimum tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding Investment Units as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person liable for alternative minimum tax;
- a person who actually or constructively owns 10% or more of our voting stock;
- a partnership or other pass-through entity for U.S. federal income tax purposes; or
- a person whose "functional currency" is not the U.S. dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof, and such authorities may be replaced, revoked or modified so as to result in U.S. federal income tax consequences different from those discussed below. We have not sought and do not plan to seek any ruling from the U.S. Internal Revenue Service ("IRS") with respect to statements made and the conclusions reached in the following description, and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

If a partnership holds Investment Units, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding Investment Units and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of the Investment Units.

This description does not contain a detailed summary of all the U.S. federal income tax consequences to you in light of your particular circumstances and does not address the effects of any state, local or non-U.S. tax laws. U.S. Holders considering the purchase, ownership or disposition of Investment Units should consult their own tax advisors concerning the U.S. federal income tax consequences of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

Passive Foreign Investment Company

Based on the projected composition of our income and valuation of our assets, including goodwill, we believe that we will likely be a PFIC for 2013 and in the future.

In general, we will be a PFIC for any taxable year in which:

- at least 75% of our gross income is passive income, or
- at least 50% of the value (determined on a quarterly basis) of our assets is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties, certain rents and income equivalent to interest. If we own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income.

If we are a PFIC for any taxable year during which a U.S. Holder holds an Investment Unit, such U.S. Holder will be subject to special tax rules with respect to any "excess distribution" received and any gain realized from a sale or other disposition, including a pledge, of Investment Unit. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or a U.S. Holder's holding period for the Investment Unit will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder's holding period for the Investment Units,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

U.S. Holders that hold Investment Units will be required to file IRS Form 8621 in any year in which we are classified as a PFIC.

Although we do not currently have any subsidiaries, we may form or acquire subsidiaries in the future. If we are a PFIC for any taxable year during which a U.S. Holder holds Investment Units and any of our non-U.S. subsidiaries is also a PFIC, a U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. Consequently, if any of our subsidiaries is a PFIC, a distribution from that subsidiary to us, a disposition of that subsidiary by us, or a transaction through which a U.S. Holder's indirect ownership of such subsidiary is decreased (including additional offerings of Investment Units) may be treated as a distribution or disposition subject to the PFIC regime. A U.S. Holder would be entitled, however, to increase its basis in the Investment Units such U.S. Holder directly owns to reflect the income realized upon such distributions or dispositions. Moreover, a U.S. Holder would not be taxed when we distribute to the U.S. Holder the income that such U.S. Holder already included in income for U.S. federal income tax purposes.

The gross amount of distributions by us that are not "excess distributions" and are not treated as non-taxable distributions previously included in income by a U.S. Holder in respect of a distribution by, or disposition of the stock of, a subsidiary that is a PFIC, as discussed above will

be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such dividends (including withheld taxes, if any) will be includable in a U.S. Holder's gross income as ordinary income on the day actually received by such U.S. Holder. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code or the lower rates of income tax currently applicable to "qualified dividend income" received by non-corporate U.S. investors.

To the extent that the amount of any distribution described in the preceding paragraph exceeds our current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the U.S. Holder's adjusted basis of the Investment Units (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by such U.S. Holder on a subsequent disposition of the Investment Unit), and the U.S. Holder will be taxed on the balance in excess of adjusted basis as gain recognized on a sale or exchange of the stock of a PFIC, which will be subject to tax under the PFIC rules in the manner described above. We do not maintain calculations of our earnings and profits under U.S. federal income tax principles, and, therefore, U.S. Holders should expect that any such distributions will be reported as dividends for U.S. federal income tax purposes.

Dividends paid to U.S. Holders with respect to the Investment Units will be treated as foreign source income, which may be relevant in calculating a U.S. Holder's foreign tax credit limitation. Thai tax, if any, withheld on dividends may be deducted from a U.S. Holder's taxable income or credited against a U.S. Holder's U.S. federal income tax liability, subject to the various limitations and disallowance rules that apply to foreign tax credits generally. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends generally will constitute "passive category income", or in the case of certain U.S. Holders, "general category income".

Special rules apply to the amount of foreign tax credits that a U.S. Holder may claim on a distribution from a PFIC. Prospective purchasers should consult their own tax advisors regarding the application of such rules.

To avoid the foregoing rules, a U.S. Holder may make a mark-to-market election with respect to the Investment Units (but not with respect to the shares of any lower-tier PFICs), provided that such stock is regularly traded on a qualified exchange. In general, the Investment Units will be treated as "regularly traded" for a given calendar year if more than a de minimis quantity of the Investment Units are traded on a qualified exchange on at least 15 days during each calendar quarter of such calendar year. We will apply to have the Investment Units listed on the SET; however, no assurance can be given that the Investment Units will be "regularly traded" for purposes of the mark-to-market election. In addition, if we form or acquire a subsidiary in the future and a U.S. Holder makes a mark-to-market election with respect to the Investment Units, such election shall not apply to any of our future subsidiaries that are PFICs. Accordingly, any direct or indirect disposition by us of the stock of, or any distribution by, our subsidiaries, will be subject to tax under the PFIC rules in the manner described above.

A U.S. Holder that makes a mark-to-market election will include in each year as ordinary income the excess of the fair market value of its Investment Units at the end of the year over such U.S. Holder's adjusted tax basis in the Investment Units. U.S. Holders will be entitled to deduct as an ordinary loss each year the excess of such U.S. Holder's adjusted tax basis in its Investment Units over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes an effective mark-to-market election, any gain such U.S. Holder recognizes upon the sale or other disposition of the Investment Units will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result

of the mark-to-market election. Under the mark-to-market rules, all distributions will be subject to the U.S. federal income tax rules described above applicable to distributions that are not “excess distributions”, except that any gain attributable to certain distributions that exceed our current and accumulated earnings and profits will be subject to tax as ordinary income and will not be subject to the interest charge described above.

A U.S. Holder’s adjusted tax basis in its Investment Units will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If a U.S. Holder makes a mark-to-market election it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the Investment Units are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. Holders are urged to consult their tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

We do not intend to provide the information that is necessary for U.S. Holders to make a qualified electing fund election, which, if available, would result in tax treatment different from the general tax treatment of an investment in a PFIC described above.

U.S. Holders are urged to consult their tax advisors concerning the U.S. federal income tax consequences of holding Investment Units if we are considered a PFIC in any taxable year.

Taxation of gains

As discussed under “– Passive Foreign Investment Company” above, if we are a PFIC for any taxable year during which a U.S. Holder holds Investment Units, gain realized by such U.S. Holder on the sale or other disposition of such Investment Units would in general not be treated as capital gain. Instead, unless a U.S. Holder makes a mark-to-market election, such U.S. Holder would be treated as if it had realized such gain and certain “excess distributions” ratably over the U.S. Holder’s holding period for the Investment Units and would be taxed (1) for gain allocated to the taxable year of the disposition and any other taxable year prior to the first year in which we were a PFIC, at the U.S. Holder’s ordinary income tax rate, and (2) for each other year to which the gain was allocated, at the highest tax rate in effect for each such year, together with an interest charge in respect of the tax attributable to each such year. If a U.S. Holder sells or disposes of its Investment Units and the U.S. Holder’s tax basis in such Investment Units exceeds the amount realized, the U.S. Holder generally will recognize a capital loss (subject to the mark-to-market rules). The deductibility of capital losses is subject to limitations. Under the PFIC rules, a U.S. Holder is not eligible to claim a foreign tax credit for any Thai tax imposed on the disposition of an Investment Unit.

Information reporting and backup withholding

In general, information reporting will apply to dividends in respect of the Investment Units and the proceeds from the sale, exchange or redemption of the Investment Units that are paid to a U.S. Holder within the United States (and in certain cases, outside the United States) by a U.S. payor or U.S. middleman, unless the U.S. Holder is an exempt recipient such as a corporation. A backup withholding tax may apply to such payments if a U.S. Holder fails to provide a taxpayer identification number or certification of other exempt status or fail to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder’s U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

Pursuant to the Hiring Incentives to Restore Employment Act of 2010 and recently promulgated temporary regulations thereunder, certain U.S. Holders who are individuals are required to report information relating to an interest in the Investment Units, subject to certain exceptions (including an exception for Investment Units held in accounts maintained by U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of Investment Units.

PLAN OF DISTRIBUTION

The Initial Purchasers, the Management Company, the Sponsor and BTSC have entered into the International Purchase Agreement dated April 4, 2013 pursuant to which each Initial Purchaser has agreed, severally and not jointly, to purchase, subject to certain terms and conditions, the number of Investment Units as indicated opposite its name in the following table.

Initial Purchasers	Number of Investment Units
MORGAN STANLEY & CO. INTERNATIONAL PLC	1,234,500,000
UBS AG, HONG KONG BRANCH.....	1,234,500,000
Total	<u>2,469,000,000</u>

The International Purchase Agreement provides that the obligation of the Initial Purchasers to pay for and accept delivery of the Investment Units is several and not joint and will be subject to, among other conditions, the completion of subscription and payment of 1,929,000,000 Investment Units by the Sponsor (the “Sponsor Units”, and the subscription of such Sponsor Units, the “Sponsor Subscription”), the receipt by the Initial Purchasers of certificates of the Sponsor and the Management Company and legal opinions. The Management Company, the Sponsor and BTSC have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the U.S. Securities Act, and to contribute to payments the Initial Purchasers may be required to make against such liabilities. The Initial Purchasers and the Management Company reserve the right to withdraw, cancel or modify any offers of the Investment Units and to reject orders in whole or in part, subject to the terms described in this Offering Memorandum and the International Purchase Agreement. The Initial Purchasers may offer and sell Investment Units through certain of their affiliates.

Certain of the Cornerstone Investors have each entered into a separate international cornerstone investment agreement with the Management Company, the Sponsor and the Initial Purchasers pursuant to which such Cornerstone Investor has agreed to subscribe for a certain number of Investment Units at the Offer Price (without taking into account brokerage) as part of the International Offering. The remaining Cornerstone Investors have each entered into a separate domestic cornerstone investment agreement with the Management Company, the Sponsor and the Thai Lead Underwriter pursuant to which such Cornerstone Investor has agreed to subscribe for a certain number of Investment Units at the Offer Price as part of the Thai Offering. The Cornerstone Investors’ obligation to subscribe for the Cornerstone Units is conditional upon, among other things, the International Purchase Agreement and the Underwriting Agreement having been entered into, having become unconditional and not having been terminated, the Sponsor Subscription of the Sponsor Units having been completed, and the Offer Price having been agreed upon between the Initial Purchasers, the Thai Lead Underwriter, the Sponsor and the Management Company. For more details on the Cornerstone Investors, see “Ownership of the Investment Units”.

The Management Company, the Sponsor and the Thai Lead Underwriter have also entered into the Underwriting Agreement on March 28, 2013 which was amended and restated on April 4, 2013, and a pricing supplement to the Underwriting Agreement dated April 4, 2013, for the sale of the Investment Units in Thailand pursuant to which the Management Company has, with respect to the Thai Offering, agreed to appoint the Thai Lead Underwriter to facilitate the offering of 1,390,000,000 Investment Units and to procure payment by subscribers for, or failing which, to subscribe for, subject to certain conditions, 771,000,000 of such Investment Units.

The Sponsor has agreed to subscribe to 1,929,000,000 Investment Units under the Sponsor Subscription for one-third of the total number of Investment Units under the Combined Offering. The Closing of the International Offering, the Thai Offering and the Sponsor Subscription is each conditional on the completion of the others.

The Investment Units may be reallocated between International Offering and the Thai Offering in the sole discretion of the Initial Purchasers and the Thai Lead Underwriter after consultation with the Management Company in compliance with SEC criteria.

Commission

The Initial Purchasers have agreed to purchase the Investment Units at the Offer Price set forth on the cover page of this Offering Memorandum. The Management Company will pay the Initial Purchasers an underwriting commission on the Investment Units that the Management Company is selling through the Initial Purchasers in the International Offering pursuant to the International Purchase Agreement.

There is currently no public market for the Investment Units. The Management Company will apply to the SET for the Investment Units to be listed and quoted on the SET.

The aggregate expenses of the Combined Offering, not including the Initial Purchasers' commission and the underwriting fees to the Thai Lead Underwriter are estimated at THB278 million and are payable by the Management Company. BTSC has agreed to reimburse the Initial Purchasers and the Thai Lead Underwriter for certain expenses incurred in connection with the Combined Offering.

Brokerage Fees

In addition to the Offer Price, international investors will be required to pay a brokerage fee of 1% of the purchase price in connection with their purchase of Investment Units in the International Offering at the time of settlement.

Indemnification

The Management Company, BTSC and the Sponsor have agreed to indemnify each Initial Purchaser, each person, if any, who controls any Initial Purchaser within the meaning of either Section 15 of the U.S. Securities Act or Section 20 of the U.S. Exchange Act, and each affiliate of any Initial Purchaser within the meaning of Rule 405 under the U.S. Securities Act against certain liabilities, or to contribute to payments which they may be required to make in that respect, including liabilities under the U.S. Securities Act.

Intersyndicate Agreement

The Initial Purchasers, on behalf of themselves and the Thai Lead Underwriter have entered into an intersyndicate agreement that provides for the coordination of their activities in connection with the Combined Offering. Under the intersyndicate agreement, the Initial Purchasers and any dealer to whom they sell Investment Units will not offer to sell or sell Investment Units to persons in Thailand, except in the case of transactions under the intersyndicate agreement. Similarly, the Thai Lead Underwriter will not offer to sell or sell Investment Units outside of Thailand, except in the case of transactions under the intersyndicate agreement.

Other Relationships

Some of the Initial Purchasers or the Thai Lead Underwriter and certain of their affiliates have performed, and may in the future engage in, investment banking and advisory services for the Sponsor, BTSC or their respective affiliates from time to time for which they have received, or will receive, customary fees and expenses, including fees relating to the exchange offer.

In addition, in the ordinary course of their business activities, the Initial Purchasers and the Thai Lead Underwriter, and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Sponsor, the Management Company or their respective affiliates. The Initial Purchasers and the Thai Lead Underwriter, and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Listing of the Investment Units on the SET

The Management Company will apply to have the Investment Units approved for listing and trading on the SET. Although the Management Company expects to receive SET approval for its application to list the Investment Units shortly after payment for the Investment Units, the SET is entitled to consider a listing application for up to seven days from the date of receipt of the complete listing application and all supporting documents. Unless and until the listing approval is given, none of the Investment Units sold in the Combined Offering may be traded on the SET, but buyers and sellers may be matched in off-exchange transactions. Assuming the Investment Units are approved for listing on the SET, Investment Units sold in the Combined Offering will be eligible for trading on the SET, provided that the transfer of Investment Units shall be in accordance with the sections entitled “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units and Holding Restrictions” and “Regulations Relating to BTSGIF – Restrictions on Unitholding” and the criteria of the SEC and SET.

Electronic Distribution

In connection with the International Offering, the Initial Purchasers and certain securities dealers may distribute this Offering Memorandum by electronic means, such as e-mail.

General

Purchasers of Investment Units sold by the Initial Purchasers in the International Offering may be required to pay stamp taxes and/or other charges in accordance with the laws and practice of the country of purchase.

SELLING AND TRANSFER RESTRICTIONS

The distribution of this Offering Memorandum and the offer of Investment Units in certain jurisdictions may be restricted by law and persons into whose possession this Offering Memorandum comes should therefore inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken or will be taken in any jurisdiction that would permit a public offering or sale of the Investment Units, or possession or distribution of this Offering Memorandum (or any other offering or publicity material relating to Investment Units other than a separate prospectus to be issued by the Management Company in Thailand in connection with the Thai Offering) in any country or jurisdiction where action for that purpose is required or doing so may be restricted by law.

None of the Investment Units may be offered for subscription, sale or purchase or be delivered, and this Prospectus and any other offering material in relation to the Investment Units may not be circulated, in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission or to make any application, filing or registration.

Persons into whose possession this Offering Memorandum comes should inform themselves about and observe any restrictions on the distribution of this Offering Memorandum and any offering of the Investment Units. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Offering Memorandum does not constitute an offer to subscribe for or purchase any of the Investment Units to any person in any jurisdiction to whom it is unlawful to make such offer of solicitation in such jurisdiction.

No Investment Units have been marketed to, nor are available for purchase in whole or in part by, the public outside of Thailand in conjunction with the International Offering.

Offering restrictions relating to the U.S. and U.S. Persons

As described more fully below, there are certain selling and transfer restrictions regarding the Investment Units with respect to U.S. unitholders.

These restrictions include, among others, (i) prohibitions on participation in the Combined Offering by persons in circumstances which might cause BTSGIF to be required to be registered as an investment company under the Investment Company Act, and (ii) restrictions on the ownership and transfer of Investment Units by such persons following the Combined Offering.

The Investment Units have not been and will not be registered under the Securities Act or the securities laws of any state of the U.S. and, therefore, the Investment Units may not be directly or indirectly offered for subscription or purchase, sold, delivered or transferred to (or for the account or benefit of) any U.S. Person, or in or into the U.S. except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the U.S. There will be no public offer of the Investment Units in the U.S.

The Initial Purchasers may arrange for the offer of Investment Units only (a) outside the U.S., other than to U.S. Persons or persons acquiring for the account or benefit of a U.S. Person, in accordance with Rule 903 of Regulation S and (b) within the U.S. by U.S. broker-dealer affiliates of an Initial Purchaser to, or for the account or benefit of, U.S. Persons reasonably believed to be both QIBs, in reliance on the exemption from registration provided by Rule 144A under the Securities Act, and QPs. Any U.S. Person subscribing for or purchasing Investment Units will be required to execute the U.S. Investor Representation Letter substantially similar to the form provided for in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter”.

Restrictions on offering under the Securities Act and the Investment Company Act

Each subscriber and purchaser that is within the U.S. or that is a U.S. Person (or is subscribing or purchasing for the account or benefit of a U.S. Person) is notified that the offer and sale of Investment Units to it is being made in reliance upon an exemption from the registration requirements of the Securities Act, and that BTSGIF will not be registered under the Investment Company Act. Each subscriber and purchaser that is within the U.S., or that is a U.S. Person (or is subscribing or purchasing for the account or benefit of a U.S. Person), must be both a QIB and a QP.

In addition, each subscriber and purchaser that is located within the U.S. or that is a U.S. Person (or is subscribing or purchasing for the account or benefit of a U.S. Person), prior to any such transaction, will be required to execute a U.S. Investor Representation Letter substantially similar to the form set out in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter”, and deliver the letter to the Initial Purchasers, the Management Company and BTSGIF. The U.S. Investor Representation Letter will require each such subscriber and purchaser to represent and agree that, amongst other things, (i) it is both a QIB and a QP and (ii) it will only offer, sell, transfer, assign, pledge or otherwise dispose of the Investment Units in an offshore transaction complying with the provisions of Regulation S (including, for the avoidance of doubt, a bona fide sale on the Stock Exchange of Thailand) to a person not known to be a U.S. Person (by pre-arrangement or otherwise), and in compliance with applicable securities laws, provided that the transferor has executed an Exit Letter in the form set out in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter” (if required) and promptly send it to the Management Company. The transferor will notify any subsequent transferee or executing broker, as applicable, of the restrictions that are applicable to the Investment Units being sold. The U.S. Investor Representation Letter and the Offshore Transaction Letter contain additional written representations, agreements and acknowledgements relating to the transfer restrictions applicable to the Investment Units.

BTSGIF has not been and does not intend to become registered as an investment company under the Investment Company Act and related rules. The Management Company and BTSGIF may require any U.S. Person or any person within the U.S. that was required to be a QP but was not a QP at the time it acquired the Investment Units or a beneficial interest therein to transfer its Investment Units or such beneficial interest immediately to a non-U.S. Person in an offshore transaction pursuant to Regulation S under the Securities Act.

If any subscriber or purchaser of Investment Units that was required to execute a U.S. Investor Representation Letter in connection with the acquisition of such Investment Units receives them in certificated form, the certificate for the Investment Units will bear an appropriate legend reflecting the transfer restrictions described in the U.S. Investor Representation Letter.

Restrictions on U.S. Persons or Persons in the United States

Each U.S. Person to whom the Investment Units are distributed, offered or sold will be required to execute the U.S. Investor Representation Letter in the form provided for in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter” containing, among others, the representations and agreements below:

- (a) it (A) is a “qualified institutional buyer” as defined in Rule 144A of the U.S. Securities Act of 1933 (the “U.S. Securities Act”) and (B) is aware that the sale of the Investment Units to it is being made in reliance on an exemption under the U.S. Securities Act;
- (b) it (A) is a “qualified purchaser” as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended and the related rules (the “U.S. Investment Company Act”) and (B) is aware that the sale of the Investment Units to it is being made in reliance on the relevant provisions of the U.S. Investment Company Act;

- (c) it acknowledges that Investment Units sold to U.S. persons (within the meaning of Regulation S) will be in minimum amounts of at least U.S.\$250,000 per account;
- (d) it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers;
- (e) it hereby confirms that (i) it is authorized to complete the purchase of the Investment Units in compliance with all applicable laws and regulations, (ii) it was not formed for the purpose of investing in the Fund (unless each beneficial owner of the Investment Units is a “qualified institutional buyer” who is also a “qualified purchaser” as defined above), and (iii) it is acquiring the Investment Units for its own account or for the account of one or more eligible U.S. investors (i.e., “qualified institutional buyers” who are also “qualified purchasers” as defined above), each of which is acquiring beneficial interests in the Investment Units for its own account, and each of which has conferred full power and authority on it to make the representations, warranties, agreements, undertakings and acknowledgements contained herein;
- (f) if in the future it decides to offer, resell, pledge or otherwise transfer any Investment Units, such Investment Units will be offered, resold, pledged or otherwise transferred only outside the United States to a purchaser not known by it to be a U.S. person (as defined under Regulation S under the U.S. Securities Act) in an offshore transaction complying with the provisions of the U.S. Securities Act, including Rule 903 or Rule 904 of Regulation S and under circumstances which will not require the Fund to register under the U.S. Investment Company Act, in each case in accordance with all applicable securities laws and, if required under clause (o) below, upon delivery to the Management Company of an exit letter as provided for in Annex C to the Preliminary Offering Memorandum (or in a form otherwise acceptable to the Management Company);
- (g) (a) either (i) it is not, and is not acting on behalf of (and for so long as it holds the Investment Units, or any interest therein, will not be, and will not be acting on behalf of), an employee benefit plan, as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, a plan to which subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (“Code”), applies, or an entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity (each, a “Benefit Plan Investor”), or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (“Similar Law”), and/or laws or regulations that provide that the assets of the Fund could be deemed to include “plan assets” of such plan, and no part of the assets to be used by it to purchase or hold the Investment Units, or any interest therein, constitutes the assets of any Benefit Plan Investor or such a plan, or (ii) it is, or is acting on behalf of, such a governmental, church or non-U.S. plan, and such purchase, holding and/or disposition of the Investment Units does not and will not violate any Similar Law and will not subject the Fund to any laws, rules or regulations applicable to such plan as a result of the investment in the Fund by such plan, and (b) it understands and agrees that no purchase by or transfer to any Benefit Plan Investor of the Investment Units, or any interest therein, will be effective, and none of the Fund, the Management Company or the Initial Purchasers will recognize any such purchase or transfer; and (c) it will not sell or otherwise transfer the Investment Units, or any interest therein, otherwise than to a purchaser or transferee that makes or is deemed to make these same representations, warranties and agreements with respect to its purchase, holding and disposition of those Investment Units;
- (h) the Investor is not a participant director employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A;

- (i) it understands that the Investment Units are being offered in a transaction not involving any public offering in the United States (within the meaning of the U.S. Securities Act), and that the Investment Units have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States;
- (j) it understands and acknowledges that the Investment Units being issued may be issued in reliance upon an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A;
- (k) the Investment Units are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Investment Units;
- (l) it understands that the Fund has not been and will not be registered as an “investment company” under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act, and that the Management Company and the Fund have elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Fund will have no obligation to register as an “investment company” under the U.S. Investment Company Act;
- (m) (i) neither the Fund nor the Management Company will be required to accept for registration of transfer any Investment Units acquired by the Investor if such transfer is made in violation of the transfer restrictions set out in clause (e) above; (ii) the Management Company may require any U.S. person or any person within the United States who was not a Qualified Purchaser at the time it acquired any Investment Units or any beneficial interest therein to transfer the Investment Units or any such beneficial interest immediately in a manner consistent with the restrictions set forth in the U.S. Investor Representation Letter; and (iii) if the obligation to transfer is not met, the Management Company is irrevocably authorized, without any obligation, to transfer the Investment Units, as applicable, in a manner consistent with the restrictions set forth in the U.S. Investor Representation Letter and, if such Investment Units are sold, the Management Company shall be obliged to distribute the net proceeds to the entitled party;
- (n) it understands that the Investment Units will be deemed to bear a legend substantially to the following effect:

“THESE INVESTMENT UNITS HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE INVESTMENT UNITS MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY OUTSIDE THAILAND IN RESPECT OF THE INVESTMENT UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK”;
- (o) it understands and agrees that if it decides to offer, resell, pledge or otherwise transfer any of the Investment Units in accordance with the restrictions set forth herein in a transaction other than a non-prearranged transaction executed on the Thailand Stock

Exchange, it will deliver to the Management Company an exit letter confirming its compliance with these representations upon the resale of the Investment Units and it will notify the executing broker and any other agent involved in any resale of the Investment Units that the Investment Units have not been and will not be registered under the U.S. Securities Act and that the Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act, and will also notify such executing broker or agent of the foregoing restrictions applicable to the Investment Units and instruct such broker or agent to abide by such restrictions;

- (p) it will not deposit or cause to be deposited such Investment Units into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Investment Units are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
- (q) it acknowledges that if at any time its representations in the U.S. Investor Representation Letter cease to be true, it agrees to immediately resell the Investment Units at the Management Company’s request and it agrees that pending such required sale, neither the Management Company nor the Fund shall consider it to be a beneficial or legal owner of the Investment Units;
- (r) it understands that the Management Company may receive a list of participants holding positions in its securities from one or more book-entry depositories; and
- (s) it acknowledges that the Fund, the Management Company, the Sponsor, BTSC and the Initial Purchasers, and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Management Company and the Initial Purchasers.

Restrictions on offering in reliance on Regulation S

Each subscriber and purchaser to whom the Investment Units are distributed, offered or sold outside the U.S. (other than U.S. Persons) will be required to execute the Offshore Transaction Letter in the form provided for in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter” containing, among others, the representations and agreements below:

- (a) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Investment Units are being issued in reliance upon Regulation S, and such Investment Units have not been and will not be registered under the U.S. Securities Act;
- (b) it certifies that either (A) it is, or at the time the Investment Units are purchased will be, the beneficial owner of the Investment Units and it is not a U.S. person and is located outside the United States (within the meaning of Regulation S), or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Investment Units are purchased will be, the beneficial owner of the Investment Units, and (ii) such customer is not a U.S. person and is located outside the United States (within the meaning of Regulation S);
- (c) it is aware of the restrictions of the offer, sale and resale of the Investment Units pursuant to Regulation S;
- (d) the Investment Units have not been offered to it by means of any “directed selling efforts” (as defined in Regulation S);

- (e) the proposed sale of the Investment Units is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act;
- (f) neither the Fund, the Management Company nor any of its respective agents participated in the sale of the Investment Units;
- (g) it understands that the Investment Units are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Investment Units have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States and that the Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act, and that the Management Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. persons described therein so that the Fund will have no obligation to register as an “investment company” under the U.S. Investment Company Act;
- (h) it agrees that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Investment Units, such Investment Units may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States to a purchaser not known by it to be a U.S. person (as defined under Regulation S) and in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S and under circumstances which will not require the Fund to register under the U.S. Investment Company Act, in each case in accordance with all applicable securities laws and, if required under Clause (j) below, upon delivering an exit letter as provided for in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter” and it understands and acknowledges that the Management Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Management Company may make notation on its records or give instructions to any transfer agent of the Investment Units;
- (i) it understands and agrees that if it decides to offer, resell, pledge or otherwise transfer any of the Investment Units in accordance with the restrictions set forth herein in a transaction other than a non-prearranged transaction executed on the Stock Exchange of Thailand, it shall furnish an exit letter to the Management Company as set out in Annex C: “U.S. Investor Representation Letter and Offshore Transaction Letter”;
- (j) it understands that the Investment Units will be deemed to bear a legend substantially to the following effect:

“THESE INVESTMENT UNITS HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE INVESTMENT UNITS MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY OUTSIDE THAILAND IN RESPECT OF THE INVESTMENT UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK”;

and
- (k) the Fund, the Management Company, the Sponsor, BTSC and the Initial Purchasers and their respective directors, officers, agents, employees, advisers, affiliates and others will

rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that, if any of such acknowledgment, representations or agreements is or are no longer accurate or have not been complied with, it will promptly notify the Management Company and the Initial Purchasers.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (“ASIC”), in relation to the Offering. This Offering Memorandum does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Commonwealth of Australia) (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the Investment Units may only be made to persons (the “Exempt Investors”), who are “wholesale clients” as defined in section 761G of the Corporations Act and (in the case of securities) persons to whom an offer of securities may be lawfully made without the need for disclosure under Part 6D.2 of the Corporations Act because of section 708(8) (sophisticated investors) or section 708(11) (professional investors) of the Corporations Act.

The Investment Units applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the International Offering, except in circumstances where disclosure to investors under the Corporations Act would not be required pursuant to an exemption under the Corporations Act or otherwise or where the offer is pursuant to a prospectus, product disclosure statement or other disclosure document which complies with the Corporations Act. Any person acquiring Investment Units must observe such Australian on-sale restrictions.

This Offering Memorandum contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this Offering Memorandum is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

China

Each of the Initial Purchasers and the Thai Lead Underwriter has represented and agreed that the Investment Units are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities or funds laws of the People’s Republic of China.

Dubai International Financial Centre (“DIFC”)

This Offering Memorandum relates to a Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“DFSA”).

The DFSA has no responsibility for reviewing or verifying any Offering Memorandum or other documents in connection with this Fund. Accordingly, the DFSA has not approved this Offering Memorandum or any other associated documents nor taken any steps to verify the information set out in this Offering Memorandum, and has no responsibility for it.

This Offering Memorandum is intended for distribution only to persons of a type specified in the DFSA’s Rules (i.e. “Professional Clients”) and must not, therefore, be delivered to, or relied on by, any other type of person. This document is for the exclusive use of the persons to whom it is addressed and in connection with the subject matter contained therein.

The Investment Units to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Investment Units.

If you do not understand the contents of this document you should consult an authorised financial adviser.”

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) an offer to the public of any Investment Units may not be made in that Relevant Member State, except that Investment Units may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a “qualified investor” as defined under the Prospectus Directive;
- (b) by the Initial Purchasers to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Initial Purchasers for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Investment Units shall result in a requirement for the publication by any of BTSGIF, the Initial Purchasers or the Thai Lead Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires Investment Units or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Initial Purchasers and BTSGIF that it is a “qualified investor” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of shares to the public” in relation to any Investment Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Combined Offering and the Investment Units to be offered so as to enable an investor to decide to purchase or subscribe for the Investment Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In the case of any Investment Units being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the Initial Purchasers will use their reasonable endeavors, by the inclusion of appropriate language in relevant offer documents, to procure that such financial intermediary will be deemed to have represented, acknowledged and agreed that the Investment Units acquired by it in the Offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Investment Units to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Initial Purchasers has been obtained to each such proposed offer or resale.

BTSGIF, the Initial Purchasers, the Thai Lead Underwriter and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Offering Memorandum is an advertisement and is not a prospectus for the purposes of EU Directive 2003/71/EC.

Germany

The Investment Units offered pursuant to this Offering Memorandum are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – “BaFin”) according to the German Investment Act (“*Investmentgesetz*”) nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act (“*Wertpapierprospektgesetz*”) or the German Investment Sales Act (“*Vermögensanlagengesetz*”) has been filed with the BaFin. Consequently, the Investment Units must not be distributed within Germany by way of public offer, public advertisement or in any similar manner, and this Offering Memorandum and any other document relating to the Investment Units, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Investment Units to the public in Germany or any other means of public marketing. Any resale of the Investment Units in the Federal Republic of Germany may only be made in accordance with any laws applicable in the Federal Republic of Germany governing the sale and offering of the Investment Units.

No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisors as to the tax consequences that may arise from an investment in the Investment Units.

Hong Kong

Each Initial Purchaser has acknowledged that the Fund has not been authorised by the Hong Kong Securities and Futures Commission and has represented and agreed that it will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, or document relating to the Investment Units, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Investment Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (cap. 571) of Hong Kong and any rules made under that ordinance.

This Offering Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Investment Units described herein and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Offering Memorandum).

Japan

The Investment Units have not been and will not be registered for a public offering in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, the Investment Units have not been and will not be offered, sold, transferred, directly or indirectly, in Japan or to, a Resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan. “Resident in Japan” means a natural person having his/her place of domicile or residence in Japan, or a legal person having its main office in Japan.

A branch, agency or other office in Japan of a non-resident, irrespective of whether it is legally authorised to represent its principal or not, shall be deemed to be a Resident in Japan even if its main office is in any other country than Japan. Resident in Japan shall exclude non-residents of Japan, as such term is defined in Item 6, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended).

Republic of Italy

As of the date of this Offering Memorandum, the Investment Units have not been authorised for offering into the Republic of Italy (“Italy”) pursuant to Article 42, paragraph 5 of Legislative Decree no. 58 of February 24, 1998, as amended (the “Financial Services Act”), and the regulation of the Bank of Italy issued on May 8, 2012, as amended (the “Bank of Italy’s Regulation”). Accordingly, no offer, sale, or marketing of the Investment Units or distribution of copies of this Offering Memorandum or any other document relating to the Investment Units shall be made in Italy, unless (i) the prior authorization of the Bank of Italy pursuant to the Financial Services Act and the Bank of Italy’s Regulation; and (ii) in accordance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations.

Each purchaser of the Investment Units represents and agrees that it is fully aware that the Investment Units have not been authorised for offering in Italy and that it shall not offer, sale, or market the Investment Units in Italy, unless such offer, sale or marketing occurs in compliance with any applicable Italian laws and regulations, it being understood that any offer, distribution or marketing of the Investment Units or distribution of this Offering Memorandum or of any other document relating to the Investment Units made in Italy by any of the purchasers is at their own initiative and at their own exclusive responsibility.

Malaysia

The approval from the Securities Commission of Malaysia (“SC”) has not been sought nor obtained for issuing or offering the Investment Units for subscription or purchase, or for making an invitation to subscribe for or purchase the Investment Units in Malaysia. No prospectus has been, nor will any prospectus be, registered with the SC in connection with any issue or offer of the Investment Units for subscription or purchase, or any invitation to subscribe for or purchase the Investment Units in Malaysia. Accordingly, the Investment Units may not be issued or offered for subscription or purchase, and no invitation may be made to subscribe for or purchase the Investment Units in Malaysia, and this Offering Memorandum or any amendment or supplement hereto or any other offering document in relation to BTSGIF may not be distributed, directly or indirectly, in Malaysia.

The Netherlands

The Investment Units in the Fund will not be offered or sold, directly or indirectly, in the Netherlands other than solely to qualified investors as defined in article 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*), all within the meaning of article 1:12 of the Financial Supervision Act and article 4 of the Financial Supervision Act Exemption Regulation (*Vrijstellingsregeling Wft*).

In respect of the offering, the Management Company of the Fund is not required to obtain a license as a management company (*beheerder*) of an investment institution pursuant to the Financial Supervision Act and is not subject to market conduct supervision of the Netherlands Authority for the Financial Markets and prudential supervision of the Dutch Central Bank (De Nederlandsche Bank N.V.).

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. You should accordingly consider carefully whether the investment is suitable for you.

This Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Investment Units may not be circulated or distributed, nor may Investment Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (“SFA”)) (an “institutional investor”), (ii) to a relevant person (as defined in Section 275(2) of the SFA) (a “relevant person”) or any person pursuant to an offer that is made on terms that Investment Units are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and in accordance with conditions as specified in Section 275 of the SFA, unless otherwise permitted by law, and in each case, subject to the condition that within the period of six months from the date of the initial acquisition by of the Investment Units, the Investment Units may not be sold in Singapore other than (a) to an institutional investor, (b) to a relevant person or any person pursuant to an offer that is made on terms that Investment Units are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets.

Where such Investment Units are subscribed or purchased by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA) (an “accredited investor”)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Investment Units except:

- (I) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that Investment Units are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (II) where no consideration is or will be given for the transfer;
- (III) where the transfer is by operation of law; or
- (IV) as otherwise permitted by law.

Switzerland

The Investment Units may not be and will not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Investment Units constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of SIX, and neither this Offering Memorandum nor any other offering or marketing material relating to the Investment Units may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Combined Offering, the Fund or the Investment Units have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Combined Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the Combined Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Investment Units.

United Arab Emirates (excluding the Dubai International Financial Centre)

The Investment Units have not been and will not be, offered, sold or publicly promoted or advertised in the United Arab Emirates (“UAE”) other than in compliance with the laws applicable in the UAE. The information contained in this Offering Memorandum does not constitute a public offer of the Investment Units in the UAE in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 of the UAE, as amended) or otherwise and is not intended to be a public offer and the information contained in this Offering Memorandum is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the UAE. This Offering Memorandum has not been approved by or filed with the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority. If you do not understand the contents of this Offering Memorandum you should consult an authorised financial adviser. This Offering Memorandum is provided for the benefit of the recipient only, and should not be delivered to, or relied on by, any other person.

United Kingdom

The Investment Units are only being sold in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets 2000 Act (“FSMA”), as amended, save in circumstances where it is lawful to do so without an approved prospectus (within the meaning of section 85 FSMA) being made available to the public before the offer is made.

The distribution of this document (which term shall include any form of communication) is restricted pursuant to section 21 (restrictions on financial promotion) of FSMA. In relation to the United Kingdom this document is only being distributed to, and is directed only at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005, as amended (the “Order”), (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be distributed (all such persons together with Qualified Investors (as defined in the Prospectus Directive) being referred to as “relevant persons”). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only in the United Kingdom to relevant persons, and will be engaged in only with such persons. By receiving this document you are deemed to warrant to the Fund that you fall within the categories of persons described above.

GENERAL INFORMATION

Documents for Inspection

Copies of the following documents are available for inspection at the Management Company's registered office during normal office hours:

- Fund Scheme;
- American Appraisal (Thailand) Limited Appraisal Report; and
- FN Asia Advisory Co., Ltd. Appraisal Report.

Consents and Acknowledgement

Ernst & Young Office Limited has consented to the inclusion of the following:

- its audit report on the carve-out financial statements as of and for the years ended March 31, 2010, 2011 and 2012 of the BTS SkyTrain Business;
- its review report on the unaudited carve-out financial statements as of and for the nine months ended December 31, 2011 and 2012 of the BTS SkyTrain Business;
- its report on the compilation of pro forma financial information of BTSGIF as of and for the year ended March 31, 2012 and the nine-month period ended December 31, 2012 by the Management Company and Sponsor; and
- all references to its name, in the form and context in which they are respectively included, under the section entitled "Independent Auditors" and elsewhere in the Offering Memorandum.

American Appraisal (Thailand) Limited has consented to the inclusion of its Summary Appraisal Report in the Offering Memorandum.

FN Asia Advisory Co., Ltd. has consented to the inclusion of its Summary Appraisal Report in the Offering Memorandum.

LEGAL MATTERS

Certain matters in connection with the offering will be passed upon for BTSGIF by White & Case Pte. Ltd. with respect to matters of U.S. federal securities laws and New York law. Certain matters in connection with the offering will be passed upon for BTSGIF by Weerawong, Chinnavat & Peangpanor Ltd. with respect to matters of Thai law.

Certain legal matters in connection with the offering will be passed upon for the Initial Purchasers by Linklaters Singapore Pte. Ltd. with respect to matters of U.S. federal securities laws and New York law and by Linklaters (Thailand) Ltd., with respect to matters of Thai law.

INDEPENDENT AUDITORS

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. A review is substantially less in scope than an audit conducted in accordance with the applicable standards on auditing in Thailand. Consequently, it does not enable Ernst & Young Office Limited to obtain assurance that it would become aware of all significant matters that might be identified in an audit.

Ernst & Young Office Limited, independent auditors, issued a report on the compilation of pro forma financial information of BTSGIF as of and for the year ended March 31, 2012 and the nine-month period ended December 31, 2012 by the Management Company and Sponsor. The work in relation to the pro forma financial information of BTSGIF as of and for the year ended March 31, 2012 and the nine-month period ended December 31, 2012 included in this Offering Memorandum has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted outside of Thailand and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, the use of this report may not be appropriate in other jurisdictions and this report should not be used or relied upon for any purpose other than described above. Ernst & Young Office Limited does not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN THAI GAAP AND U.S. GAAP

The following is a general summary of certain principal differences between Thai GAAP and U.S. GAAP as of December 31, 2012 that we believe are applicable to the BTSC carve-out financial statements, BTSGIF unaudited pro forma financial information and BTSGIF projected statements of income and statements of cash flows.

Thai GAAP differs in certain material respects from U.S. GAAP. A brief description of certain significant accounting differences between Thai GAAP and U.S. GAAP as applicable to the BTSC carve-out financial statements for the financial years ended March 31, 2010, 2011 and 2012 and for the nine months ended December 31, 2011 and 2012, BTSGIF'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 projected statements of income and statements of cash flows for the Projection Period 2013 and the Projection Fiscal Year 2014 are set out below. The organizations that promulgate Thai GAAP and U.S. GAAP have issued new pronouncements that may impact subsequent periods and have significant ongoing projects that could affect the differences between Thai GAAP and U.S. GAAP described below and the impact of these differences relative to the BTSC carve-out financial statements, BTSGIF unaudited pro forma financial information and BTSGIF projected statements of income and statements of cash flows in the future. Accordingly, this summary is not intended to provide a comprehensive listing of all existing or future differences between Thai GAAP and U.S. GAAP related to BTSC or the industry in which it operates. No attempt has been made to quantify the differences. Had we undertaken to identify the differences specifically affecting the BTSC carve-out financial statements, BTSGIF unaudited pro forma financial information and BTSGIF projected statements of income and statements of cash flows presented in this Offering Memorandum, other potentially significant differences may have come to our attention that are not provided in the following summary.

Accordingly, we can provide no assurance that this summary of certain significant differences between Thai GAAP and U.S. GAAP provides a complete description of all differences that may have an impact on the BTSC carve-out financial statements, BTSGIF unaudited pro forma financial information and BTSGIF projected statements of income and statements of cash flows. No attempt has been made in this summary to identify disclosure, presentation or classification differences that would affect the manner in which transactions and events are reflected in the BTSC carve-out financial statements, BTSGIF unaudited pro forma financial information and BTSGIF projected statements of income, statements of cash flows or the respective notes thereto.

The financial information included in this Offering Memorandum has been prepared and presented in accordance with Thai GAAP. In addition, the presentation of the BTSGIF financial information has been made in accordance with the regulations and format of the Fund's financial statements specified in Accounting Standard No. 106 "Accounting for Investment Business" ("TAS 106").

In making an investment decision, investors must rely upon their own examination of BTSC's and BTSGIF's financial statements, the terms of the offering and the financial information. Potential investors should consult their own professional advisers for an understanding of the differences between Thai GAAP and U.S. GAAP and how these differences might affect the financial information in this Offering Memorandum.

The presentation of the financial statements

Under Thai GAAP, the presentation of the Fund's financial statements is generally governed by TAS 106 "Accounting for Investment Business" which provides a guidance and specific example of format of the financial statements (that is, the statement of financial position and the statement of income). For instance, unlike other Thai non-investment business's financial statements, the Fund presents its investment which is at fair value as the first line item on the statement of financial position.

US GAAP contains specific industry guidance for presentation of financial statements for financial services – investment companies, including both of the following matters: (a) the statement of changes in net assets and (b) financial highlights.

Accounting for investments in relation to the Net Revenue Purchase and Transfer Agreement

Under Thai GAAP, the Fund is to account for the consideration in exchange of the future farebox revenue, less all costs, expenses capital expenditures and fees incurred under or in connection with or pursuant to the Concession Agreement to operate the underlying elevated mass transit from the completion of the agreement until the expiration of the concession, as investment that is to be measured at cost on the transaction date. At any reporting date, the investment is to be subsequently measured at fair value. Unrealized gain/loss arising from changes in the fair value of the investment is included in net profit or loss for the period.

Under U.S. GAAP, the investment may be viewed as a debt instrument which is generally accounted for under fair value and classified into different financial instrument categories. Subsequent to initial recognition, measurement depends on the categories which are either at amortized cost or fair value. Entities may also elect the fair value option in certain situations. Fair value should be determined pursuant to applicable fair value guidance under US GAAP and all subsequent changes in the fair value for that instrument are reported in earnings.

Elevated Project Costs

Under Thai GAAP, investment in elevated mass transit for the 30 years concession is recognised as intangible assets under project costs in the balance sheet. Project costs are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). These project costs (including other expenses related to project costs) have been capitalised and subsequently amortised as costs of fare box and administrative expenses over the concession period.

Under U.S. GAAP, there is no accounting guidance that specifically addresses accounting for service concession contracts. Depending on the terms of the service concession contract, some operating entities may account for their rights over the infrastructure in a service concession contract as a lease and apply Accounting Standards Codification 840, Leases.

Fair value measurement of an asset

Under Thai GAAP, fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length basis. At inception, transaction (entry) price generally is considered fair value.

Under U.S. GAAP, fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is an exit price, which may differ from the transaction (entry) price.

Impairment review of assets

Under Thai GAAP, as discussed in the previous matter "Accounting for investments in relation to the Net Revenue Purchase and Transfer Agreement", the underlying assets is measured at fair value at all time. The result of change in fair value of the investment is included in the profit or loss. Due to the fair value accounting, impairment is accounted for as part of such procedure.

Under U.S. GAAP, for certain financial instrument categories, investment is impaired if the fair value of the investment is less than its cost and requires an "other than temporary" concept to be considered before recognizing impairment. If an entity elected to measure debt at fair value through fair value option under US GAAP, impairment review is no longer necessary since subsequent changes in the fair value of the financial instrument are already reported into earnings under the fair value option.

Recognition of the revenue from the Net Revenue Purchase and Transfer Agreement

Under Thai GAAP, the Fund is to recognize the revenue stream received in connection with Net Revenue Transfer Agreement on an accrual basis, at the amount of net fare box revenue received after the amount of operating costs and capital expenditures reimbursed by the Fund in the corresponding period. This is to be presented separately from the fair value adjustments (unrealised gain/loss) of the investment in Net Revenue Transfer Agreement.

Under U.S. GAAP, income from financial instruments are generally considered as either interest income or fair value adjustment and are recognized in the profit or loss during the year except for certain gain or loss that are accounted for in other comprehensive income.

Accounting for the Fund origination costs and marketing of the Fund' equity units costs

Under Thai GAAP, in conformity with local investment Fund industry's practice, the various costs incurred in setting up the Fund and in issuing the Fund's equity units are accounted for as a prepayment and is amortised over one to five years through profit or loss.

Under U.S. GAAP, re-organization costs are recognized as expense. However, stock issuances may be either classified in equity or as a liability. Issuance costs for stock requiring liability classification are capitalized and reported as deferred financing costs.

Income Taxes

Under Thai GAAP, before May 2010, there was no Thai accounting standard currently effective in relation to accounting for income taxes and deferred taxes. TAS 12 was issued in May 2010 and will become effective for the periods beginning on or after January 1, 2013. An early adoption is allowed. However, in BTSC's financial statements as of December 31, 2012, provisions for income taxes are typically based on corporate income taxes currently payable in the period under the Revenue Code of Thailand, no early adoption of TAS 12 and, as such, there were no deferred tax assets or liabilities on the books.

Under U.S. GAAP, a deferred tax asset is recognised in full, but reduced by a valuation provision to an amount that is more likely than not to be realised. Evidence about future taxable profits and the reversal of existing taxable temporary difference will be taken into account when judging whether a valuation provision is necessary. The applicable tax rates used to measure deferred tax balances is the enacted tax rates will be in effect when the differences are expected to reverse.

Accounting Standards Codification 740-10-25 requires a 2-step process, separating recognition from measurement of uncertain tax positions. A benefit is recognised when it is "more likely than not" to be sustained based on the technical merit of the position. The amount of benefit to be recognised is based on the largest amount of tax benefit that is greater than 50% likely of being realised upon ultimate settlement. Detection risk is precluded from being considered in the analysis.

Cash flow statements

Under Thai GAAP, interest paid and received and dividends received shall be classified in a line with the underlying manner of the activities and consistently from period to period as cash flow from operating, investing or financing activities. The Fund's is investment business by its nature, thus interest and dividends received are classified as operating cash flows while the interest paid is financing cash flows.

Under U.S. GAAP, interest paid and received and dividends received are classified as operating cash flows.

Operating Segments

Under Thai GAAP, disclosure is required in relation to primary segments (based on either business segments or geographical segments) depending on an entity's risks and returns governing the primary segment.

Under U.S. GAAP, an entity with a matrix form of organisation (that is business components are managed in more than one way and the CODM reviews all of the information provided) must determine segments based on products and services. Entity is not required to disclose segment's liabilities even if it is reported to the CODM.

Additional disclosures requirement

Under Thai GAAP, TAS 106 requires the Fund to additionally disclose the financial information that are not required for the non-investment business, for example, portfolio statements, net asset value and net asset value per equity unit.

Under U.S. GAAP, there is no specific requirement for disclosure of net assets per equity unit.

GLOSSARY

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.
Appraisal.....	:	the calculation of the value of the Assets for the public purpose of disclosing information to the general public, in a full form of appraisal which must include the examination of title documents, restrictions on possession rights in Assets, concession rights, statutory conditions and restrictions, other restrictions on utilisation, details of current utilisation and other relevant details, including a survey of Assets according to their existing condition.
Assets	:	the Initial Assets and the Additional Assets.
Auditor	:	an auditor of the Fund who is on a list approved by the Office of the SEC according to the Office of the SEC's notification regarding the approval of auditors, and the amendments thereto.
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	:	Bangkok Smartcard System Co., Ltd.
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.....	:	Bangkok Mass Transit System Public Company Limited, which operates the BTS SkyTrain System.
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.
BTSG.....	:	BTS Group Holdings Public Company Limited, a major shareholder in BTSC holding 97.46% of the total issued shares in BTSC.
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 first Business Day 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.
Commitment	:	a commitment between the Unitholders and the Management Company setting out the relationship, rights, duties and responsibilities between the Management Company and the Unitholders to be entered into between the Management Company and the Fund Supervisor on behalf of the Unitholders.
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.
Concession Expiry Date	:	December 4, 2029, the date on which the term of the Concession Agreement expires.
Core BTS SkyTrain System	:	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 (the "Core Sukhumvit Line"), and the 6.5 kilometre Silom line from National Stadium to Taksin Bridge (the "Core Silom Line").
Core Investment.....	:	the Fund's investment in Infrastructure Businesses through the acquisition of Infrastructure Assets.
CRC.....	:	Changchun Railway Vehicles

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 “Silom Line Phase 1 Extension”, and together with the Core Silom Line, the “Silom Line”), the 5.25 kilometre Sukhumvit extension line from On-Nut to Bearing (the “Sukhumvit Line Extension”, and together with the Core Sukhumvit Line, the “Sukhumvit Line”), and the 5.3 kilometre Silom extension line southwards from the Silom Line along Pet Kasem Road from Wongwein Yai to Bang Wa, which is expected to commence operations in 2013 (the “Silom Line Phase 2 Extension”, and together with the Silom Line Phase 1 Extension”, the “Silom Line Extensions”, and together with the Core Silom Line, the “Silom Line”).
Financial Advisor.....	:	Phatra Securities Public Company Limited appointed by the Management Company as financial advisor for the Combined Offering.
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 : BTS Rail Mass Transit Growth Infrastructure Fund.

Fund Account Opening and Subscription Form : Fund Account Opening and Subscription Form (For General Subscribers) and/or Fund Account Opening and Subscription Form (For Special Subscribers or BTSG), as the case may be.

Fund Account Opening and Subscription Form (For General Subscribers) : Fund account opening and Units subscription form (both of which are contained in the same form) for General Subscribers, together with know-your-customer and risk profile assessment forms as prescribed by or acceptable to the Management Company.

Fund Account Opening and Subscription Form (For Special Subscribers or BTSG) : Fund account opening and Units subscription form (both of which are contained in the same form) for Special Subscribers or BTSG, together with know-your-customer and risk profile assessment forms as prescribed by or acceptable to the Management Company.

Fund Manager : a fund manager according to the Notification of the Office of the SEC's Notification No. Sor Nor. 31/2554 Re: Rules, Conditions and Procedures regarding Appointment and Duty of the Fund Manager of the Infrastructure Fund dated August 25, 2011 whose duty is to make decisions on the investment in, or disposal of, the Assets of the Fund. In addition, the Fund Manager shall have any other duties and qualifications and possess no prohibited characteristics as prescribed by the Securities Law and/or other relevant laws.

Fund Registration Date : the date on which the pool of assets is duly registered as a mutual fund with the Office of the SEC establishing the Fund as per the registration requirements as set out in "Information Concerning the Investment Units and BTSGIF – Registration of the Fund", which will have occurred on or after the completion of the Combined Offering.

Fund Scheme	:	the BTS Rail Mass Transit Growth Infrastructure Fund Scheme approved by the Office of the SEC, and the amendments thereto.
Fund Supervisor.....	:	Standard Chartered Bank (Thai) Public Company Limited.
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 Combined Offering.
General Subscribers	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units, and Holding Restrictions”.
Government.....	:	the government of the Kingdom of Thailand.
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 at a rate as specified in “Information Concerning the Investment Units and BTSGIF – Fees and Expenses – Incentive Fees”.
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 Thor Nor. 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.
Initial Offering Price Range.....	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units, and Holding Restrictions”.
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.
“Investment Units” or “Units”	:	the investment units of the BTS Rail Mass Transit Growth Infrastructure Fund.
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	:	BBL Asset Management Company Limited.
NAV	:	the value of the total asset of the Fund, less liabilities which are calculated according to the method prescribed in the Fund Scheme.
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.
Non-core Investment	:	Investment in any securities or assets or seeking of interests by one or several methods other than a Core Investment as permitted or announced by the SEC or the Office of the SEC.
Offering	:	the initial public offering of the Investment Units.
Office of the SEC	:	the Office of the Securities and Exchange Commission.

O&M Costs	:	the costs, expenses, excise 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, (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.
O&M Costs Budget.....	:	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.
Persons within the Same Group	:	shall have the meaning prescribed under Thor Nor. 1/2554.
Project Agreements	:	(a) the Concession Agreement; (b) the Maintenance Agreement; (c) the Signalling System Agreement dated May 22, 2007 between BTSC and Bombardier; and (d) the BSS Agreement.
Projected Daily O&M Costs	:	O&M Costs Budget in respect of a relevant month divided by the number of days of such month.
Prospectus	:	Thai language prospectus in relation to the Thai Offering of the Investment Units.
Registered Capital.....	:	an amount of capital raised by the Management Company for an establishment of the Fund and registered as a pool of assets with the Office of the SEC.
Registrar	:	an Investment Unit registrar of the Fund and licensed by the SEC to provide the service of an Investment Unit registrar.

Registrar Appointment Agreement.....	:	an agreement for the appointment of the Registrar to be entered into between the Management Company and the Registrar.
Related Persons	:	shall have the meaning prescribed under Thor Nor. 1/2554, as set out in “Information Concerning the Investment Units and BTSGIF – Related Party Transactions and Disclosure Requirements”.
Reserved Matters	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Management of the Fund – Management Company – Procedures in Granting Consent on Reserved Matters and Negative Undertakings”.
Retail Unitholder	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Issuance of Units, Increase and Reduction of Registered Capital, and Listing Requirements – Listing Requirements”.
Sale Revenue	:	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, and all cash relating to all claims, awards, judgments, suits, causes of action in favor of BTSC and any other rights of BTSC arising out of or in connection with such revenues 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).
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.
Selling Agents	:	persons or juristic persons designated by the Management Company to perform the duty of selling the Investment Units.

SET	:	the Stock Exchange of Thailand.
Siemens.....	:	Siemens Limited
Special Subscribers	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units, and Holding Restrictions”.
Sponsor	:	BTSG, a major shareholder in BTSC.
Subscription Price	:	shall have the meaning as set out in “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units, and Holding Restrictions”.
Supporting Documents for Fund Account Opening and Subscription	:	Supporting documents for opening of fund account opening and subscription of Units as set out in “Information Concerning the Investment Units and BTSGIF – Allocation, Transfer of Units, and Holding Restrictions”.
TSD	:	Thailand Securities Depository Co., Ltd.
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 10 January 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 16 March 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.

Underwriter	:	Thai Lead Underwriter and other investment units underwriters as may be appointed by the Management Company in the future (if any), holding licence to operate securities business in the category of securities underwriting or investment units underwriting issued by the Ministry of Finance of Thailand, which shall be responsible for underwriting the Investment Units in the Combined Offering.
Unitholder	:	a holder of Investment Units of the Fund.
U.S. Investment Company Act .	:	The United States Investment Company Act of 1940, as amended.
U.S. Securities Act.....	:	The United States Securities Act of 1933, as amended.
Value of Investment Units	:	the NAV divided by the total number of Investment Units sold at the end of the calculation date.

Annex A

American Appraisal (Thailand) Limited Summary Appraisal Report

All of the data presented in the report attached as Annex A has been provided by American Appraisal (Thailand) Limited, except as otherwise stated. In particular, the revenue forecasts and expense forecasts underlying the valuation presented in such report were prepared by other third parties, as stated in such report. None of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter makes any representation as to the accuracy of the information contained in Annex A or any information underlying such valuation. Such information has not been independently verified by BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter.

The valuation presented in the report and the information underlying such valuation are based on economic and other assumptions and forecasts that may prove to be incorrect. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen, including various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic and competitive market conditions and future government and business decisions, all of which are difficult or impossible to predict accurately. Actual results and future events could differ materially from such forecasts.

As a result of the above, you should not unduly rely on the report attached as Annex A.

American Appraisal (Thailand) Ltd.
31st Floor, Thai CC Tower,
889 South Sathorn Road
Yannawa, Sathorn Bangkok 10120
Tel. 02-6758403 Fax. 02-6758427-8



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February 21, 2013

BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor,
South Sathorn Road, Sathorn, Bangkok 10120

Attention: Mr.Sudhipongse Phuaphanprasert
Deputy Managing Director

Dear Sirs:

Re: AATL File No. 2012/499
Appraisal of Property

Pursuant to your instructions, American Appraisal (Thailand) Ltd. has made an appraisal of the fair value of the revenue that could be generated by Bangkok Mass Transit System Public Co., Ltd. (BTSC) from the core system of its SkyTrain business (The Property) until the end of its concession from the perspective of the BTS Rail Mass Transit Growth infrastructure fund (BTSGIF) that is contemplating to purchase this revenue. The revenue shall include only the revenue from the SkyTrain business; it shall not include the revenue from the O&M service business or advertising business.

BTS SkyTrain is an elevated rail system with a total length of 23.5 kilometers which comprises the 17.0 kilometer long Sukhumvit line and the 6.5 kilometer long Silom line. It is sited centrally above the major transportation routes around the major business and shopping areas of Bangkok such as Ploenchit, Rachdumri, Siam Square, Silom, and Sathon, and extending northward to Mo Chit, eastward to Soi On Nut, and southward to Sathom Bridge. It consists of two main routes: Sukhumvit Route and Silom Route.

BTSC was awarded the concession contract by the Bangkok Metropolitan Administration (BMA) in September 1991 to operate this SkyTrain system and to receive revenue from providing service to the public for a period of 30 years starting from December 5, 1999 and ending on December 4, 2029.

It is our understanding that BTSC is contemplating to sell the future net revenue of the Property to BTSGIF until the end of the concession. BTSC will continue to operate the system under the concession but would be reimbursed operation and management costs and capital expenditures by BTSGIF. Our report will be used for public purposes and in connection with this contemplated transaction to meet one of report requirements of Securities and Exchange Commission Thailand (SEC). The date of appraisal is January 1, 2013.

According to the resolution of the Council of Ministers as of November 15, 2011, an infrastructure fund, of which IFF is one, is exempted from paying corporate income tax. We have, therefore, excluded corporate income tax in the cash flow projection.

Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Several key principles of fair value measurement are:

- Fair value should reflect an exit price, the price that would be accepted to sell the asset.
- The hypothetical transaction is assumed to be an orderly transaction, not a forced sale.
- The asset (liability) is transferred in an exchange between market participants.
- The hypothetical transaction is assumed to occur in the principal or most advantageous market.
- Fair value should not reflect any adjustment for transaction costs, but it may include transportation costs in certain circumstances.

Our report consists of:

This letter, which states the objectives and extent of the appraisal, and presents the conclusion of value;

A narrative report, which sets forth the purpose and scope of the appraisal, general economic conditions of Thailand, history of business, a presentation of the valuation techniques employed, and the conclusion of value;

Appendices:

- Appendix 1: Cash Flow Projection
- Appendix 2: Historical Carved-out Income Statements for 2010- 2012
- Appendix 3: Discount Rate Development
- Appendix 4: BTS Model Update for Ridership and Revenue Study Final Report by Systra MVA (Thailand) Ltd.
- Appendix 5: Cost Estimates for System Operation and Maintenance of Bangkok Mass Transit System: Mochit to On Nut & National Stadium to Saphan Takin by InfraAsia (Thailand) Ltd.

Exhibit: Assumptions and Limiting Conditions



We were furnished with the audited financial statements and annual report for FY 2010, 2011 and 2012 of BTSC and interim carved-out financial statements for nine-month periods ended December 31, 2012; as well as other records, documents and information that have been utilized without further verification as correctly reflecting the operations and the financial condition of BTSC. We were provided with revenue forecasts, prepared by Systra MVA (Thailand) Ltd. in November 2012, expense forecasts, prepared by InfraAsia (Thailand) Ltd. in February 2013 and a copy of the concession agreement between BTSC and BMA dated April 9, 1992. We conducted a study of market conditions and analysis of published information concerning the economy, which we used to evaluate BTSC's ability and capacity to generate further investment returns.

Based on our investigation, it is our opinion that the fair value of the net future revenue of the Property from the perspective of BTSGIF, as at January 1, 2013, is represented by the amount of Baht 61,000,000,000 (BAHT SIXTY ONE THOUSAND HUNDRED MILLION), subject to the assumptions and limiting conditions contained in the report.

We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the Company are true and accurate. We have no reason to suspect that any material facts have been omitted, nor are we aware of any facts or circumstances, which would render the information, opinion and representations made to us to be untrue, inaccurate or misleading.

We certify that we have neither present nor prospective interest in the Property or in the value reported.

Yours faithfully,

AMERICAN APPRAISAL (THAILAND) LTD.


Rodolfo L. Vergara
Managing Director

Appraised By: Pittinun Rommaneechochakorn
Wanpen Thongwattana

Summary

Interest Being Appraised

Fair value of the net revenue that could be generated by Bangkok Mass Transit System Public Co., Ltd. (BTSC) from the core system of its SkyTrain business (The Property) until the end of its concession from the perspective of the BTS Rail Mass Transit Growth infrastructure fund (BTSGIF)

Purpose

Used for public purposes, in connection with this contemplated transaction to meet one of report requirements of Securities and Exchange Commission Thailand (SEC)

History of Business

Concession Period

BTSC was awarded a concession contract by BMA to operate a SkyTrain system and to receive revenue from providing service to the public for a period of 30 years starting from December 5, 1999 and ending on December 4, 2029.

Ownership and rights

BTSC is the fund provider party in all the civil, electrical and mechanical works. It is stated in the concession contract that the civil works will be transferred to BMA on a build-transfer-operate basis after completion of construction, while the electrical and mechanical works will be transferred to BMA on a build-operate-transfer basis at the expiration of the concession. The company finished the construction and started its operations on December 5, 1999.

BTSC has the exclusive right to receive all related revenues including advertising, copyright and fare revenue

Existing Layout

BTS SkyTrain is an elevated rail system with a total length of 23.5 kilometers.

The operation of BTS sky train consists of two main routes:

1. Sukhumvit Route: Sukhumvit Route starts at Sukhumvit Soi 77 and ends at Mo Chit, with a length of 17.0 kilometers. This route consists of 17 stations.
2. Silom Route: Silom Route starts at Sathorn Bridge and ends at Rama I Road, with the length of 6.5 kilometers. This route consists of 6 stations.

Fares

Current fares range from Baht 15 to 40.

Operation

BTS has 35 existing three-carriage trains and 12 new four-carriage trains. The capacity of new carriage trains and existing carriage trains are 1,490 and 1,106 persons respectively.

Valuation Approach

Income Approach as the primary method and Market Approach as the secondary method

Date of Valuation

Jan 1, 2013

Projection Period

Jan 1, 2013 – Dec 4, 2029

Notes to cash flow projection

the cash flow projection is prepared on the basis of a fiscal year ending March 31 and beginning April 1 of the previous year. The cash flows are projected until December 4, 2029, the date the concession period ends.

The cash flow projection only refers to the two routes of BTS SkyTrain: Sukhumvit Route (from On Nut to Mo Chit) and Silom Route (from Saphan Taksin to National Stadium).

The revenues were based on the revenue forecasts prepared by Systra MVA (Thailand) Ltd. The expenses were based on the expense forecasts prepared by InfraAsia (Thailand) Ltd.

Assumptions to the cash flow projection are as follows

- Fare Box Revenue: Based on three factors: effective fare, average weekday ridership, and ridership annualization factor¹. The inflation rate is estimated to be 3% in 2013 and thereafter.

In FY2012, the average weekday ridership was 541,637 trips. This figure is expected to reach over 1.0 million trips in FY2020 owing to the expected completion of mass transit line extension. From FY2021 onwards, the ridership is projected to grow 2% - 4% annually.

The effective fare is projected to range from Baht 24.74/trip to Baht 39.97/trip during FY2013 to FY2030.

- Repair and Maintenance Expenses: This category of expenses comprise:
 - Maintenance Costs (Overhauls ETC). This includes overhauls and refurbishment of rolling stock, power supply reinforcement, and AFC reinforcement.
 - P&C Maintenance Costs. This includes preventive and corrective maintenance of rolling stock, signaling, civil works, permanent way, power supply, communications, station E&M (building services), automatic fare collection, escalators & lifts, workshop equipment & service vehicles, and stores/management overhead.
 - BTS maintenance staff

¹ Annualization factor is the factor used to convert average weekday ridership to annual ridership, and is estimated to be 322. That is, annual ridership is equal to 322 multiplied by average weekday ridership.

The expense before price escalation is based on the forecast by InfraAsia (Thailand) Ltd. The inflation rate is estimated to be 3% in 2013 and thereafter.

- **Operating Expenses:** Operating expenses consist of staff costs, energy costs, other direct operating costs and indirect operating costs. The expense before price escalation is based on the forecast by InfraAsia (Thailand) Ltd. The inflation rate is estimated to be 3% in 2013 and thereafter.
- **Capital Expenditures:** As of December 31, 2012, the 35 existing three-carriage trains and 12 existing four-carriage trains operating on the BTS SkyTrain and extensions are operating at almost full capacity, especially during morning peak hours. BTSC expects ridership will continue to grow with the opening of future extensions to the BTS SkyTrain network (whether operated by BTSC or not), from growth of its existing network and from increased connections to destinations along its routes. Therefore, BTSC aims to capitalize on the growth in ridership in the core system by increasing the passenger handling capacity of the BTS SkyTrain by adding an additional carriage to the 35 existing three-carriage trains, adding five new four-carriage trains (delivery expected by the end of 2013) and adding 7 new four-carriage trains (totaling 28 carriages) between 2018 and 2021. The purchase cost for additional rolling stocks to be used on the BTS SkyTrain, including the 12 out of the total 28 new carriages to be allocated between 2018 and 2021, is a part of the Capital Expenditures payable by the Fund. Capital expenditures, based on the forecast by InfraAsia (Thailand) Ltd., are to be spent in FY2018 -2021 as follows:

Unit: Million Baht

Capital Expenditures	FY2018	FY2019	FY2020	FY2021
Additional Rolling Stocks	231	159	368	42

Other than the above, it is assumed that no additional capital expenditure will be needed on the core network until the end of the concession period.

Remark: the estimated expenses for the operation, maintenance and capital expenditure are derived from core system of Skytrain business only. The common expenses or undistributed expenses between core lines and extension lines are computed based on a proportion of length or distance between core lines and extension lines.

- Incentive Fee: BTSGIF will pay an incentive fee to BTSC based on the following schedule:
 - 10% of incremental net revenue above 100% and not exceeding 125% of budgeted net revenue
 - 15% of incremental net revenue above 125% of budgeted net revenue

For this appraisal, we assumed that the budgeted net revenue will be achieved; therefore, there is no incentive fee.

Discount Rate

A Weighted Average Cost of Capital ("WACC") of BTSC was used as the discount rate for the income approach.

BTSC's 9.9% cost of equity was derived from selected peers, each estimated using the capital asset pricing model and adjusted for the specific differences between BTSG and its peers. The 4 selected peers were:

- Singapore: SMRT Corporation Ltd. and ComfortDelGro Corporation Limited

- Hong Kong: MTR Corporation Limited
- Thailand: BTS Group Holdings Public Co., Ltd.

A weighted average cost of equity for BTSC was then calculated from its peers in the following proportion: Singapore (25%), Hong Kong (25%) and Thailand (50%).

BTSC's pre-tax cost of debt of 5.3% was derived by reference to market interest rates and discussion with the management and internal analysis.

Assuming a target debt-to-equity ratio of 18:82, the final WACC used was 9%

Fair Value

In correlating the results of the income and market approaches, we based our conclusion of value entirely on the income approach since it takes the operation and future earnings generating capability of the property into consideration under economic condition and operation of the business in the concession period.

1. Income Approach	61,000,000,000 Baht
2. Market Approach	70,450,000,000 Baht
2.1 P/B Ratio	75,200,000,000 Baht
2.2 P/E Ratio	65,700,000,000 Baht
Conclusion	<u>61,000,000,000 Baht</u>

EXHIBIT

ASSUMPTIONS AND LIMITING CONDITIONS

This valuation consulting service was performed with the following general assumptions and limiting conditions:

1. To the best of our knowledge, all data, including historical financial data if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from reliable sources, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.
2. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.
3. Possession of this report or any copy thereof does not carry with it the right of publication. No portion of this report (especially any conclusion, the identity of any individuals signing or associated with this report or the firms with which they are connected, or any reference to the professional associations or organizations with which they are affiliated or the designations awarded by those organizations) shall be disseminated to third parties through prospectus, advertising, public relations, news, or any other means of communication without the written consent and approval of American Appraisal (Thailand) Ltd.
4. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only and should not be used in a conveyance or other legal document without proper verification by an attorney. Plats, if any, presented in the report are intended only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.
5. Unless stated to the contrary in the report, no environmental impact study has been ordered or made. Full compliance with all applicable environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. We have also assumed responsible ownership and that all required licenses, consents, or other legislative or administrative authority from any local, or national government or private entity organization either have been or can be obtained or renewed for any use that is relevant to this analysis.
6. The value estimate contained within the report specifically excludes the impact of substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination resulting from earthquakes or other causes, unless stated to the contrary in the report. It is

recommended that the reader of the report consult a qualified structural engineer and/or industrial hygienist for the evaluation of possible structural/environmental defects, the existence of which could have a material impact on value.

7. No soil analysis or geological studies were ordered or made in conjunction with the report, nor were any water, oil, gas, or other subsurface mineral and use rights or conditions investigated, unless stated to the contrary in the report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless a nonconformity has been stated, defined, and considered in the report. Further, it is assumed that the utilization of the land and improvements is within the boundaries of the property described and that no encroachment or trespass exists unless noted in the report.
9. If we have made a physical inspection of the property, the inspection was made by individuals generally familiar with real estate and building construction. However, we do not opine on nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent to the appraisers during their inspection.

Annex B

FN Asia Advisory Co., Ltd. Summary Appraisal Report

All of the data presented in the report attached as Annex B has been provided by FN Asia Advisory Co., Ltd., except as otherwise stated. In particular, the revenue forecasts and expense forecasts underlying the valuation presented in such report were prepared by other third parties, as stated in such report. None of BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter makes any representation as to the accuracy of the information contained in Annex B or any information underlying such valuation. Such information has not been independently verified by BTSGIF, the Management Company, the Fund Supervisor, BTSC, the Sponsor, the Initial Purchasers or the Thai Lead Underwriter.

The valuation presented in the report and the information underlying such valuation are based on economic and other assumptions and forecasts that may prove to be incorrect. Forecasts are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen, including various risks and uncertainties relating to possible invalidity of the underlying assumptions and estimates and possible changes or development of social, economic, business, industry, market, legal, government, and regulatory circumstances and conditions and actions taken or omitted to be taken by others. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic and competitive market conditions and future government and business decisions, all of which are difficult or impossible to predict accurately. Actual results and future events could differ materially from such forecasts.

As a result of the above, you should not unduly rely on the report attached as Annex B.

SHORT REPORT

FAIR VALUE APPRAISAL OF CORE SKYTRAIN BUSINESS

of

BANGKOK MASS TRANSIT SYSTEM PUBLIC COMPANY LIMITED

by

FNASIA ADVISORY COMPANY LIMITED

52 Thaniya Plaza Building, 28th Floor,
Silom Road, Suriyawong Sub-District,
Bangrak District, Bangkok 10500

www.fnweb.com



February 18, 2013

Khun Sudhipongse Phuaphanprasert
Deputy Managing Director
BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor,
South Sathorn Road, Sathorn, Bangkok 10120

Dear Khun Sudhipongse:

FAIR VALUE APPRAISAL OF CORE SKYTRAIN BUSINESS (SHORT REPORT)

Reference is made to the appointment by Bangkok Mass Transit System Public Co., Ltd. ("BTSC") of fnAsia Advisory Company Limited ("fnAsia") as an independent appraiser in providing the appraisal fair value of core SkyTrain business of BTSC.

We are pleased to submit herewith our short report on appraisal fair value of the core SkyTrain business of BTSC for your information and reference.

Yours truly,
fnAsia Advisory Company Limited



Sathit Kittibhoomchai
Executive Director



Darunee Itthiputh
Senior Advisor

A/s



Abbreviations used in this Short Report

ABBREVIATION	IN FULL
Beta	a systematic risk of the equity
BMA	Bangkok Metropolitan Administration
BTSC	Bangkok Mass Transit System Public Company Limited
BTSGIF	Infrastructure Fund
BTSG	BTS Group Holdings Public Company Limited
CAPEX	Capital Expenditure
ComfortDelgro	ComfortDelgro Corporation Ltd. (Singapore)
DCF	Discounted Cash Flow
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization Expenses
EBT	Earnings before Tax
fnAsia / we	fnAsia Advisory Company Limited
InfraAsia	InfraAsia (Thailand) Limited
K_d	Cost of Debt. Cost of the debt capital of the company
K_e	Cost of Equity consist of risk free rate plus premium of systematic risk (beta)
K_{pfd}	Cost of Preferred Equity
MTR	MTR Corporation Ltd. (Hong Kong)
MVA	Systra MVA (Thailand) Ltd.
OPEX	Operating Expenses
SEC	Securities and Exchange Commission Thailand
SMRT	SMRT Corporation Ltd. (Singapore)
t	Corporate Tax Rate
VAT	Value Added Tax
WACC	Weighted Average Cost of Capital
W_d	Weighted Debt calculated from Debt divided by Debt plus Equity
W_e	Weighted Equity calculated from Equity divided by Debt plus Equity
W_{pfd}	Weighted Preferred Equity



EXECUTIVE SUMMARY

Bangkok Mass Transit System Public Company Limited (“BTSC”) contracted fnAsia Advisory Company Limited (“fnAsia”) to make fair value appraisal of its core SkyTrain business to be submitted to Securities and Exchange Commission Thailand (“SEC”) in accordance with the Infrastructure Fund (“IFF”) rules and regulations. BTSC plans to sell the net future farebox revenues of its core SkyTrain business, which does not include the revenue from the operation and maintenance (O&M) service business or advertising business, to an infrastructure fund (IFF) with cash flow period until the end of the concession on December 4, 2029 or about 17 years.

BTSC has operated an electric mass transit rail system since December 5, 1999. BTSC elevated rail system is also known as BTS SkyTrain. The Bangkok Metropolitan Administration (BMA) awarded BTSC a build-operate-transfer concession for 30 years and the contract will end on December 4, 2029.

The BTS core SkyTrain system has 2 lines with total distance of 23.5 kilometers. The Sukhumvit Line, 17 kilometers, runs along Phaholyothin road (north bound), and Sukhumvit road (east bound). The 6.5-kilometer Silom Line, links with Sukhumvit Line at Siam Square area and runs along Ratchadamri, Silom, Sathorn and Ratchaphruek roads which are south bound.

With the latest extension, the Sukhumvit Line will run 22.25 kilometers service and the Silom Line 8.7 kilometers for a total of 30.95 kilometers through prime commercial and residential areas in the center of Bangkok. The 30 train stations are expected to induce both real-estate development and retail business. Net revenues of these extension lines have not been included in determining the value of core SkyTrain business.

Thailand economy has historically grown steadily. The World Bank estimated a GDP growth rate for 2012 at 4.3% ; it has also forecasted Thailand GDP growth rates of 5.2 and 5.6 percent per annum for year 2013 and 2014 respectively. Major economic indicators show a favorable outlook for the country’s development, especially, for Bangkok and its vicinities.

BTS SkyTrain fare and annual ridership are key factors to the fair valuation of BTS core SkyTrain business.

As the primary valuation method, we have used the “Discounted Cash Flow” (Income Approach) as the appraisal methodology for valuation of net future farebox revenues of core SkyTrain business. The forecast of future operation and cash generating capability takes into account the concession period ending December 4, 2029 and future prospect of annual ridership and fare.

Based on the assumptions of forecasted revenues prepared by Systra MVA (Thailand) and forecasted costs and expenses prepared by InfraAsia(Thailand) Ltd., fnAsia, with further analysis of key variables, proposed to apply the number of passengers (annual ridership) estimated by Systra MVA. fnAsia estimated that the fair value of net future farebox

revenues of the BTS core SkyTrain business is **Baht 59,400,000,000.00 (Fifty-Nine Billion and Four Hundred Million Baht) as of January 1, 2013.**

SELECTED VALUATION METHODOLOGIES

1. Income Approach Valuation

BTSC generates income from farebox revenue of the BTS core SkyTrain business. As the income is expected to vary over the concession periods especially with the BTSC route expansions, the Discounted Cash Flow (“DCF”) analysis is the best practice for the income approach valuation. The DCF analysis specifies the quantity, variability, and duration of periodic income before discounting these cash flows at BTSGIF’s Weighted Average Cost of Capital (“WACC”) to present value estimate.

DCF analysis allows us to relate the value of the assets to the present value of expected future cash flow generated from the assets. BTSC’s concession with BMA is up to December 4, 2029, implying a remaining duration of around 17 years. The cash flows will be derived from the remaining 17 year projected income, where we have used the net revenue generated only from the BTS core SkyTrain business. The net revenue is then discounted with BTSGIF’s WACC to present value. There will be no terminal value on the assets at the end of the concession since all assets of BTSC will be transferred to Krungthep Thanakom Co., Ltd. per the terms and conditions of the concession.

Assumptions of BTSC Core SkyTrain Business Projection

Revenue: Farebox revenue of BTSC core SkyTrain business is calculated based on projected effective fare provided by Systra MVA (Thailand) Ltd. in its November 2012 report. Major revenue assumptions are summarized as follows:-

Ridership grows with an increasing demand for mass transit services driven by an economic growth (GDP assumed to grow at the rates of 4.0%-6.0%), value of time aspect, effective fare rates, and development of mass transit network throughout the city. It is the government’s policy to commence operation of Green line extensions (which act as direct feeders to the existing network) and Pink line (which passes through Khae Rai – Min Buri and connects to the extended Green line) by 2017.

The effective fare rate will be revised every two years at the rate of 6% which is in line with the forecasted inflation rate at the rate of 3.0% per year. The first fare increase is expected to take place in year 2013.

MVA’s forecast effective fare of 24.74 Baht per trip in year 2013 to 39.97 Baht per trip in year 2029 is justified. MVA’s forecast effective fare has been in line with BTSG’s historical data; BTSG’s note to financial statements 2011/2012 which showed fare per ridership from 2003 to 2012, of which we compared the 2012 fare of 24.43 Baht to MVA’s forecast effective fare of 24.74 Baht.

Per BTSC’s historical ridership data for the core lines (i.e. excluding the extensions) and based on the company annual information, ridership between the first half and the second half of each year showed slight difference of 2 to 4 percent.



BTSC actual ridership of 9 months from April to December, 2012 was 146,078,349 therefore, we have estimated the 12-month ridership for the fiscal year April 2012 to March 2013 by using the 9-month actual ridership plus linear forecast of 3 months (based on 365 days), the estimated ridership for the fiscal year ended March 2013 is 194,771,132. Comparing to the MVA 2013 forecast of 195,280,725, our estimate based on actual 9-month ridership is lower by only 0.26 percent.

Number of BTSC Ridership since March 2001 to March 2013

Fiscal year ended	Annual Ridership	% growth
March 2001	58,786,376	
March 2002	79,253,428	35%
March 2003	96,491,489	22%
March 2004	105,095,686	9%
March 2005	118,464,843	13%
March 2006	131,887,140	11%
March 2007	138,554,161	5%
March 2008	132,884,578	-4%
March 2009	135,939,800	2%
March 2010	144,474,208	6%
March 2011	145,189,459	0%
March 2012	176,044,375	21%
March 2013	146,078,349	9 months
March 2013 (E)*	194,771,132	11%

Source: BTSC

*Estimate March 2013 ridership by fnAsia

MVA has stated that they used an international standard practice which takes into account the special features of the traffic, transport situation, and current transport status in Bangkok. They generally expect the model uncertainty to be no more than $\pm 10\%$ of such forecast, excluding variance in input assumptions.

Furthermore, the 0.26 percent difference in estimate mentioned above did not include the following factors:

- Holiday Season. Number of both foreign and domestic tourists who came to celebrate holidays such as National Father's Day; Christmas Day; New Year's Eve;



New Year's Day; and Chinese New Year would generate seasonally high number of passengers at the end and the beginning of the year.

- Convenience. Passengers were able to read, watch programs, or go online while using the mass transit rail system. The survey indicated that 82 percent of people surveyed preferred public transportation because of convenience.
- Cost Savings. Automobile owners bear higher cost of transportation due to fuel and maintenance cost. About 78 percent of people surveyed would ride public transportation in order to reduce expenses.
- Traffic Congestion. The survey on the use of public transportation shown that 74 percent of people surveyed wanted to use public transportation to avoid traffic jams.
- Environmental Concerns. People were using less private cars and more public transport in order to reduce greenhouse gases and be more environmentally friendly where 72 percent of people surveyed preferred to use public transport in order to protect environment.

From factors mentioned above, fnAsia decided not to change the number of passengers for the period from April 2012 to March 2013. MVA estimate number of passengers would be used in the valuation of farebox revenue of BTSC core SkyTrain business.

More information on MVA assumptions

As for the ridership to 2029, MVA key assumptions are as follows:

- The mass transit expansion plan in year 2011, 2016, 2021, 2026, and 2031 or in every 5 years is based on the latest Mass Transit Master Plan in Bangkok Metropolitan Region (M-Map) from OTP;
- The increase in ridership from year 2021 and onward is affected by the land used and economic growth;
- MVA estimated the weekday ridership by using their model, multiplied by 322 days.

Cost of Farebox and Expenses: The cost of farebox and expenses of BTSC in the InfraAsia projection consist of the followings:

Overhaul and Reinforcement

BTSC plans to overhaul its existing cars in 2018-2024. Some overhaul is expected almost every year per InfraAsia report.



Maintenance: Outsource and In-house

The maintenance cost consists of Preventive and Corrective Maintenance, and Asset Replacement.

From the InfraAsia table, it shows that management expects to shift maintenance from outsourced to in-house in the near future as evidenced by the decrease in outsource maintenance cost from 13%-17% of total cost to 1% of total cost in 2016, while the in-house maintenance cost has increased from 9%-13% of total cost to 23% of total cost in 2016. We see the advantage of exchange rate risk reduction in the maintenance cost, which will allow BTSC to keep its maintenance cost in the range of 21%-26% of total cost over the concession.

The above-mentioned costs are incurred according to a number of fleet cars, cars usage and inflation rate.

Staff Cost

BTSC has direct staff cost of approximately 13% to 16% of total cost and indirect staff cost of 6% to 8% of total cost.

Energy Cost

BTSC has forecast its energy cost to be around 12% to 14% of total costs by adding 4%-5% annual growth rate from 2014 throughout the concession period.

Other Operating Costs

BTSC estimates other operating cost, at about 26% to 33% of total cost with a 5% growth rate factored in for the whole concession period.

BTSG confirmed that InfraAsia projection was based on the MVA assumptions of forecast ridership, inclusive of 3% inflation.

CAPEX: Referred to the MVA forecast ridership, BTSC has to increase 12 cars in year 2020 for core network to support increased number of passengers with investment cost allocated to core SkyTrain of Baht 800.51 Million. From fiscal year 2018 to 2021, the annual capex is projected to be 231.4MB, 158.9MB, 368.2MB, and 42.1 MB Baht, respectively.

Incentive fee / Management fee: The incentive fee/management fee has a step-up feature as follows:

- 10% of Incremental Net Revenue above 100% up to 125% of budget
- 15% of Incremental Net Revenue above 125% of budget

fnAsia assume that net revenue will be in line with the budget.



Tax rate: Royal Thai Government has approved incentives for the establishment of infrastructure funds. Among those are the exemptions on value added taxes, specific business taxes, and stamp duties incurred when transferring assets to the infrastructure fund for the purpose of establishing the fund, provided that such assets will be transferred back to the transferor or transferred to other government sectors.

As for corporate income tax, the resolution of the Council of Ministers as of November 15, 2011, stated that the cabinet approved some tax benefits for the infrastructure funds and their unit holders, plus a reduction of the registration fee. Nonetheless, a number of tax issues for infrastructure funds remain unresolved.

One note on this issue is that there was an exemption for BTSGIF from paying corporate income tax, we have not had a chance to view the supporting documents; therefore, we still put this zero corporate income tax on pending.

WACC: 8.8% .

WACC is an approach to determining a discount rate. The WACC method determines the subject company actual cost of capital by calculating the weighted average of the company cost of debt and cost of equity. WACC is the minimum required rate of return to calculate the firm value, which weighted the cost 3 major parts of the firm; Equity, Debt and Preference shares.

The formula of **WACC** is $[W_d * K_d * (1-t)] + (W_{pfd} * K_{pfd}) + (W_e * K_e)$

W_d = Weighted Debt calculated from Debt divided by Debt plus Equity

W_{pfd} = Weighted Preferred Equity. BTSC has no preferred share

W_e = Weighted Equity calculated from Equity divided by Debt plus Equity

K_d = Cost of Debt. Cost of the debt capital of the company

K_{pfd} = Cost of Preferred Equity

K_e = Cost of Equity consist of risk free rate plus premium of systematic risk (beta)

Risk Free rate: Required return of riskless assets, normally use the return of Government bond, in this case, the Thai Bond Market Association (TBMA) recommended us to use 17-year-Thai Government bond yield.

Beta is a systematic risk of the equity

t = Corporate Tax Rate

BTSC Debt to Equity Ratio

We used total interest-bearing debt and total equity from the Carve-out financial statements of core line of skytrain business under concession agreement of BTSC for the year ended March 31, 2012 prepared by Ernst & Young Office Ltd. (latest audited financial statements); it showed the Debt to Equity ratio of 12:31 or equivalent to 28% :72%. The BTSG WACC calculated by Bloomberg as at November 20, 2012 also showed the Debt to Equity ratio of 29.2:70.8.



BTSC Cost of Debt

Ernst & Young carved-out financial statements of BTSC core business showed that BTSC had issued 5 tranches of Debentures, the coupon rates are 4.75%, 5.25%, 5.75%, 6.25%, and 7.5% with the maturity dates from year 2012-2016. The weighted coupon rate is around 5.6%, which has been used as Cost of Debt.

BTSC estimated that the coupon rate on long-term debentures if they were to issue at present should be around 5% to 5.5%.

BTSC cost of Equity

Cost of equity is calculated using Risk Free Rate + Market Risk Premium X Beta.

Per TBMA recommendation, the 17-year-Thai Government bond yield was used for the Risk free rate, which was 3.89% as of November 20, 2012. For the Market risk premium, 6.2% was used based on the Asia Pacific Equity Research done on November 9, 2012 on BTSG Holding.

Beta or Levered beta

The levered beta describes the capital structure of the company and volatility relative to the market, including debt.

When we looked into mass transit business in Singapore, we noted that SMRT's revenue structure is totally different from BTSG's. Therefore, we decided to use the beta of BTSG as a parent company, of which beta equaled to 1.0.

BTSGIF Corporate Tax

As mentioned in the Tax Rate section above, we have currently put the Corporate Income Tax exemption on pending until we have seen the supporting documents for such tax privilege. However, for the sake of calculation, we have put in zero percent corporate income tax.

fnAsia estimates the fair valuation of BTSC core SkyTrain business at Baht 59,400 Million (Fifty-Nine Billion and Four Hundred Million Baht) as of January 1, 2013 using the Income Approach valuation through Discounted Cash Flow.



2. Market Approach Valuation

There are very few mass transportation companies in Southeast Asia, therefore, it is very difficult to find norm for market approach. We had compared and discussed certain practical approach and made the decision to go for Price Earnings Ratio for market approach valuation.

We picked four companies for comparison purpose. They are BTSC, SMRT Corp Limited (Singapore) ("SMRT"), MTR Corp Limited (Hong Kong) ("HKMTR"), and ComfortDelgro Corp ("Comfort") in Singapore. We picked these three companies - SMRT, HKMTR and Comfort for the following reasons:

1. The three companies are in mass transportation and related businesses;
2. The three companies and BTSC have been operating in Singapore, Hong Kong, and Thailand, which have shared quite similar environment;
3. The three companies and BTSC are listed in the stock exchange and have provided both estimated and actual P/E Ratios.

With the revenue structure shown in the table below, BTSC has partially similar revenue structure to those of SMRT and HKMTR, i.e. electric mass transit rail system, while Comfort revenue structure was based on road system. Therefore, in the process of applying the P/E Ratios, we narrowed down to consider only SMRT and HKMTR to estimate BTSC core SkyTrain business valuation.

Furthermore, we compared the revenue structure of SMRT and HKMTR and found that the SMRT revenue generation sources were much closer to those of BTSC than HKMTR. The passenger revenues of both SMRT and BTSC were at 75% of total revenue while HKMTR passenger revenue was only 40.42% of its total revenue. Another major revenue generation source was from the railway subsidiaries outside Hong Kong.

Hence, we considered applying SMRT P/E Ratios in order to calculate fair valuation of the BTSC core SkyTrain business.

However, the required valuation for this report is only from the core SkyTrain business of BTSC, i.e. the farebox revenue, therefore, we have used the estimated net revenue at end of March 2013, which is Baht 3,102.32 Million (shown in Table below).

Unit: Million Baht

Core SkyTrain Business: Estimated Net Revenue at end March 2013	3,102.32
Core SkyTrain Business: Estimated Farebox Revenue	4,831.52
Less: Farebox Cost and Expenses	1,729.20
Less: Incentive Fee	0.00



Description	P/E Ratio	Valuation of Core SkyTrain Business (Million Baht)
P/E Ratio (Estimated End 3/2013)	19.0588	59,100.00
P/E Ratio (Actual as at 15/2/2013)	22.5000	69,800.00

The Market Approach valuation through P/E Ratio for BTSC core SkyTrain business is in the range of Baht 59,100.00 Million to Baht 69,800.00 Million. However, as SMRT P/E Ratio has derived from 75.71% passenger revenue, 8.65% taxi rental, and 15.64% from other revenues such as rental, advertising, therefore, the P/E Ratio for passenger revenue alone might have been lower due to being borne with higher operating expenses or farebox expenses.

Note :

- The reader should refer to the full report in order to understand more.

CONCLUSION

The calculation of the appraisal value by Income Approach was based on the assumptions and information of Forecasted Revenues prepared by Systra MVA (Thailand) and the assumptions and information of Forecasted Costs and Expenses prepared by InfraAsia. After analyzing the relevant factors, fnAsia proposed to use the ridership numbers forecasted by Systra MVA.

fnAsia also did the calculation of the fair value appraisal through Market Approach using Price / Earnings Ratio comparable.

The fair values of the net future revenues of core SkyTrain business through two approaches are as follows:

Methodology	Baht
1. Discounted Cash Flow (Income Approach)	59,400,000,000.00
2. Market Approach	59,100,000,000.00 – 69,800,000,000.00

The Discounted Cash Flow methodology is theoretically the soundest method of valuation, therefore, we, as an independent appraiser, using the above DCF methodology, are able to come up with the fair value of the net future revenues of core SkyTrain business at Baht 59,400,000,000.00 (Fifty-Nine Billion and Four Hundred Million Baht) as of January 1, 2013. In our estimate, we have taken the results from operation, the future cash generating capability of core SkyTrain business for the remaining concession period of about 17 years into account.



STATEMENT OF LIMITING CONDITIONS

This fair valuation appraisal relies upon the following contingent and limiting conditions:

1. We assume no responsibility for the legal matters.
2. The subject business assets have been appraised free and clear of any liens or encumbrances unless stated otherwise.
3. All information provided by BTSC and BTSC's advisors are considered to be accurate. However, we offer no assurance to its accuracy.
4. We did not review the agreement between BTSC and BTSGIF so we assume that all information provided by BTSC is accurate.
5. Due to the specific scope of work, financial and other information used were mostly provided by the professionals and advisors of the clients, any changes incurred might have affected the conclusions presented in this report.
6. We still have the Corporate Income Tax exemption on pending until we have seen the supporting documents for such tax privilege. However, for the sake of calculation, we have put in zero percent corporate income tax.
7. The valuation analysis and conclusion of value presented in the report are for the purpose of this engagement only and are not to be used for any other reason, any other context or by any other person except the client to whom the report is addressed.
8. Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.



Annex C

U.S. Investor Representation Letter and Offshore Transaction Letter

U.S. Investor Representation Letter

To: BTS Group Holdings Public Company Limited (“BTSG”)
15th Floor, TST Tower 21 Soi Choei Phuang,
Viphavadi-Rangsit Road, Chomphong, Chatuchak
Bangkok 10900
Thailand

Bangkok Mass Transit System Public Company Limited
BTS Building, 1000 Phahonyothin Road
Chomphon, Chatuchak
Bangkok 10900
Thailand

BTS Rail Mass Transit Growth Infrastructure Fund
c/o BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand

BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand

UBS AG, Hong Kong Branch (“UBS”)
52F, 2 International Finance Center
8 Finance Street
Central, Hong Kong

Morgan Stanley & Co. International plc (“MS”)
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Phatra Securities Public Company Limited (“Phatra”)
6, 8-11/F Muang Thai Phatra Office Tower 1
252/6 Ratchadapisek Road
Huaykwang, Bangkok 10310
Thailand

Ladies and Gentlemen:

This letter (a “U.S. Investor Representation Letter”) relates to (a) the acquisition of investment units (the “Investment Units”) of BTS Rail Mass Transit Growth Infrastructure Fund (the “Fund”) acquired in the Offer; or (b) the acquisition of Investment Units from the UBS, MS or Phatra (together, the “Joint Bookrunners”) (or their affiliates). This letter is delivered on behalf of the person acquiring beneficial ownership of the Investment Units by the investor named below [or the accounts listed on the attachment hereto] (each an “Investor”). Unless otherwise stated, or the content otherwise requires, capitalised terms in this letter shall have the same meaning as is given to them in the offering memorandum relating to the offering of the Investment Units described therein published by the Fund and BBL Asset Management Co., Ltd. (the “Management Company”) on April 4, 2013 (the “Offering Memorandum”).

The Investor agrees, acknowledges, represents and warrants, on its own behalf or on behalf of each account for which it is acting, that:

1. it has received a copy of the Offering Memorandum and understands and agrees that the Offering Memorandum speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date and it will study all terms and conditions contained in the Offering Memorandum and agree to perform any obligations contained in the Offering Memorandum, including any matter to be further determined or modified by the Management Company in the future in all respects;
2. it (A) is a “qualified institutional buyer” as defined in Rule 144A of the U.S. Securities Act of 1933 (the “U.S. Securities Act”) and (B) is aware that the sale of the Investment Units to it is being made in reliance on an exemption under the U.S. Securities Act;
3. it (A) is a “qualified purchaser” as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended and the related rules (the “U.S. Investment Company Act”) and (B) is aware that the sale of the Investment Units to it is being made in reliance on the relevant provisions of the U.S. Investment Company Act;
4. it acknowledges that the Investment Units sold to U.S. Persons (within the meaning of Regulation S) will be in minimum amounts of at least \$250,000 per account;
5. it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers;
6. (A) it is not a shareholder nor a partner of BTS Group Holdings Public Company Limited holding directly or indirectly more than 50 per cent of total issued shares or the partnership, as the case may be; (B) BTS Group Holdings Public Company Limited does not hold directly or indirectly more than 50 per cent of its total issued shares or partnership, as the case may be; (C) it is not a nominee or a private fund of (i) BTS Group Holdings Public Company Limited or (ii) a shareholder under (A) or (iii) a juristic person under (B); and (D) it and any of its affiliates within the same group (as defined under the Capital Market Supervisory Board Notification No. ThorNor 1/2012 (as amended)) are not subscribing units (and at any time will not hold) more than one-third of the total number of units sold unless any exemption as prescribed under the Capital Market Supervisory Board Notification No. ThorNor 1/2012 (as amended) applies;

7. it hereby confirms that (i) it is authorized to complete the purchase of the Investment Units in compliance with all applicable laws and regulations, (ii) it was not formed for the purpose of investing in the Fund (unless each beneficial owner of the Investment Units is a “qualified institutional buyer” who is also a “qualified purchaser” as defined above), and (iii) it is acquiring the Investment Units for its own account or for the account of one or more eligible U.S. investors (i.e., “qualified institutional buyers” who are also “qualified purchasers” as defined above), each of which is acquiring beneficial interests in the Investment Units for its own account, and each of which has conferred full power and authority on it to make the representations, warranties, agreements, undertakings and acknowledgements contained herein;
8. if in the future it decides to offer, resell, pledge or otherwise transfer any Investment Units, such Investment Units will be offered, resold, pledged or otherwise transferred only outside the United States to a purchaser not known by it to be a U.S. person (as defined under Regulation S under the U.S. Securities Act) in an offshore transaction complying with the provisions of the U.S. Securities Act, including Rule 903 or Rule 904 of Regulation S and under circumstances which will not require the Fund to register under the U.S. Investment Company Act, in each case in accordance with all applicable securities laws and, if required under Clause 23 below, upon delivery to the Management Company of an exit letter as provided for in Annex C to the Offering Memorandum (or in a form otherwise acceptable to the Management Company);
9. (a) either (i) it is not, and is not acting on behalf of (and for so long as it holds the Investment Units, or any interest therein, will not be, and will not be acting on behalf of), an employee benefit plan, as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), that is subject to the provisions of part 4 of subtitle B of Title I of ERISA, a plan to which subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (“Code”), applies, or an entity whose underlying assets include plan assets by reason of such an employee benefit plan’s or plan’s investment in such entity (each, a “Benefit Plan Investor”), or a governmental, church or non-U.S. plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the fiduciary responsibility or prohibited transaction provisions of ERISA or Section 4975 of the Code (“Similar Law”), and/or laws or regulations that provide that the assets of the Fund could be deemed to include “plan assets” of such plan, and no part of the assets to be used by it to purchase or hold the Investment Units, or any interest therein, constitutes the assets of any Benefit Plan Investor or such a plan, or (ii) it is, or is acting on behalf of, such a governmental, church or non-U.S. plan, and such purchase, holding and/or disposition of the Investment Units does not and will not violate any Similar Law and will not subject the Fund to any laws, rules or regulations applicable to such plan as a result of the investment in the Fund by such plan, and (b) it understands and agrees that no purchase by or transfer to any Benefit Plan Investor of the Investment Units, or any interest therein, will be effective, and none of the Fund, the Management Company or the Joint Bookrunners will recognize any such purchase or transfer; and (c) it will not sell or otherwise transfer the Investment Units, or any interest therein, otherwise than to a purchaser or transferee that makes or is deemed to make these same representations, warranties and agreements with respect to its purchase, holding and disposition of those Investment Units;
10. the Investor is not a participant director employee plan, such as a plan described in subsection (a)(1)(i)(D), (E) or (F) of Rule 144A;
11. it understands that the Investment Units are being offered in a transaction not involving any public offering in the United States (within the meaning of the U.S. Securities Act), and that the Investment Units have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States;

12. it understands and acknowledges that the Investment Units being issued may be issued in reliance upon an exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A;
13. the Investment Units are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Investment Units;
14. it understands that the Fund has not been and will not be registered as an “investment company” under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act, and that the Management Company and the Fund have elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. persons described herein so that the Fund will have no obligation to register as an “investment company” under the U.S. Investment Company Act;
15. it will make its own independent investigation and appraisal of the business, results, financial condition, prospects, creditworthiness, status and affairs of the Fund and it will make its own investment decision to acquire the Investment Units;
16. the financial information in the Preliminary Offering Memorandum, Thai Prospectus and the final Offering Memorandum has been prepared and presented in accordance with Thai GAAP and Thai disclosure standards, which are different from U.S. GAAP, IFRS and other U.S. and international disclosure standards;
17. it is a sophisticated investor and has such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Investment Units. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Investment Units (i) are each able to bear the economic risk of the investment in the Investment Units, (ii) will not look to the Management Company, the Fund, BTSG or any of the Joint Bookrunners for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Investment Units, (iv) have no need for liquidity with respect to the investment in the Investment Units, and (v) has no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Investment Units. It acknowledges that an investment in the Investment Units involves a high degree of risk and that the Investment Units are, therefore, a speculative investment. It is seeking to subscribe to the Investment Units in this Issue for its own investment and not with a view to distribution;
18. (i) neither the Fund nor the Management Company will be required to accept for registration of transfer any Investment Units acquired by the Investor if such transfer is made in violation of the transfer restrictions set out in paragraph 6 above; (ii) the Management Company may require any U.S. person or any person within the United States who was not a Qualified Purchaser at the time it acquired any Investment Units or any beneficial interest therein to transfer the Investment Units or any such beneficial interest immediately in a manner consistent with the restrictions set forth in this U.S. Investor Representation Letter; and (iii) if the obligation to transfer is not met, the Management Company is irrevocably authorised, without any obligation, to transfer the Investment Units, as applicable, in a manner consistent with the restrictions set forth in this U.S. Investor Representation Letter and, if such Investment Units are sold, the Management Company shall be obliged to distribute the net proceeds to the entitled party;

19. it did not become aware of, nor were the Investment Units offered to the Investor by, any other means, including, in each case, by any form of general solicitation or general advertising, and in making the decision to purchase or otherwise acquire to the Investment Units, the Investor relied solely on the information set forth in the Offering Memorandum;
20. (i) none of the Joint Bookrunners or their affiliates have made or will make any representation or warranty as to the accuracy or completeness of the information in the Offering Memorandum; (ii) the Investor has not relied and will not rely on any investigation by either Joint Bookrunners, its affiliates or any person acting on its or their behalf with respect to the Fund, Management Company, or the Investment Units; and (iii) none of the Joint Bookrunners, the Fund, the Management Company or BTSG makes any representation as to the availability of an exemption from the U.S. Securities Act for the transfer of the Investment Units;
21. it agrees that it will satisfy itself concerning any effects of United States federal, state and local income tax laws and foreign tax laws on its investment in the Investment Units and understands that based on the projected composition of the Company's income and valuation of assets, the Company believes it may likely be a passive foreign investment company, or "PFIC", for 2013 and in the future, and such characterization would result in adverse U.S. federal income tax consequences if it is a U.S. investor;
22. it understands that the Investment Units will be deemed to bear a legend substantially to the following effect:

"THESE INVESTMENT UNITS HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE INVESTMENT UNITS MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY OUTSIDE THAILAND IN RESPECT OF THE INVESTMENT UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK";
23. it understands and agrees that if it decides to offer, resell, pledge or otherwise transfer any of the Investment Units in accordance with the restrictions set forth herein in a transaction other than a non-prearranged transaction executed on the Thailand Stock Exchange, it will deliver to the Management Company an exit letter confirming its compliance with these representations upon the resale of the Investment Units and it will notify the executing broker and any other agent involved in any resale of the Investment Units that the Investment Units have not been and will not be registered under the U.S. Securities Act and that the Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act, and will also notify such executing broker or agent of the foregoing restrictions applicable to the Investment Units and instruct such broker or agent to abide by such restrictions;
24. it will not deposit or cause to be deposited such Investment Units into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Investment Units are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

25. it acknowledges that if at any time its representations in this letter cease to be true, it agrees to immediately resell the Investment Units at the Management Company's request and it agrees that pending such required sale, neither the Management Company nor the Fund shall consider it to be a beneficial or legal owner of the Investment Units;
26. it acknowledges and agrees that it is not purchasing any Investment Units as a result of any "directed selling efforts" as defined in Regulation S, or any "general solicitation" or "general advertising" as defined in Regulation D, and it agrees that neither it (on its own account), nor any of its affiliates, nor any person acting on its or its affiliates behalf, will make any directed selling efforts, or general solicitation or general advertising, with respect to the Investment Units;
27. it agrees to indemnify and hold the Fund, the Management Company, BTSG and the Joint Bookrunners harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of these representations and warranties. It agrees that it will not hold any of the Fund, the Management Company, BTSG or the Joint Bookrunners liable with respect to its investment in the Investment Units, and that the indemnity set forth in this paragraph shall survive the resale of the Investment Units;
28. where it is subscribing to the Investment Units for one or more managed accounts, it represents and warrants that it is authorized in writing, by each such managed account to subscribe to the Investment Units for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts;
29. it understands that the Management Company may receive a list of participants holding positions in its securities from one or more book-entry depositaries;
30. it acknowledges that its purchase of the Investment Units is subject to and based upon all the terms, conditions, representations, warranties, agreements, undertakings and acknowledgements provided herein and other information summarized or contained in the Preliminary Offering Memorandum and the Offering Memorandum;
31. it acknowledges that the Fund, the Management Company and the Joint Bookrunners, and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Management Company and the Joint Bookrunners;
32. it irrevocably authorizes the Management Company and the Joint Bookrunners, and their respective affiliates and any person acting on their behalf to produce these representations, warranties, agreements, undertakings and acknowledgements or a copy hereof to any interested party in any administrative or legal proceedings, dispute or official inquiry with respect to the matters covered hereby; and
33. no agency of the United States or any state thereof has made any finding or determination as to the fairness of the terms of, or any recommendation or endorsement in respect of, the Investment Units.

The Investor hereby consents to the actions of each of the Joint Bookrunners, and hereby waives any and all claims, actions, liabilities, damages or demands it may have against any Joint Bookrunner in connection with any alleged conflict of interest arising from the engagement of each of the Joint Bookrunners with respect to the sale by the applicable Joint Bookrunner of the Investment Units to the Investor.

The Investor acknowledges that each of the Joint Bookrunners, the Fund, the Management Company, BTSG and their respective affiliates and others will rely on the acknowledgements, representations and warranties contained in this U.S. Investor Representation Letter as a basis for exemption of the sale of the Investment Units under the U.S. Securities Act, the U.S. Investment Company Act, under the securities laws of all applicable states and for other purposes. The party signing this U.S. Investor Representation Letter agrees to promptly notify the Management Company and the Joint Bookrunners if any of the acknowledgements, representations or warranties set forth herein are no longer accurate.

This U.S. Investor Representation Letter shall be governed by and construed in accordance with the laws of the State of New York.

Where there are joint applicants, each must sign this U.S. Investor Representation Letter. Applications from a corporation must be signed by an authorised officer or be completed otherwise in accordance with such corporation's constitution (evidence of such authority may be required).

Very truly yours,

NAME OF PURCHASER:

By:

Name:

Title:

Address:

Date:

Form of Exit Letter

BTS Rail Mass Transit Growth Infrastructure Fund
c/o BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand
(the “Fund”)

BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand
(the “Management Company”)

[Date]

The undersigned purchased investment units of THB10.80 each (the “Investment Units”) of the Fund in a transaction not involving any public offering in the United States within the meaning of the Securities Act of 1933 (the “Securities Act”). The undersigned represents and warrants to the Fund and the Management Company that it has transferred such Investment Units in compliance with the Securities Act and other applicable securities laws, outside the United States to a purchaser not known by it to be a U.S. person (as defined under Regulation S under the Securities Act (“Regulation S”)) and in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S.

NAME OF PURCHASER:

By:

Name:

Title:

Address:

Date:

Offshore Transaction Letter

To: BTS Group Holdings Public Company Limited (“BTSG”)
15th Floor, TST Tower 21 Soi Choei Phuang,
Viphavadi-Rangsit Road, Chomphong, Chatuchak
Bangkok 10900
Thailand

Bangkok Mass Transit System Public Company Limited
BTS Building, 1000 Phahonyothin Road
Chomphon, Chatuchak
Bangkok 10900
Thailand

BTS Rail Mass Transit Growth Infrastructure Fund
c/o BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand

BBL Asset Management Co., Ltd.
175 Sathorn City Tower, 7th, 21st and 26th Floor
South Sathorn Road, Sathorn
Bangkok 10120
Thailand

UBS AG, Hong Kong Branch
52F, 2 International Finance Center
8 Finance Street
Central, Hong Kong

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Phatra Securities Public Company Limited
6, 8-11/F Muang Thai Phatra Office Tower 1
252/6 Ratchadapisek Road
Huaykwang, Bangkok 10310
Thailand

Ladies and Gentlemen:

This letter (an “Offshore Transaction Letter”) relates to the sale or other transfer of Investment Units (the “Investment Units”) in BTS Rail Mass Transit Growth Infrastructure Fund (the “Fund”) in an offshore transaction pursuant to Regulation S (“Regulation S”) under the U.S. Securities Act of 1933 (the “U.S. Securities Act”).

Terms used in this Offshore Transaction Letter are used as defined in Regulation S, except as otherwise stated herein.

The undersigned acknowledges (or if the undersigned is acting for the account of another person, such person has confirmed that it acknowledges) that the Investment Units have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that the Fund has not registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “U.S. Investment Company Act”).

The undersigned hereby represents and warrants that:

1. it has received a copy of the offering memorandum relating to the offering of the Investment Units described therein published by the Fund and BBL Asset Management Co., Ltd. on April 4, 2013 (the “Offering Memorandum”) and understands and agrees that the Offering Memorandum speaks only as of its date and that the information contained therein may not be correct or complete as of any time subsequent to that date and it will study all terms and conditions contained in the Offering Memorandum and agree to perform any obligations contained in the Offering Memorandum, including any matter to be further determined or modified by the Management Company in the future in all respects;
2. it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Investment Units are being issued in reliance upon Regulation S;
3. it certifies that either (A) it is, or at the time the Investment Units are purchased will be, the beneficial owner of the Investment Units and it is not a U.S. person and is located outside the United States (within the meaning of Regulation S), or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Investment Units are purchased will be, the beneficial owner of the Investment Units, and (ii) such customer is not a U.S. person and is located outside the United States (within the meaning of Regulation S);
4. (A) it is not a shareholder nor a partner of BTS Group Holdings Public Company Limited holding directly or indirectly more than 50 per cent of total issued shares or the partnership, as the case may be; (B) BTS Group Holdings Public Company Limited does not hold directly or indirectly more than 50 per cent of its total issued shares or partnership, as the case may be; (C) it is not a nominee or a private fund of (i) BTS Group Holdings Public Company Limited or (ii) a shareholder under (A) or (iii) a juristic person under (B); and (D) it and any of its affiliates within the same group (as defined under the Capital Market Supervisory Board Notification No. ThorNor 1/2012 (as amended)) are not subscribing units (and at any time will not hold) more than one-third of the total number of units sold unless any exemption as prescribed under the Capital Market Supervisory Board Notification No. ThorNor 1/2012 (as amended) applies;

5. it is aware of the restrictions of the offer, sale and resale of the Investment Units pursuant to Regulation S;
6. the Investment Units have not been offered to it by means of any “directed selling efforts” (as defined in Regulation S);
7. the proposed sale of the Investment Units is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act.
8. neither the Fund, the Management Company nor any of its respective agents participated in the sale of the Investment Units.
9. it understands that the Investment Units are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Investment Units have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States and that the Fund has not been and will not be registered as an investment company under the U.S. Investment Company Act and investors will not be entitled to the benefits of the U.S. Investment Company Act, and that the Management Company has elected to impose the transfer and offering restrictions with respect to persons in the United States and U.S. persons described therein so that the Fund will have no obligation to register as an “investment company” under the U.S. Investment Company Act;
10. it agrees that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Investment Units, such Investment Units may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States to a purchaser not known by it to be a U.S. person (as defined under Regulation S) and in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S and under circumstances which will not require the Fund to register under the U.S. Investment Company Act, in each case in accordance with all applicable securities laws and, if required under Clause 10 below, upon delivering an exit letter as provided for in Annex C to the Offering Memorandum and it understands and acknowledges that the Management Company shall have no obligation to recognize any offer, sale, pledge or other transfer made other than in compliance with the restrictions on transfer set forth and described herein and that the Management Company may make notation on its records or give instructions to any transfer agent of the Investment Units;
11. the financial information in the Preliminary Offering Memorandum and the Offering Memorandum has been prepared and presented in accordance with Thai GAAP and Thai disclosure standards, which are different from U.S. GAAP, IFRS and other U.S. and international disclosure standards;
12. it understands and agrees that if it decides to offer, resell, pledge or otherwise transfer any of the Investment Units in accordance with the restrictions set forth herein in a transaction other than a non-prearranged transaction executed on the Stock Exchange of Thailand, it shall furnish an exit letter to the Management Company as set out in Annex C to the Offering Memorandum;

13. it understands that the Investment Units will be deemed to bear a legend substantially to the following effect:

“THESE INVESTMENT UNITS HAVE NOT BEEN, AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION TO A NON-U.S. PERSON IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THESE INVESTMENT UNITS MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY OUTSIDE THAILAND IN RESPECT OF THE INVESTMENT UNITS ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK”;

14. it is a sophisticated investor and has such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Investment Units. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Investment Units (i) are each able to bear the economic risk of the investment in the Investment Units, (ii) will not look to the Fund, the Management Company, BTSG or any of Morgan Stanley International & Co. plc, UBS AG, Hong Kong Branch or Phatra Securities Public Company Limited (together, the “Joint Bookrunners”) for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Investment Units, (iv) have no need for liquidity with respect to the investment in the Investment Units, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Investment Units. It acknowledges that an investment in the Investment Units involves a high degree of risk and that the Investment Units are, therefore, a speculative investment. It is seeking to subscribe to the Investment Units for its own investment and not with a view to distribution;
15. it acknowledges that its purchase of the Investment Units is subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in the Preliminary Offering Memorandum, the final Offering Memorandum and this Offshore Transaction Letter;
16. it agrees to indemnify and hold the Fund, the Management Company, BTSG and each of the Joint Bookrunners harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach or alleged breach of these representations and warranties. It will not hold any of the Fund, the Management Company, BTSG or the Joint Bookrunners liable with respect to its investment in the Investment Units. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Investment Units;
17. where it is subscribing to the Investment Units for one or more managed accounts, it represents and warrants that it is authorized in writing, by each such managed account to subscribe to the Investment Units for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts; and

18. it acknowledges that the Fund, the Management Company, BTSG and the Joint Bookrunners and their respective affiliates, directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, or have not been complied with, it will promptly notify the Management Company and the Joint Bookrunners.
19. [[required by Singapore investors only], the Investor is an institutional investor (as defined in section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) (an “institutional investor”)) or a relevant person (as defined in section 275(2) of the SFA) (a “relevant person”).]

This letter is governed by and shall be construed in accordance with the laws of the State of New York.

Where there are joint purchasers, each must sign this Offshore Transaction Letter. An Offshore Transaction Letter of a corporation must be signed by an authorised officer or be completed otherwise in accordance with such corporation’s constitution (evidence of such authority may be required).

The undersigned agrees that each of the Fund, the Management Company, BTSG, the Joint Bookrunners and their respective agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Very truly yours,

NAME OF PURCHASER:

By:

Name:

Title:

Address:

Date:

Annex D

BTSGIF's Unaudited Pro Forma Financial Statements and Auditor's Report thereto

BTS Rail Mass Transit Growth Infrastructure Fund
Unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

Auditor's Report on Pro Forma Financial Statements

To: BBL Asset Management Company Limited
(In its capacity as the management company of BTS Rail Mass Transit Growth Infrastructure Fund ("the Management Company"))

Bangkok Mass Transit System Public Company Limited
(In its capacity as the Sponsor of establishment of BTS Rail Mass Transit Growth Infrastructure Fund ("BTSC"/ "the Sponsor"))

I have completed my assurance engagement to report on the compilation of pro forma financial statements of BTS Rail Mass Transit Growth Infrastructure Fund ("the Fund") by the Management Company and the Sponsor. The pro forma financial statements consist of the pro forma statements of financial position as at 31 March 2012 and 31 December 2012, pro forma statements of income, changes in net assets and cash flows for the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012 and the related notes to pro forma financial statements. The applicable criteria and assumptions on the basis of which the Management Company and the Sponsor have compiled the pro forma financial statements are described in Note 3 and Note 4 to the pro forma financial statements.

The Fund is in the process of filing for fund establishment. The pro forma financial statements have been compiled, for illustrative purpose only, by the Management Company and the Sponsor to be included in a prospectus for the initial public offering of the Fund's investment units to investors in Thailand. The pro forma financial statements have been compiled to illustrate the impact on;

- a) the Fund's financial position as at 31 March 2012 and 31 December 2012,
- b) the Fund's financial performance for the year from 1 April 2011 to 31 March 2012 and for the nine-month period ended 31 December 2012, and
- c) the Fund's cash flows for the year from 1 April 2011 to 31 March 2012 and for the nine-month period ended 31 December 2012

as if the Fund was set up on 1 April 2011 and had entered into the net revenue purchase and transfer agreement, with the significant terms as described in Note 2, and the agreement became effective on 1 April 2011. The pro forma financial statements, because of their nature, do not give a true picture of the Fund's actual financial position, financial performance and cash flows if the event had occurred and the transaction had been undertaken.

The Management Company and the Sponsor's responsibility for the pro forma financial statements

The Management Company and the Sponsor are responsible for compiling of the pro forma financial statements on the basis of their applicable criteria and assumptions.

Auditor's Responsibilities

My responsibility is to express an opinion about whether the pro forma financial statements have been compiled, in all material respects, by the Management Company and the Sponsor on the basis of their applicable criteria and assumptions as described in Note 3 and Note 4 to the pro forma financial statements.

For purpose of this engagement, I am not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial statements, nor have I, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial statements. The purpose of pro forma financial statements is solely to illustrate the impact of a significant event or transaction on unadjusted financial information as if the event had occurred and the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, I do not provide any assurance that the actual outcome of the event and transaction would have been as presented in these pro forma financial statements.

A reasonable assurance engagement to report on whether the pro forma financial statements have been compiled, in all material respects, on the basis of the applicable criteria and assumptions involves performing procedures to assess whether the applicable criteria and assumptions used by the Management Company and the Sponsor in the compilation of the pro forma financial statements provide a reasonable basis for presenting the significant effects directly attributable to the event or the transaction, and to obtain sufficient appropriate evidence about whether:

- a) The related pro forma adjustments give appropriate effect to those criteria and assumptions; and
- b) The pro forma financial statements reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Fund, the event or the transaction in respect of which the pro forma financial statements have been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial statements.

Opinion

In my opinion, the pro forma financial statements have been compiled, in all material respects, on the basis of the applicable criteria and assumptions specified by the Management Company and the Sponsor.

Without qualifying my opinion on the aforementioned pro forma financial statements, I draw attention to Note 3 and Note 4.1 of the pro forma financial statements. It is assumed that the establishment of the Fund and execution of the net revenue purchase and transfer agreement had taken place on 1 April 2011, and the Fund paid Baht 61.0 billion to BTSC on the same date as a consideration for the net revenue purchase and transfer agreement. However, there is no subsequent fair value adjustment assumed after initial recognition of such investment, as the cost of the investment is an assumed amount and the actual consideration could differ. Fair value revaluation of this amount will not provide additional meaningful information to the readers of the pro forma financial statements.

This report has been translated into English from the Thai language report, which is issued for the purpose of being included in a prospectus for initial offering of the Fund's investment units in Thailand. In the event of any differences in interpreting the pro forma financial statements or the auditor's report thereon, the Thai version shall prevail. My work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted outside of Thailand and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Therefore, the use of this report may not be appropriate in other jurisdictions and this report should not be used or relied upon for any purpose other than described above. I do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited
Bangkok: 26 February 2013

BTS Rail Mass Transit Growth Infrastructure Fund
Unaudited pro forma statements of financial position

		(Unit: Million Baht)	
		As at	As at
	Note	31 March 2012	31 December 2012
Assets			
Investment in the net revenue purchase and transfer agreement	4.1	61,000	61,000
Cash at bank	4.2	977	968
Interest receivable	4.2	1	2
Issuance costs - net	4.3	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			
6,217,500,000 units of Baht 9.94 each			
(31 March 2012: 6,217,500,000 units of Baht 10 each)	4.5	62,175	61,784
Paid-in capital from unitholders			
6,217,500,000 units of Baht 9.94 each			
(31 March 2012: 6,217,500,000 units of Baht 10 each)	4.5	62,175	61,784
Retained earnings	4.4	582	672
Net assets		62,757	62,456
Net asset value per unit (Baht)		10.09	10.05
Number of units issued - end of period (units)	4.5	6,217,500,000	6,217,500,000

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

BTS Rail Mass Transit Growth Infrastructure Fund
Unaudited pro forma statements of income

		(Unit: Million Baht)	
		For the year from	For the nine-month
		1 April 2011 to	period ended
	<u>Note</u>	<u>31 March 2012</u>	<u>31 December 2012</u>
Investment income			
Income from the investment in the net revenue			
purchase and transfer agreement	4.6	2,809	2,376
Interest income	4.2	<u>3</u>	<u>5</u>
Total income		<u>2,812</u>	<u>2,381</u>
Expenses			
Fund management fee	4.7	50	37
Trustee's fee	4.7	13	10
Registrar's fee	4.7	5	4
Professional fees	4.7	13	10
Audit fee	4.7	2	1
Other expenses	4.7	8	6
Amortisation of issuance costs	4.3	<u>391</u>	<u>294</u>
Total expenses		<u>482</u>	<u>362</u>
Net income		<u><u>2,330</u></u>	<u><u>2,019</u></u>

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

BTS Rail Mass Transit Growth Infrastructure Fund

Unaudited pro forma statements of changes in net assets

		(Unit: Million Baht)	
		For the year from	For the nine-month
		1 April 2011 to	period ended
	<u>Note</u>	<u>31 March 2012</u>	<u>31 December 2012</u>
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	4.5	62,175	-
Distributions of income to unitholders	4.4	(1,748)	(1,929)
Decrease in paid-in capital from unitholders	4.5	-	(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

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

BTS Rail Mass Transit Growth Infrastructure Fund**Unaudited pro forma statements of cash flows**

	(Unit: Million Baht)	
	For the year from 1 April 2011 to 31 March 2012	For the nine-month period ended 31 December 2012
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 costs	391	294
Acquisition of investment	(61,000)	-
Increase in interest receivable	(1)	(1)
Increase (decrease) in accounts payable and accrued expenses	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 costs	(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

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

BTS Rail Mass Transit Growth Infrastructure Fund
Pro forma details of investments (unaudited)
As at 31 March 2012 and 31 December 2012

Type of investment	Cost	Percentage of investment
	(Million Baht)	(Percent)
Investment in the infrastructure business		
Investment in the net revenue purchase and transfer agreement (Note 2 and Note 4.1); acquiring the future 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, starting from 1 April 2011 until the expiration of the Concession Agreement (i.e. 4 December 2029)	61,000	100.00
Total investment	61,000	100.00

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

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

1. Background

BTS Rail Mass Transit Growth Infrastructure Fund ("the Fund") is in the process of filing for fund establishment with the Office of the Securities and Exchange Commission in Thailand ("SEC"). The Fund is to be registered as a mutual closed-end infrastructure fund with no project life stipulated. The Fund will raise funds from the public, with the main objective of utilising the proceeds from such fundraising to invest in infrastructure businesses. The Fund will initially invest in acquiring the future net revenue to be generated from the operations of the Core BTS SkyTrain System from Bangkok Mass Transit System Public Company Limited ("BTSC"/ "the Sponsor"). The Fund may also engage in activities within the scope allowed under SEC regulations and other relevant regulations, 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.

The Fund is to be managed by BBL Asset Management Company Limited ("the Management Company") and its trustee will be Standard Chartered Bank (Thai) Public Company Limited. Subject to approval by the SEC, the Fund is to list its units on the Stock Exchange of Thailand.

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

2 The net revenue purchase and transfer agreement

As an initial investment plan, it is expected that the Fund will enter into a net revenue purchase and transfer agreement with BTSC to acquire the future net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration (“BMA”) and BTSC (“the Concession Agreement”), starting from the effectiveness of the net revenue purchase and transfer agreement until the expiration of the Concession Agreement (i.e. 4 December 2029). The net revenue to be purchased by the Fund includes, without limitation, fare box revenues, and any rights and claims under or in connection with or pursuant to the Concession Agreement, after deducting all costs, expenses, capital expenditures, and fees incurred by BTSC in connection with the operating and maintenance of the Core BTS SkyTrain System (other than any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC) and selling and administrative expenses. All net revenue and other rights and claims to be purchased by the Fund pursuant to the net revenue purchase and transfer agreement does not include revenues generated from BTSC’s other business operations, including revenues from the operation of the Extension BTS SkyTrain System, and the Bus Rapid Transit System under agreements with the BMA, and revenues from advertising and merchandising space on the BTS SkyTrain stations and on the trains.

As required by the Securities Laws, the Fund shall make investment in the initial assets with the value of not less than 75% of the Fund’s total asset value no later than six months from the Fund’s registration date. The Management Company is required to proceed such that the Fund’s registration date occurs within 15 business days from the end of investment unit subscription period of the initial offering.

3. Purpose and the basis of preparation of the pro forma financial statements

The pro forma financial statements have been compiled for the purpose of being included in a prospectus for the initial public offering of the Fund’s investment units in Thailand. Therefore, the use of the pro forma financial statements is not appropriate in other jurisdictions and the pro forma financial statements should not be used or relied upon for any purpose other than described above.

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

The pro forma financial statements set out in this report have been prepared for illustrative purpose only. Specifically, they have been prepared to illustrate what the following would have been if the establishment of the Fund and execution of the net revenue purchase and transfer agreement discussed in the Note 2 above had taken place on 1 April 2011, based on certain assumptions and adjustments described in Note 4:

- (a) the Fund's financial position as at 31 March 2012 and 31 December 2012;
- (b) the Fund's financial performance for the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012; and
- (c) the Fund's cash flows for the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012.

The pro forma financial statements, because of their nature, may not give a true picture of the Fund's actual financial results, financial position and cash flows if the event had occurred and the transaction had been undertaken.

Based on the assumption that the Fund entered into the net revenue purchase and transfer agreement on 1 April 2011, the pro forma financial statements include fare box revenue, after deducting all relevant costs and expenses, incurred by BTSC in connection with the operation and maintenance of the Core BTS SkyTrain System as stipulated in the agreement as described in Note 2, for the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012, based on the carve-out financial statements of Core BTS SkyTrain System business under the concession agreement of BTSC for the corresponding periods, as summarised in Note 4.6.

The pro forma financial statements have been compiled in accordance with the basis set out in Note 4, and are drawn up based on accounting policies as described in Note 6 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 for no subsequent fair value measurement of the investment in the net revenue purchases and transfer agreement as described in Note 4.1. Their presentation has been made in accordance with the format specified in Thai Accounting Standard No. 106 "Accounting for Investment Business".

The pro forma financial statements have been prepared in Thai Baht and presented in unit of million, unless otherwise disclosed.

The pro forma financial statements in English language have been translated from the Thai language pro forma financial statements. In the event of any differences in interpreting the pro forma financial information, the Thai version shall prevail.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to unaudited pro forma financial statements

For the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012

4. Statement of adjustment

The following key assumptions and adjustments were made for the compiling of the pro forma financial statements.

(a) Pro forma statements of financial position

	As at 1 April 2011	Pro forma adjustment	Note	As at 31 March 2012	Pro forma adjustment	Note	(Unit: Million Baht) As at 31 December 2012
Assets							
Investment in the net revenue purchase and transfer agreement	-	61,000	4.1	61,000	-	4.1	61,000
Cash at bank	-	977	4.2	977	(9)	4.2	968
Interest receivable	-	1	4.2	1	1	4.2	2
Issuance costs - net	-	783	4.3	783	(294)	4.3	489
Total assets	-	62,761		62,761	(302)		62,459
Liabilities							
Accounts payable and accrued expenses	-	4		4	(1)		3
Total liabilities	-	4		4	(1)		3
Net assets	-	62,757		62,757	(301)		62,456
Net assets							
Paid-in capital from unitholders	-	62,175	4.5	62,175	(391)	4.5	61,784
Retained earnings	-	582	4.4	582	90	4.4	672
Net assets	-	62,757		62,757	(301)		62,456

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and the nine-month period ended 31 December 2012

(b) Pro forma statements of income

	(Unit: Million Baht)					
	For the year from 1 April 2011 to 31 March 2012			For the nine-month period ended 31 December 2012		
	Prior to adjustment	Pro forma adjustment	Note	Prior to adjustment	Pro forma adjustment	After adjustment
Investment income						
Income from the investment in the net revenue						
purchase and transfer agreement	-	2,809	4.6	-	2,376	2,376
Interest income	-	3	4.2	-	5	5
Total income	-	2,812		-	2,381	2,381
Expenses						
Fund management fee	-	50	4.7	-	37	37
Trustee's fee	-	13	4.7	-	10	10
Registrar's fee	-	5	4.7	-	4	4
Professional fees	-	13	4.7	-	10	10
Audit fee	-	2	4.7	-	1	1
Other expenses	-	8	4.7	-	6	6
Amortisation of issuance costs	-	391	4.3	-	294	294
Total expenses	-	482		-	362	362
Net income	-	2,330		-	2,019	2,019

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

4.1 Investment in the net revenue purchase and transfer agreement

The pro forma financial statements have been prepared based on the assumption that the Fund paid Baht 61.0 billion to BTSC on 1 April 2011 as a consideration for the net revenue purchase and transfer agreement, with reference to the fair value as at 1 January 2013 of the net revenue that could be generated by the Core BTS SkyTrain System from 1 January 2013 to 4 December 2029, as appraised by an independent valuer whose report was dated 21 February 2013. However, there is no subsequent fair value adjustment assumed after initial recognition of such investment, as the cost of the investment is an assumed amount and the actual consideration could differ. Fair value revaluation of this amount will not provide additional meaningful information to the readers of the pro forma financial statements.

4.2 Cash at bank and interest income and receivable

The net cash from operations after the distributions to unitholders is assumed to be retained in the form of demand deposits with local banks which earned an average interest rate of 0.625% per annum. It is assumed that the interest income was receivable on a semi-annual basis in June and December, and interest income and receivable were calculated on this basis.

4.3 Issuance costs

The cost associated with the issuance of the investment units to be paid by the Fund, which includes the financial advisor fee, underwriting fee, marketing expense, registration fee, printing cost, professional fees, audit fee and escrow agent fee. The issuance costs are mainly assumed based on the quotations obtained from the vendors or expected terms and conditions of the relevant agreements based on the Management Company's experience. These costs are capitalised and amortised in the Fund's income statements over a period of 3 years on a straight-line basis. The natures for the issuance costs are described below.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to unaudited pro forma financial statements

For the year from 1 April 2011 to 31 March 2012 and

the nine-month period ended 31 December 2012

- a) It is assumed that the financial advisor fee and the underwriting fee was 2.15% of the total funds raised through the initial public offering of units to investors other than the Sponsor and its affiliates, which are assumed to be approximately two thirds of the total capital units issued.
- b) The marketing expenses mainly comprise of advertising production, media expenses and road show expenses.
- c) The registration fee is the fee incurred in relation to the Fund's registration. The Management Company estimated the amounts based on the current registration fee announced by the relevant authorities.
- d) The printing costs are estimated based on the Management Company's experience.
- e) The professional fees represent the fees payable to various advisors, such as legal counsel, independent appraisers, subject to the final terms and conditions of the relevant agreements.
- f) The audit fee is payable to the Fund's auditor for services rendered, subject to the final terms and conditions of the relevant agreements.
- g) The escrow agent fee is payable to a bank for escrow agent services during the initial public offering.

4.4 Dividend policy

It is assumed that the Fund's policy is to pay dividends to unitholders on a quarterly basis at 100% of the adjusted net profit, excluding unrealised gains from appraisals or reviews of the value of the investments with no reserve requirement for maintenance and capital expenditures. It is assumed that net profit is spread equally during the reporting period and the last quarter's dividend of each reporting period is declared and subsequently paid within 90 days after the period ended.

As described in Note 4.1, for the purpose of preparing the pro forma financial statements, there is no subsequent fair value adjustment assumed after initial recognition of the investment in the net revenue purchase and transfer agreement. Therefore, the pro forma statement of income does not include any unrealised gains or losses from revaluation of the investment. In the case of any subsequent unrealised gain from such revaluation, it would not affect the projected distribution of income because the Fund will distribute the income based on net income before unrealised gain upon revaluation of the investment. However, in the case of unrealised losses, it would affect the projected distribution of income because the net profit that available for distribution is the net profit after the unrealised losses.

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

4.5 The investment units and capital reduction

The Fund's total capital is assumed to represent the units issued pursuant to the initial offering of 6,217,500,000 units at a price of Baht 10 each on 1 April 2011, which was paid in full. It is assumed that the Sponsor or its affiliates subscribed to one third of the Fund units issued. It is further assumed that there is no change in the number of units during the periods.

In accordance with the Securities Laws, the excess liquidity which arises from amortisation of issuance costs can be returned to unitholders through a capital reduction.

It is assumed that the capital reduction of Baht 391 million in relation to the amortisation of issuance costs for the year from 1 April 2011 to 31 March 2012 were declared in May 2012 and paid out in June 2012.

4.6 Revenue from the investment in the net revenue purchase and transfer agreement

It is assumed that the Fund received the net revenue in pursuant to the agreement, comprising the total fare box revenue, less direct attributable operating expenses (excluding net reserves for employees' post-employment benefits, depreciation and amortisation charges) and capital expenditures with respect to the Core BTS SkyTrain System business of BTSC. The income from the investment in the net revenue purchase and transfer agreement can be summarised as follows.

	(Unit: Million Baht)	
	For the year from 1 April 2011 to 31 March 2012	For the nine-month period ended 31 December 2012
Fare box revenues	4,297	3,633
Less: Direct attributable operating expenses:-		
Cost of fare box revenues	(2,232)	(1,859)
Selling expenses	(60)	(55)
Administrative expenses	(357)	(317)
Exclude: Net reserves for employees' post-employment benefits	37	19
Depreciation and amortisation charges	1,218	1,007
Total	(1,394)	(1,205)
Less: Capital expenditures	(94)	(52)
Total income from the investment	2,809	2,376

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

4.7 Material assumptions regarding the Fund's expenses

The Fund expenses are mainly assumed based on the quotations obtained from the vendors or expected terms and conditions of the relevant agreements based on the Management Company's experience. The natures for the Fund expenses are described below.

- a) The Fund management fee is payable to the Management Company, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.075% per annum, exclusive of VAT, of the net asset value of the Fund at the end of the reporting period.
- b) The trustee's fee is payable to the trustee, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.02% per annum, exclusive of VAT, of the net asset value of the Fund at the end of the reporting period.
- c) The registrar's fee is payable to the registrar, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.023% per annum, exclusive of VAT, of the net asset value of the Fund, capped at a maximum of Baht 5 million per annum.
- d) The professional fees represent the fees payable to various advisors, such as specialists, independent appraisers, subject to the final terms and conditions of the relevant agreements.
- e) The audit fee is payable to the Fund's auditor for services rendered, subject to the final terms and conditions of the relevant agreements.
- f) Other expenses include miscellaneous expenses that are primarily estimated based on the Management Company's experience.

4.8 Other assumptions

- a) It is assumed that, as part of the terms to be included in the net revenue purchase and transfer agreement, BTSC agreed to fully reimburse the Fund for any special business tax imposed by the Revenue Department as a result of the net revenue from the agreement. Therefore, in the pro forma financial statements, special business tax expenses, as well as their reimbursement by BTSC, were not included in the profit and loss of the Fund.
- b) It is assumed that the Fund is not registered as a VAT entity, and therefore all input VAT is expensed.

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

5. Distribution available to unitholders

The total distribution available to unitholders are summarised for illustrative purpose as follows;

	(Unit: Million Baht)	
	For the year from 1 April 2011 to 31 March 2012	For the nine-month period ended 31 December 2012
Net income available to the unitholders	2,330	2,019
Excess liquidity due to amortisation of issuance costs	391	294
Total	2,721	2,313

The assumptions regarding the dividend policy and the pay out of excess liquidity due to amortisation of issuance costs are described in Note 4.4 and Note 4.5, respectively.

6. Significant accounting policies

6.1 Revenue and expense recognition

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

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

Expenses are recorded on an accrual basis.

6.2 Measurement of investment value

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

6.3 Issuance costs/ amortisation

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

6.4 Distribution of income to unitholders

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

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

6.5 Income tax

The Fund is assumed to have no corporate income tax liability since it is exempted from corporate income tax in Thailand.

7. Related party transactions

During the periods, it is assumed that the Fund had significant business transactions with a related party. Those transactions consisted of management fee payments to the Management Company, as described in Note 4.7. It is assumed that such transaction arose in the ordinary course of business and was concluded on commercial terms and bases agreed upon between the Fund and the related party.

8. Commitments

It is assumed that the Fund was committed to pay various fees to counterparties under the terms and conditions discussed in Note 4.7.

9. Segment information

According to the expected initial investment plan as described in Note 2, it is assumed that the operations of the Fund were in a single business segment of the investment in the net revenue purchase and transfer from the Core BTS SkyTrain System and they were carried on in the single geographical area of Thailand. As a result, all revenues, operating profits, assets, and liabilities as reflected in these pro forma financial statements are assumed to pertain to the aforementioned business segment and geographic area.

10. Financial instruments

10.1 Financial risk

The Fund's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprised investment in the net revenue purchase and transfer agreement, cash at bank, interest receivable, and accounts payable and accrued expenses. The financial risk associated with these financial instruments is described below.

Credit risk

It is assumed a minimal credit risk with respect to the cash at bank and the daily fare box revenue that is not yet remitted (if any).

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to unaudited pro forma financial statements
For the year from 1 April 2011 to 31 March 2012 and
the nine-month period ended 31 December 2012

Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates related primarily to cash at bank and the investment in the net revenue purchase and transfer agreement.

Foreign currency risk

As at 31 March 2012 and 31 December 2012, it is assumed that the Fund had no outstanding financial instruments in foreign currency.

10.2 Fair values of financial instruments

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

The fair value of the investment in the net revenue purchase and transfer agreement is primarily derived from the expected cash flows over the term of the contract after applying an appropriate discount at each reporting period. The maximum risk resulting from the investment equals its fair value, however, as described in Note 4.1, there is no subsequent fair value adjustment assumed after initial recognition of such investment, for the purpose of preparing these pro forma financial statements.

Other than the investment in the net revenue purchase and transfer agreement, it is assumed that the majority of the Fund's financial instruments were short-term in nature or to bear floating interest rates, their fair value was not expected to be materially different from the amounts presented in the pro forma statements of financial position.

11. Capital management

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

12. Approval of unaudited pro forma financial statements

These unaudited pro forma financial statements were authorised for issue by the Management Company and the Sponsor on 26 February 2013.

Annex E

**BTSGIF's Projected Statements of Income and Statements of Cash Flows
for the Three-Month Period from January 1, 2013 to March 31, 2013
and for the Year Ending March 31, 2014**

BTS Rail Mass Transit Growth Infrastructure Fund
The projected statements of income and
projected statements of cash flows
for the three-month period from 1 January 2013 to
31 March 2013 and for the year ending 31 March 2014

BTS Rail Mass Transit Growth Infrastructure Fund
Projected statements of income

(Unit: Million Baht)

		For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
	<u>Note</u>		
Investment income			
Income from the investment in the net revenue purchase and transfer agreement	4.1	776	3,699
Interest income	4.2	1	6
Total income		<u>777</u>	<u>3,705</u>
Expenses			
Fund management fee	4.3 a)	13	50
Trustee's fee	4.3 b)	3	13
Registrar's fee	4.3 c)	1	5
Professional fees	4.3 d)	3	13
Audit fee	4.3 e)	1	2
Other expenses	4.3 f)	2	8
Amortisation of issuance costs	4.4	98	391
Total expenses		<u>121</u>	<u>482</u>
Net income		<u>656</u>	<u>3,223</u>

The accompanying notes are an integral part of the Profit and Cash Flow Projection

BTS Rail Mass Transit Growth Infrastructure Fund

Projected statements of cash flows

(Unit: Million Baht)

	For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
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 costs	98	391
Acquisition of investment	(61,000)	-
Increase in interest receivable	(1)	-
Increase in accounts payable and accrued expenses	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 costs	(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 in cash at bank	755	445
Cash at bank at beginning of period	-	755
Cash at bank at end of period	755	1,200

The accompanying notes are an integral part of the Profit and Cash Flow Projection

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

1. General information

BTS Rail Mass Transit Growth Infrastructure Fund ("the Fund") is in the process of filing for fund establishment with the Office of the Securities and Exchange Commission in Thailand ("SEC"). The Fund is to be registered as a mutual closed-end infrastructure fund with no project life stipulated. The Fund will raise funds from the public, with the main objective of utilising the proceeds from such fundraising to invest in infrastructure businesses. The Fund will initially invest in acquiring the future net revenue to be generated from the operations of the Core BTS SkyTrain System from Bangkok Mass Transit System Public Company Limited ("BTSC"/ "the Sponsor"). The Fund may also engage in activities within the scope allowed under SEC regulations and other relevant regulations, 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.

The Fund is to be managed by BBL Asset Management Company Limited ("the Management Company") and its trustee will be Standard Chartered Bank (Thai) Public Company Limited. Subject to approval by the SEC, the Fund is to list its units on the Stock Exchange of Thailand.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

2. The net revenue purchase and transfer agreement

As an initial investment plan, it is expected that the Fund will enter into a net revenue purchase and transfer agreement with BTSC to acquire the future net revenue to be generated from the operations of the Core BTS SkyTrain System pursuant to the concession agreement dated 9 April 1992 and its amendments entered into between the Bangkok Metropolitan Administration ("BMA") and BTSC ("the Concession Agreement"), starting from the effectiveness of the net revenue purchase and transfer agreement until the expiration of the Concession Agreement (4 December 2029). The net revenue to be purchased by the Fund includes, without limitation, fare box revenues, and any rights and claims under or in connection with or pursuant to the Concession Agreement, after deducting all costs, expenses, capital expenditures, and fees incurred by BTSC in connection with the operating and maintenance of the Core BTS SkyTrain System (other than any financing costs and expenses with respect to working capital facilities or any other financing requirements of BTSC) and selling and administrative expenses. All net revenue and other rights and claims to be purchased by the Fund pursuant to the net revenue purchase and transfer agreement does not include revenues generated from BTSC's other business operations, including revenues from the operation of the Extension BTS SkyTrain System, and the Bus Rapid Transit System under agreements with the BMA, and revenues from advertising and merchandising space on the BTS SkyTrain stations and on the trains.

As required by the Securities Laws, the Fund shall make investment in the initial assets with the value of not less than 75% of the Fund's total asset value no later than six months from the Fund's registration date. The Management Company is required to proceed such that the Fund's registration date occurs within 15 business days from the end of investment units subscription period of the initial offering.

3. Purpose and the basis of preparation of the profit and cash flow projection

The projected statements of income and projected statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014 ("the Profit and Cash Flow Projection") have been compiled for the purpose of being included in a prospectus for the initial public offering of the Fund's investment units in Thailand. Therefore, the use of the Profit and Cash Flow Projection is not appropriate in other jurisdictions and the Profit and Cash Flow Projection should not be used or relied upon for any purpose other than described above.

BTS Rail Mass Transit Growth Infrastructure Fund**Notes to the projected statements of income and statements of cash flows
for the three-month period from 1 January 2013 to 31 March 2013 and
for the year ending 31 March 2014**

The Profit and Cash Flow Projection has been prepared based on the assumption that the Fund was set up on 1 January 2013 and entered into the net revenue purchase and transfer agreement with BTSC on the same date. It is assumed that the consideration paid to BTSC on 1 January 2013 for the investment in the net revenue purchase and transfer agreement was Baht 61.0 billion, with reference to the indicative fair value as at 1 January 2013 of the net revenue that could be generated by the Core BTS SkyTrain System from 1 January 2013 to 4 December 2029, as appraised by an independent valuer whose report was dated 21 February 2013. However, there is no subsequent fair value adjustment assumed after initial recognition of such investment, even though the investment needs to be measured at fair value through profit or loss at each reporting date in accordance with the accounting policies to be adopted by the Fund for reporting historical financial information for the corresponding period in the future. Due to the nature of the assumption of the investment, the Management Company and the Sponsor do not believe there is a reliable basis to make such fair value revaluation for the future periods for the purpose of preparing the Profit and Cash Flow Projection.

The Profit and Cash Flow Projection is drawn up based on accounting policies as described in Note 5 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 for no subsequent fair value measurement of the investment as described in the previous paragraph.

The Profit and Cash Flow Projection includes only the projected statements of income and the projected statements of cash flow, the general information, the basis, the significant assumptions, and the significant accounting policies for preparation. Neither the statement of financial position nor all required disclosures is included in the Profit and Cash Flow Projection, therefore, it does not present fairly the financial position, the financial performance, and cash flows of the Fund in accordance with Thai Financial Reporting Standards.

The accounting year end of the Fund is 31 March of each year. Accordingly, the Profit and Cash Flow Projection is prepared for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014. However, as the date of registration of the Fund and effectiveness of the net revenue purchase and transfer agreement have not been specified, the actual result in the first financial period of the Fund will be different from the projection period in the Profit and Cash Flow Projection.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

The Profit and Cash Flow Projection has been prepared in Thai Baht and presented in unit of million, unless otherwise disclosed.

The Profit and Cash Flow Projection in English language has been translated from the Thai language Profit and Cash Flow Projection. In the event of any differences in interpreting the Profit and Cash Flow Projection, the Thai version shall prevail.

4. Summary of significant assumptions

The Profit and Cash Flow Projection has been prepared based on the significant assumptions summarised below. The Management Company and the Sponsor consider the assumptions to be appropriate and reasonable as at the issuance date of the Profit and Cash Flow Projection. However, the investors should consider these assumptions as well as the Profit and Cash Flow Projection and make their own assessment of the future performance of the Fund.

4.1 Income from the investment in the net revenue purchase and transfer agreement

The projected income from the investment is summarised below.

	(Unit: Million Baht)	
	For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
Fare box revenues (a)	1,208	5,563
Less: Operating and maintenance cost (b)	(353)	(1,532)
Selling and administrative expenses (c)	(79)	(332)
Capital expenditure (d)	-	-
Total income from the investment	776	3,699

The significant assumptions used in projection of income from the investment are described below.

a) Fare box revenues

The gross fare box revenues are projected by an independent technical consultant based on the key assumptions below.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

The projected gross fare box revenues include only the fare box revenues which will be generated from the operation of the Core BTS SkyTrain System pursuant to the concession agreement. The gross fare box revenues for the projection are driven mainly by (i) the projected annual ridership; and (ii) the projected average fare per trip.

The projected annual ridership and the projected average fare per trip data is based on an array of factors prevailing under the present circumstances and is taken into account the ensuing impacts of the opening to service in the future of the extensions as well as the opening of other mass transit lines in the future. It has also taken into consideration the overall national economic situation, urbanisation, future expressway and road networks, expansion of mass transit systems, and mass transit fare rates.

From the assumptions, the projected fare box revenues for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014 will be generated from services providing to passengers for an average daily ridership of 606,000 and 665,000 trips with average fares of Baht 24.74 and Baht 25.99 per trip, respectively.

b) Operating and maintenance cost

The operating and maintenance cost are projected by an independent consultant in railway system. The projected operating and maintenance cost consists of operational maintenance expenses, direct staff costs, energy expenses, and other direct costs such as insurance, security services, and cleaning services.

The projected operating and maintenance cost corresponds with the projected ridership and the projected revenue and is primarily based on the currently available information on actual operating and maintenance cost associated with the operations by BTSC of the Core BTS SkyTrain System under the existing concession agreement.

The projected operating and maintenance cost is based on the projected operating and maintenance requirements necessary to provide a service sufficient for the projected ridership. These projected costs include the estimated effects on core system ridership from the extensions to the BTS system e.g., the current plan to increase number of carriages from three to four, the system enhancement plan to cater for increased fleet size and increased ridership.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

1) *Operational maintenance expense*

The projected operational maintenance expense is based on the commitments in the concession agreement to run services on two lines (Silom and Sukhumvit Lines) and to provide service 19 hours per day, 7 days per week. It is also dependent on maintaining the quality of service that the passengers of the BTS have come to expect over the past eleven years. It also takes into account of the requirement to transfer the system to BMA in good operating condition at the end of the concession period.

Direct maintenance staffs employed will be built up to the level required to take over all maintenance activities on termination of the current outsourced maintenance contract in the future.

2) *Staff costs*

The staff cost projection is based on the current organisation structure of BTSC as the operating company and actual updated costs.

The calculation of train crew costs is linked to the calculation of the number of trains in service during peak and off-peak hours and effective working hours of train crews.

Other direct operations staff costs for the core system will be less variable and are factored to increase with the increase in projected ridership.

3) *Energy costs*

Energy costs for the train operations are calculated by reference to the number of estimated kilometres travelled in each period, which is dependent on the expected number of trains in service during peak and off-peak periods.

The energy costs also include the energy cost for stations, depot and administration buildings which is considered relatively fixed. These costs are estimated based on the known fixed costs, plus a proportion for variable loads dependent on passenger quantities.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

4) Other direct operating costs

Other direct operating costs include insurance, cash handling and transaction fees, cleaning and security outsourcing, fare media costs and radio license fee.

The adjusted minimum wage for workers in Bangkok is taken into account in projection of subcontract and outsourcing service cost.

c) Selling and administrative expenses

Selling and administrative expenses include marketing expenses, professional fees and other administration costs. They are projected based on actual costs as recorded by BTSC.

A progressive increase of selling and administrative expenses over the period is projected as for the relevant staff costs.

d) Capital expenditure

It is assumed that no capital expenditure will incur during the periods.

4.2 Interest income

The interest income will be receivable on a semi-annually basis in June and December. Interest income is calculated from the net cash from operations after the distributions to unitholders, which is assumed to be retained in the form of demand deposit with local banks, at an average interest rate of 0.625% per annum, which is determined based on current deposit interest rate.

4.3 Fund expenses

The Fund expenses are mainly projected based on the quotations obtained from the vendors or expected terms and conditions of the relevant agreements based on the Management Company's experience. The natures for the Fund expenses are described below.

a) Fund management fee

The fund management fee is payable to the Management Company, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.075% per annum, exclusive of VAT, of the net asset value of the Fund at the end of the reporting period.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

b) Trustee's fee

The trustee's fee is payable to the trustee, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.02% per annum, exclusive of VAT, of the net asset value of the Fund at the end of the reporting period.

c) Registrar's fee

The registrar's fee is payable to the registrar, and subject to the final terms and conditions of the relevant agreements, is calculated based on 0.023% per annum, exclusive of VAT, of the net asset value of the Fund, capped at a maximum of Baht 5 million per annum.

d) Professional fees

The professional fees represent the fees payable to various advisors, such as specialists, independent appraisers, subject to the final terms and conditions of the relevant agreements.

e) Audit fee

The audit fee is payable to the Fund's auditor for services rendered, subject to the final terms and conditions of the relevant agreements.

f) Other expenses

Other expenses include miscellaneous expenses that are primarily estimated based on the Management Company's experience.

4.4 Issuance costs

The costs associated with the issuance of the investment units to be paid by the Fund include the financial advisor fee, underwriting fee, marketing expense, registration fee, printing cost, professional fees, audit fee and escrow agent fee. The issuance costs are mainly projected based on the quotations obtained from the vendors or expected terms and conditions of the relevant agreements based on the Management Company's experience. The nature of the issuance costs are described below.

BTS Rail Mass Transit Growth Infrastructure Fund

**Notes to the projected statements of income and statements of cash flows
for the three-month period from 1 January 2013 to 31 March 2013 and
for the year ending 31 March 2014**

a) Financial advisor fee and underwriting fee

It is assumed that the financial advisor fee and the underwriting fee were 2.15% of the total funds raised through the initial public offering of units to investors other than the Sponsor and its affiliates, which is assumed to be approximately two thirds of the total capital units issued.

b) Marketing expense

The marketing expenses mainly comprise of advertising production, media expenses and road show expenses.

c) Registration fee

The registration fee is the fee incurred in relation to the Fund's registration. The Management Company estimated the amounts based on the current registration fee announced by the relevant authorities.

d) Printing cost

The printing cost is estimated based on the Management Company's experience.

e) Professional fees

The professional fees represent the fees payable to various advisors, such as legal counsel, independent appraisers, subject to the final terms and conditions of the relevant agreements.

f) Audit fee

The audit fee is payable to the Fund's auditor for services rendered, subject to the final terms and conditions of the relevant agreements.

g) Escrow agent fee

The escrow agent fee is payable to a bank for escrow agent services during the initial public offering.

These costs are capitalised and amortised in the Fund's projected statements of income over the period of 3 years on a straight-line basis.

BTS Rail Mass Transit Growth Infrastructure Fund
Notes to the projected statements of income and statements of cash flows
for the three-month period from 1 January 2013 to 31 March 2013 and
for the year ending 31 March 2014

4.5 Dividend policy

It is assumed that the Fund's policy is to pay dividends to unitholders on a quarterly basis at 100% of the adjusted net profit, excluding unrealised gains from appraisals or reviews of the value of the investments with no reserve requirement for maintenance and capital expenditures. It is assumed that net profit is spread equally during the reporting period and the last quarter's dividend of each reporting period is declared and subsequently paid within 90 days after the period ended.

As described in Note 3, for the purpose of preparing the Profit and Cash Flow Projection, there is no subsequent fair value adjustment assumed after initial recognition of the investment in the net revenue purchase and transfer agreement. Therefore, the projected statement of income does not include any unrealised gains or losses from revaluation of the investment. In the case of any subsequent unrealised gain from such revaluation, it would not affect the projected distribution of income because the Fund will distribute the income based on net income before unrealised gain upon revaluation of the investment. However, in the case of unrealised losses, it would affect the projected distribution of income because the net profit that available for distribution is the net profit after the unrealised losses.

4.6 The investment units and capital reduction

The Fund's total capital is assumed to represent the units issued pursuant to the initial offering of 6,217,500,000 units at a price of Baht 10 each on 1 January 2013, which was paid in full. It is assumed that the Sponsor or its affiliates subscribed to one third of the Fund units issued. It is further assumed that there is no change in the number of units during the periods.

In accordance with the Securities Laws, the excess liquidity which arises from amortisation of issuance costs can be returned to unitholders through a capital reduction.

It is assumed that the capital reduction of Baht 98 million in relation to the amortisation of issuance costs for the three-month period from 1 January 2013 to 31 March 2013 will be declared in May 2013 and paid out in June 2013.

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

4.7 New reporting standards

The Profit and Cash Flow Projection have been prepared under the assumption that there is no any change in applicable financial reporting standards that could affect the Profit and Cash Flow Projection.

4.8 Other assumptions

- a) It is assumed that the Fund is not registered as a VAT entity, and therefore all input VAT is expensed.
- b) It is assumed that, as part of the terms to be included in the net revenue purchase and transfer agreement, BTSC agrees to fully reimburse the Fund for any special business tax imposed by the Revenue Department as a result of the net revenue purchase and transfer agreement. Therefore, in the Profit and Cash Flow Projection, special business tax expenses, as well as their reimbursement by BTSC, are not included in the profit or loss of the Fund.
- c) The Profit and Cash Flow Projection has been prepared under the assumption that there will be no change in applicable laws and regulations during the periods.
- d) It is assumed that all agreements are enforceable and performed in accordance with their terms.

4.9 Distribution available to unitholders and sensitivity analysis

The total distribution available to unitholders are summarised for illustrative purpose as follows;

	(Unit: Million Baht)	
	For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
Net income available to the unitholders	656	3,223
Excess liquidity due to amortisation of issuance costs	98	391
Total	754	3,614

BTS Rail Mass Transit Growth Infrastructure Fund

Notes to the projected statements of income and statements of cash flows for the three-month period from 1 January 2013 to 31 March 2013 and for the year ending 31 March 2014

The assumptions regarding the dividend policy and the pay out of excess liquidity due to the amortisation of issuance costs are described in Note 4.5 and Note 4.6, respectively.

The projected statement of income is based on significant assumptions that are outlined above. The projected statement of income is also subject to a number of factors such as following;

- The growth rate of fare box revenues
- The growth rate of operational maintenance expense
- The growth rate of staff costs
- The growth rate of energy costs

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures projected in the projected statement of income are to be expected. To assist investors in assessing the impact of these assumptions on the projected statement of income, a series of tables demonstrating the sensitivity of total distribution available to unitholders (including return of cash due to excess liquidity) to changes in certain significant assumptions is set out below.

The sensitivity analysis is intended to be a guide only and variations in actual performance could exceed the ranges shown. Movements in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Changes in the growth rates of the above mentioned factors impact total distribution available to unitholders (including return of cash due to excess liquidity) as set out below.

	(Unit: Million Baht)	
	For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
Fare box revenues		
5.0% lower than base case	693	3,336
Base case	754	3,614
5.0% higher than base case	814	3,892

BTS Rail Mass Transit Growth Infrastructure Fund**Notes to the projected statements of income and statements of cash flows****for the three-month period from 1 January 2013 to 31 March 2013 and****for the year ending 31 March 2014**

	(Unit: Million Baht)	
	For the three-month period from 1 January 2013 to 31 March 2013	For the year ending 31 March 2014
Operational maintenance expense		
5.0% lower than base case	760	3,643
Base case	754	3,614
5.0% higher than base case	747	3,585
Staff costs		
5.0% lower than base case	759	3,638
Base case	754	3,614
5.0% higher than base case	748	3,590
Energy costs		
5.0% lower than base case	756	3,627
Base case	754	3,614
5.0% higher than base case	751	3,601

5. Significant accounting policies**5.1 Revenue and expense recognition**

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

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

Expenses are recorded on an accrual basis.

5.2 Measurement of investment value

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

BTS Rail Mass Transit Growth Infrastructure Fund

**Notes to the projected statements of income and statements of cash flows
for the three-month period from 1 January 2013 to 31 March 2013 and
for the year ending 31 March 2014**

5.3 Issuance cost/ amortisation

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

5.4 Distribution of income to unitholders

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

5.5 Income tax

The Fund is assumed to have no corporate income tax liability since it is exempted from corporate income tax in Thailand.

6. Approval of the Profit and Cash Flow Projection

The Profit and Cash Flow Projection were authorised for issue by the Management Company and the Sponsor on 26 February 2013.

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Independent Auditor's Report

To the Board of Directors of Bangkok Mass Transit System Public Company Limited

I have audited the accompanying carve-out statements of financial position of Core line of skytrain business under concession agreement as at 31 March 2012, 2011 and 2010, and the related carve-out statements of comprehensive income, changes in net assets value and cash flows of Core line of skytrain business under concession agreement for the years then ended (together "the carve-out financial statements"). Core line of skytrain business under concession agreement is operated under Bangkok Mass Transit System Public Company Limited ("the Company") and the carve-out financial statements of Core line of skytrain business under concession agreement have been prepared by the management of the Company using the basis and assumptions described in Note 2 to the carve-out financial statements.

Management's responsibility for the carve-out financial statements

The management of the Company is responsible for the preparation of these carve-out financial statements of Core line of skytrain business under concession agreement in accordance with the basis and assumptions described in Note 2 to the carve-out financial statements. The management of the Company determined the basis and assumptions as acceptable criteria for preparation of the carve-out financial statements in the current circumstances and is responsible for the establishment of such internal controls as it determines to be necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the carve-out financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the carve-out financial statements, whether due to fraud or error. In making those risk

assessments, the auditor considers internal control relevant to the preparation and fair presentation of the carve-out financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Company, as well as evaluating the overall presentation of the carve-out financial statements.

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

Opinion

In my opinion, the carve-out financial statements referred to above have been prepared, in all material respects, in accordance with the basis and assumptions described in Note 2 to the carve-out financial statements.

Basis for the preparation of the carve-out financial statements and limit of distribution

Without changing my opinion above, I draw attention to Note 2 to the carve-out financial statements, regarding the basis for the preparation of the carve-out financial statements. The management of the Company has prepared the carve-out financial statements of Core line of skytrain business under concession agreement based on accounting transactions recorded and maintained by the Company. Some transactions presented in the carve-out financial statements of Core line of skytrain business under concession agreement have been allocated from the Company in accordance with the basis and assumptions that the management of the Company considered to be acceptable criteria in the current circumstances. The carve-out financial statements do not seek to represent the financial position or results of operations of Core line of skytrain business under concession agreement as a separate statutory entity. The purpose of the preparation of the carve-out financial statements is to support the submission of an application to establish an infrastructure fund to the Securities and Exchange Commission in Thailand and they are therefore not suitable for distribution for other purposes.

A handwritten signature in black ink, appearing to read 'Siraporn Ouaanunkun'.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited
Bangkok: 16 November 2012

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of financial position

				(Unit: Baht)
	<u>Note</u>	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2010</u>
Assets				
Current assets				
Cash and cash equivalents		67,760,034	360,238,206	1,330,728,463
Current investments - deposits at a financial institution		-	-	10,139,575
Other receivables	5	1,398,819	1,069,161	570,809
Consumable spare parts	6	78,908,270	33,940,718	32,997,433
Prepaid expenses		45,439,646	38,220,212	35,323,612
Other current assets		9,422,945	11,053,288	4,130,990
Total current assets		<u>202,929,714</u>	<u>444,521,585</u>	<u>1,413,890,882</u>
Non-current assets				
Restricted deposits at a financial institution		-	-	253,911,375
Project costs	7	42,976,803,253	43,896,230,749	43,333,684,182
Reusable spare parts	6	81,230,587	52,900,572	53,575,278
Spare parts - maintenance contract	8	292,771,346	292,771,346	292,771,346
Equipment	9	88,931,882	118,591,074	105,289,860
Intangible assets	10	8,971,928	7,245,751	10,162,579
Advances for acquisition of assets		25,672,858	73,858,057	521,886,624
Other non-current assets		37,428,686	13,559,349	14,015,953
Total non-current assets		<u>43,511,810,540</u>	<u>44,455,156,898</u>	<u>44,585,297,197</u>
Total assets		<u>43,714,740,254</u>	<u>44,899,678,483</u>	<u>45,999,188,079</u>

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

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of financial position (continued)

(Unit: Baht)

	<u>Note</u>	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2010</u>
Liabilities				
Current liabilities				
Trade and other payables	11	135,156,170	187,035,936	187,484,362
Unearned fare box revenues		144,821,638	110,421,067	115,825,439
Deposits on stored value tickets		18,558,120	17,719,530	25,520,370
Accrued expenses		218,654,956	65,718,005	51,353,984
Current portion of finance lease liabilities	12	222,076	275,648	3,433,085
Current portion of long-term debentures	13	2,495,767,044	-	-
Retentions payable		148,812,190	139,255,619	131,235,352
Other current liabilities		103,910,324	80,238,744	52,584,118
Total current liabilities		<u>3,265,902,518</u>	<u>600,664,549</u>	<u>567,436,710</u>
Non-current liabilities				
Finance lease liabilities - net of current portion	12	64,818	287,017	279,176
Long-term debentures - net of current portion	13	9,443,811,417	11,906,557,128	11,873,634,285
Reserve for long-term employee benefits	14	311,298,553	277,582,759	253,389,586
Total non-current liabilities		<u>9,755,174,788</u>	<u>12,184,426,904</u>	<u>12,127,303,047</u>
Total liabilities		<u>13,021,077,306</u>	<u>12,785,091,453</u>	<u>12,694,739,757</u>
Net assets value		<u>30,693,662,948</u>	<u>32,114,587,030</u>	<u>33,304,448,322</u>

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

Directors

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of comprehensive income
For the years ended 31 March 2012, 2011 and 2010

		(Unit: Baht)		
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Fare box revenues		4,296,838,956	3,544,826,013	3,484,621,466
Other income		1,829,473	38,361	-
Total revenues		<u>4,298,668,429</u>	<u>3,544,864,374</u>	<u>3,484,621,466</u>
Expenses				
Costs of fare box		2,231,811,442	1,997,860,019	2,064,298,034
Selling expenses		60,074,867	67,759,471	51,705,291
Administrative expenses		356,973,445	455,762,268	467,963,697
Total expenses		<u>2,648,859,754</u>	<u>2,521,381,758</u>	<u>2,583,967,022</u>
Profit before finance cost and gain on				
debt restructuring under rehabilitation plan		1,649,808,675	1,023,482,616	900,654,444
Finance cost		(812,332,950)	(744,710,555)	(460,276,046)
Profit before gain on debt restructuring				
under rehabilitation plan		837,475,725	278,772,061	440,378,398
Gain on debt restructuring under rehabilitation plan	16	-	-	4,528,040,345
Profit for the year		<u>837,475,725</u>	<u>278,772,061</u>	<u>4,968,418,743</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>837,475,725</u>	<u>278,772,061</u>	<u>4,968,418,743</u>

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

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of changes in net assets value
For the years ended 31 March 2012, 2011 and 2010

	(Unit: Baht)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Balance at beginning of year	32,114,587,030	33,304,448,322	28,358,082,401
Total comprehensive income for the year	837,475,725	278,772,061	4,968,418,743
Transfer liability component of unsubordinated convertible bonds because of change in conversion right (Note 17)	-	-	4,981,878,773
Net assets value paid to the Company	(2,258,399,807)	(1,468,633,353)	(5,003,931,595)
Balance at end of year	<u>30,693,662,948</u>	<u>32,114,587,030</u>	<u>33,304,448,322</u>

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

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of cashflows
For the years ended 31 March 2012, 2011 and 2010

	(Unit: Baht)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Cash flows from operating activities			
Profit for the year	837,475,725	278,772,061	4,968,418,743
Adjustments to reconcile profit for the year to net cash provided by (paid from) operating activities:			
Gain on debt restructuring under rehabilitation plan	-	-	(4,528,040,345)
Depreciation	48,610,936	55,236,348	42,136,041
Amortisation	1,214,580,221	955,568,374	961,149,511
Loss (gain) on disposals / write-off of assets	(1,829,473)	(38,357)	8,319
Provision for long-term employee benefits	33,715,794	35,026,573	33,890,656
Interest expenses	772,462,050	706,303,025	436,526,295
Profit from operating activities before changes in operating assets and liabilities	2,905,015,253	2,030,868,024	1,914,089,220
Operating assets (increase) decrease			
Other receivables	(329,658)	(498,352)	(234,135)
Spare parts	(75,651,893)	(1,503,211)	9,389,482
Other current assets	(5,589,091)	(9,818,898)	21,010,301
Other non-current assets	(23,869,337)	456,604	(1,341,551)
Operating liabilities increase (decrease)			
Trade and other payables	(54,363,109)	(10,640,207)	(78,447,669)
Unearned fare box revenues	34,400,571	(5,404,372)	11,821,136
Deposits on stored value tickets	838,590	(7,800,840)	2,456,490
Retentions payable	9,556,571	8,020,267	16,759,970
Others	38,612,353	4,891,966	32,387,388
Cash flows from operating activities	2,828,620,250	2,008,570,981	1,927,890,632
Cash paid for interest expenses	(769,934,261)	(695,944,204)	(517,723,555)
Net cash flows from operating activities	<u>2,058,685,989</u>	<u>1,312,626,777</u>	<u>1,410,167,077</u>

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

Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of cashflows (continued)
For the years ended 31 March 2012, 2011 and 2010

	(Unit: Baht)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Cash flows from investing activities			
Decrease in current investments - deposits at			
a financial institution	-	10,139,575	137,727,270
Decrease in restricted deposits at a financial institution	-	253,911,375	-
Increase in advances for acquisition of assets	(291,607)	(21,189,877)	(40,686,114)
Increase in project costs	(69,278,341)	(1,025,619,146)	(883,782,760)
Cash paid for acquisition of intangible assets	(5,751,918)	(1,629,771)	(3,137,413)
Cash paid for acquisition of equipment	(19,084,598)	(26,868,826)	(34,401,667)
Proceeds from disposals of equipment	1,962,327	89,626	106,910
Net cash flows used in investing activities	<u>(92,444,137)</u>	<u>(811,167,044)</u>	<u>(824,173,774)</u>
Cash flows from financing activities			
Repayment of finance lease liabilities	(320,217)	(3,316,637)	(3,555,316)
Repayment of liabilities under rehabilitation plan	-	-	(10,016,155,184)
Proceeds from issuing of long-term debentures	-	-	11,854,474,650
Net assets value paid to the Company	(2,258,399,807)	(1,468,633,353)	(5,003,931,595)
Net cash flows used in financing activities	<u>(2,258,720,024)</u>	<u>(1,471,949,990)</u>	<u>(3,169,167,445)</u>
Net decrease in cash and cash equivalents	<u>(292,478,172)</u>	<u>(970,490,257)</u>	<u>(2,583,174,142)</u>
Cash and cash equivalents at beginning of year	360,238,206	1,330,728,463	3,913,902,605
Cash and cash equivalents at end of year	<u>67,760,034</u>	<u>360,238,206</u>	<u>1,330,728,463</u>

Supplemental disclosures of cash flow information

Non-cash transactions

Transfer advances for acquisition of			
assets to project costs	48,476,806	469,218,444	80,344,576
Transfer project costs - work under construction			
to equipment	-	41,720,005	-
Payable of acquisition of project costs	137,996,178	26,293,281	-

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

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Notes to the carve-out financial statements
For the years ended 31 March 2012, 2011 and 2010**

1. Purpose and background of the preparation of the carve-out financial statements

1.1 Purpose of the preparation of the carve-out financial statements

These carve-out financial statements of Core line of skytrain business under concession agreement ("the carve-out financial statements") have been prepared to support the submission of an application to establish an infrastructure fund to the Securities and Exchange Commission in Thailand. Distribution of the carve-out financial statements for other purposes is therefore not appropriate.

The carve-out financial statements in English language have been translated from the carve-out financial statements in Thai language. In case of any differences in interpretation of the carve-out financial statements or independent auditor's report thereon, the Thai language version shall prevail.

1.2 Background

Core line of skytrain business under concession agreement of Bangkok Mass Transit System Public Company Limited ("the Company") (together "Core line of skytrain business") is an elevated mass transit system operation over two main routes (Sukhumvit line and Silom line, as a part of a green skytrain line) under a concession agreement dated 9 April 1992, together with all amendments, made between Bangkok Metropolitan Administration ("BMA") and the Company ("the concession agreement"). Under the concession agreement, the routes covered 23 skytrain stations and a total distance of 23.5 kilometers for a period of 30 years from the first date of operation (The Company commenced operation on 5 December 1999). Core line of skytrain business does not include activities under the operation and maintenance contract for a mass transit system in Bangkok made with The Krungthep Thanakom Company Limited ("KT") for the 7 extension stations constructed by the BMA, a total distance of 7.45 kilometers, the activities under the bus operation and service agreements of the Bus Rapid Transit project (BRT) with KT, or the other operations of the Company.

The carve-out financial statements have been prepared by the management of the Company in order to present the financial position and the results of past operations of Core line of skytrain business as a separate business unit. However, the carve-out financial statements of Core line of skytrain business do not reflect the financial position, results of operations and cash flows of Core line of skytrain business in the future, or the financial position, results of operations and cash flows of Core line of skytrain business as a separate statutory entity.

On 9 November 2012, meeting of the Board of Directors No.8/2012 of BTS Group Holdings Public Company Limited, the Company's parent company, unanimously passed a resolution for the Company to sell net fare box revenues received from the operation of Core line of skytrain business, from the completion date of the sale of the net fare box revenues transaction until the expiry date of the concession agreement (4 December 2029) to an infrastructure fund. An application to establish the fund is in the process of being submitted to the Securities and Exchange Commission.

2. Basis and assumptions for the preparation of the carve-out financial statements

These carve-out financial statements have been prepared using the Company's separate financial statements for the years ended 31 March 2012, 2011 and 2010, audited by the Company's auditor, and based on the accounting transactions recorded and maintained by the Company.

The Company recorded and maintained the accounting transactions of all businesses in its separate financial statements on a combined basis. In such financial statements, accounting transactions were not recorded and maintained separately for each business. Therefore, in preparing these carve-out financial statements, the Company's management has to identify balances and transactions directly related to Core line of skytrain business and determine a basis and assumptions for allocation of the amounts of other transactions reported in the Company's separate financial statements to Core line of skytrain business.

The significant bases and assumptions are summarised below.

- a) The net book value of assets and liabilities of Core line of skytrain business as at 1 April 2009 (beginning date of the carve-out financial statements which have been presented for comparative purposes) was presented under the "Net assets value" account.

- b) All cash and cash equivalents, including current investments - deposits at a financial institution, per the Company's separate financial statements at the end of each reporting period are owned by Core line of skytrain business, ignoring the interest income charged during the years.
- c) Related parties of the Company are also related parties of Core line of skytrain business.
- d) Reusable spare parts, spare parts - maintenance contract, loans to employees, loans to a saving and credit cooperative established by the Company, dividends payable, finance lease liabilities, and long-term debentures as presented in the Company's separate financial statements at the end of each reporting period are directly related to Core line of skytrain business.
- e) Short-term loans from financial institutions, short-term loans from related parties and gains or losses on exchange are not related to Core line of skytrain business.
- f) The Company's rehabilitation plan, together with the gain on debt restructuring under rehabilitation plan, are directly related to Core line of skytrain business.
- g) Operating and administrative expenses, including depreciation and amortisation, have been arrived at by taking both the directly attributable costs of Core line of skytrain business together with the appropriate apportionment of shared costs of services provided, allocated based on the actual route length at the end of each reporting period.
- h) Maintenance expenses of rolling stock presented in electrical works and machinery, were allocated based on the number of kilometers actually applied for each rolling stock.
- i) Salaries, benefits, post-employment compensation and other post-employment benefit costs of employees have been arrived at by taking both the directly attributable costs of Core line of skytrain business and an appropriate apportionment of shared costs allocated based on the involvement of employees in each business in the past, using existing employees or the actual route length of services provided at the end of each reporting period as a basis.
- j) Interest expenses have been calculated primarily based on the debt balance allocated to Core line of skytrain business.
- k) The Company had no corporate income tax payable for the years ended 31 March 2012, 2011 and 2010 because the Company's tax losses exceeded its profit for the year. Therefore, Core line of skytrain business records no corporate income tax payable for the three years then ended.

The bases for the allocations and estimates applied for the preparation of the carve-out financial statements of Core line of skytrain business were methodologies that the management believes to be reasonable, are the best estimate of the Company's management and are acceptable under the current circumstances.

3. Summary of significant accounting policies

The management of the Company has made subjective judgements to determine some allocations, estimates and assumptions applied for the preparation of the carve-out financial statements. In the opinion of the Company's management, these carve-out financial statements have been properly prepared under the current circumstances, within reasonable limits of materiality and the framework of the significant accounting policies summarised below.

Carve-out financial statements

Carve-out financial statements of Core line of skytrain business had not been previously prepared because Core line of skytrain business has no separate legal status. Furthermore, no general ledger is maintained for Core line of skytrain business on a stand-alone basis. The accompanying carve-out financial statements have been prepared using the basis and assumptions described in Note 2 to the carve-out financial statements and present the assets and the liabilities assumed to be owned by Core line of skytrain business as at 31 March 2012, 2011 and 2010, and the direct revenues and expenses attributable to Core line of skytrain business for each year, including allocations of certain common expenses based upon selected criteria.

However, the carve-out financial statements of Core line of skytrain business herein may not reflect the results of operations, financial position, and cash flows of Core line of skytrain business in the future or what the results of operations, financial position, and cash flows of Core line of skytrain business would be if Core line of skytrain business had been a stand-alone company.

Continuance of business

These carve-out financial statements of Core line of skytrain business have been prepared in accordance with the going concern assumption, which assumes that the business will be able to meet its obligations and continue its operations for the next fiscal year. Realisable values may differ substantially from the carrying values shown and these carve-out financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities in the event that the business were unable to continue as a going concern.

Use of estimates

The preparation of the carve-out financial statements requires the Company's management to make estimates and assumptions, including judgements that affect the reported amounts of assets and liabilities and disclosure of contingent gains and liabilities at the date of the carve-out financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions. The Company's management reviews estimates on an ongoing basis using currently available information. The assumptions used in calculating present obligations take into account the contractual and commercial positions of Core line of skytrain business. Accordingly, actual results may differ from estimated amounts as future confirming events occur.

Uncertainty of valuation

Valuation of obligations under the post-employment benefit plan and in respect of severance payments affecting gain (loss) and retained earnings is uncertain because it depends on economic assumptions and actuarial techniques. The Company's management has used its best estimate to assess the post-employment benefits payable to its employees that are probable and certain to be paid in the future based on the employees' performance, in accordance with selected criteria.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Other receivables

Other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Spare parts and amortisation

Spare parts relating to Core line of skytrain business are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged to costs of fare box whenever actually consumed.

- b) Reusable spare parts are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the unit of production basis as it is used in project costs. Amortisation of reusable spare parts is recorded as costs of fare box over the concession period.

Spare parts - awaiting transfer, presented as a part of project costs, are stated at cost less accumulated amortisation. Amortisation of spare parts - awaiting transfer is calculated by reference to their costs on the unit of production basis, as it is used in project costs. Amortisation of spare parts - awaiting transfer is recorded as costs of fare box over the concession period.

Spare parts - maintenance contract are stated at cost as defined in the maintenance contract. Spare parts - maintenance contract will be recognised as costs of fare box whenever actually consumed, after the contract expires.

Project costs and amortisation on the Unit of Throughput Amortisation Method (unit of production)

According to the concession agreement, the Company has to transfer legal title of civil works to BMA as they are brought into service on a build-transfer-operate basis. The electrical and mechanical works shall be transferred to BMA on a build-operate-transfer basis at the expiry of the concession.

Project costs are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any). All expenditures and other related expenses have been capitalised as an asset (project costs) and amortised as costs of fare box and administrative expenses over the concession period.

Project costs include management and consulting fees, design costs, civil works, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses, including exchange gains and losses incurred before commencement of operations.

Electrical works and machinery, rolling stock, have been established by identifying both the direct outstanding balances together with the appropriate apportionment of assets relating to Core line of skytrain business using a proper cost allocation methodology.

Amortisation of project costs is calculated by reference to their costs on the Unit of Throughput Amortisation Method (unit of production) as the following formula:-

Annual amortisation = Net project costs x Percentage of passengers for the year

Net project costs are project costs less accumulated amortisation.

Percentage of passengers

$$\text{for the year} = \frac{\text{Current year's actual passengers}}{(\text{Current year's actual passengers} + \text{Projected passengers during the remaining concession period})}$$

No amortisation is provided on work under construction.

Amortisation of administrative assets, presented as a part of project costs, has been allocated to Core line of skytrain business by the appropriate apportionment of shared costs allocated based on the actual route length of services provided at the end of each reporting period.

Equipment and depreciation

Equipment used by Core line of skytrain business is stated at cost less any accumulated depreciation and any accumulated impairment losses (if any).

Depreciation of equipment is calculated by reference to its costs, on the straight-line basis over the following estimated useful lives:

Machinery and equipment	-	3-10	years
Fixtures and office equipment	-	3-5	years
Motor vehicles	-	5	years

Depreciation of administrative assets, presented as a part of equipment, has been allocated to Core line of skytrain business by the appropriate apportionment of shared costs allocated based on the actual route length of services provided at the end of each reporting period. Depreciation is included in determining income.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

Intangible assets

On the date of acquisition, intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end.

Amortisation of administrative intangible assets has been allocated to Core line of skytrain business by the appropriate apportionment of shared costs allocated based on the actual route length of services provided at the end of each reporting period. The amortisation expense is charged to profit or loss.

Intangible asset with finite useful life of Core line of skytrain business is computer software with estimated useful life of 5 years.

Finance leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term liabilities, while the interest element is charged to profit or loss over the lease period. Assets acquired under finance leases are depreciated over the useful life of the asset.

In determining whether a lease is to be classified as an operating lease or finance lease, the Company's management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Long-term debentures

Long-term debentures are stated at cost deducted by issuing costs incurred from an issuance of the long-term debentures. The issuing costs will be amortised to increase the long-term debentures' valuation gradually throughout the period of the long-term debentures.

Fare box revenues

Fare box revenues are recognised when services have been rendered. Fare box revenues are valued at ticket price after deducting discounts on fare. Prepaid value in passengers' stored value ticket is recorded as unearned fare box revenues in current liabilities.

Deposits on stored value tickets presented under current liabilities are deposits received from passengers on stored value tickets.

Costs of fare box

Costs of fare box have been arrived at by taking both the directly attributable costs of Core line of skytrain business together with the appropriate apportionment of shared costs allocated based on the actual route length of services provided at the end of each reporting period.

Selling expenses

Selling expenses, directly relating to transactions of Core line of skytrain business, are owned by Core line of skytrain business.

Personnel costs

Core line of skytrain business does not directly employ personnel. These carve-out financial statements of Core line of skytrain business include an allocation of personnel costs (short-term and post-employment benefits) associated with direct activities relating to Core line of skytrain business which have been clearly allocated to Core line of skytrain business. While the costs related to shared activities or functions, the suitable cost allocation methods were developed and applied to arrive at the costs of Core line of skytrain business as described in Note 2 to the carve-out financial statements.

Administrative expenses

Administrative expenses were allocated based on the actual route length of services provided by the Company at the end of each reporting period.

Interest expenses

Interest expenses have been calculated on a daily basis on the long-term debentures account balance using fixed interest rates (as described in Note 13 to the carve-out financial statements) for the year plus an interest expense incurred in accordance with Interest Rate Swap agreement.

Interest Rate Swap ("IRS") agreement

Core line of skytrain business does not directly engage in IRS agreement but the interest expense was allocated to Core line of skytrain business in accordance with the long-term debentures defined that they are directly relating to Core line of skytrain business.

The net amount of interest to be received from or paid to the counterparty under the IRS agreement will be recognised as revenues or expenses in the carve-out statements of income on an accrual basis.

Impairment of assets

At the end of each reporting period, the management of the Company performs impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. An impairment loss is recognised in profit or loss.

The Company treats assets as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement.

Litigation

The Company has contingent liabilities as a result of litigation. The management has used judgement to assess the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded at the date of reporting period.

Related party transactions

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

They also include shareholders, associated company, and enterprises or individuals who have significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations, including their family-members.

Foreign currencies

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Provisions

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

4. Related party transactions

During the years, the Company 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 Company and those companies.

A summary of those transactions relating to Core line of skytrain business was detailed as follows;

	For the years ended 31 March			(Unit: Million Baht)
	Transfer pricing policy			
	2012	2011	2010	
Transactions with related parties				
<u>Selling expenses</u>				
VGI Global Media Plc.	19	21	14	Contract price
<u>Administrative expenses</u>				
BTS Assets Co., Ltd.	2	3	3	Contract price
BTS Group Holdings Plc.	3	-	-	Contract price
Total	5	3	3	

As at the dates of the statements of financial position, the outstanding balances of the accounts were shown as follows:

	(Unit: Baht)		
	31 March 2012	31 March 2011	31 March 2010
<u>Prepaid expenses - related parties</u>			
BTS Group Holdings Plc.	8,928,581	-	-
<u>Unearned fare box revenues - related parties</u>			
BTS Group Holdings Plc.	5,835,500	-	-
Nuvo Line Agency Co., Ltd.	11,000	33,000	-
Bangkok Smartcard System Co., Ltd.	1,301,328	-	-
Total	7,147,828	33,000	-

Directors and management's benefits

Employee benefit expenses of its directors and management for the years ended 31 March 2012, 2011 and 2010 were shown as below.

	(Unit: Million Baht)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Short-term employee benefits	50	42	43
Post-employment benefits	11	13	12
Share-based payment	3	-	-
Total	<u>64</u>	<u>55</u>	<u>55</u>

5. Other receivables

	(Unit: Baht)		
	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2010</u>
Other receivables	545,981	300,262	235,935
Advances	852,838	768,899	334,874
Total other receivables	<u>1,398,819</u>	<u>1,069,161</u>	<u>570,809</u>

6. Spare parts

	(Unit: Baht)		
	<u>31 March 2012</u>	<u>31 March 2011</u>	<u>31 March 2010</u>
Consumable spare parts	78,908,270	33,940,718	32,997,433
Reusable spare parts	91,999,012	60,962,340	60,402,415
Less: Accumulated amortisation on reusable spare parts	(10,768,425)	(8,061,768)	(6,827,137)
Reusable spare parts - net	<u>81,230,587</u>	<u>52,900,572</u>	<u>53,575,278</u>
Total spare parts	<u>160,138,857</u>	<u>86,841,290</u>	<u>86,572,711</u>

Expenses relating to consumable and reusable spare parts for the year ended 31 March 2012 were totally amounting to Baht 14 million (2011: Baht 14 million and 2010: Baht 16 million), as a part of costs of fare box in the carve-out statements of income.

7. Project costs

	(Unit: Baht)		
	31 March 2012	31 March 2011	31 March 2010
Rights to use of civil works transferred to authorities	20,565,829,878	20,564,331,918	20,545,989,518
Electrical works and machinery			
- Rolling stock	10,428,342,213	10,428,342,213	8,855,367,686
- Other machinery and equipment	16,879,540,457	15,125,448,464	15,125,448,464
Other project costs	5,453,531,880	5,453,531,880	5,453,531,880
Spare parts - awaiting transfer (Note 8)	132,427,601	132,427,601	132,427,601
Total	53,459,672,029	51,704,082,076	50,112,765,149
Less: Accumulated amortisation on project costs	(9,547,480,680)	(8,367,042,220)	(7,447,673,626)
Allowance for diminution in value of project costs	(1,146,981,797)	(1,146,981,797)	(1,146,981,797)
Net project costs	42,765,209,552	42,190,058,059	41,518,109,726
Work under construction	211,593,701	1,706,172,690	1,815,574,456
Total project costs	42,976,803,253	43,896,230,749	43,333,684,182

Amortisation on project costs for the years ended 31 March 2012, 2011 and 2010 was presented as a part of costs and expenses in the carve-out statements of income as details below:

	(Unit: Million Baht)		
	2012	2011	2010
Costs of fare box	1,175	916	934
Administrative expenses	5	3	3
Total	1,180	919	937

8. Spare parts - maintenance contract

On 30 December 2004, the Company entered into a ten-year maintenance contract for spare parts of an elevated mass transit system with a contractor. Under the contract, Core line of skytrain business has spare parts - maintenance contract valued at Baht 425 million which the contractor is responsible for sourcing spare parts to replace at no cost, and maintain stocks at a constant level to be sufficient for one year's commercial operations. This value of spare parts is to be maintained over the contract period and at the end of the contract, the contractor will transfer all such spare parts, amounting to Baht 425 million, which is equal to those sourced in the first year, to the custody of the Company.

In accordance with the elevated mass transit system concession made with BMA, the Company has an obligation to transfer a number of spare parts sufficient for two years' commercial operations (the concession does not identify a specific value for these spare parts) to BMA when the concession expires, at no cost. Therefore, the Company estimated the spare parts' value to be Baht 132 million, using the actual numbers consumed for two years by the Company's contractor and classified such spare parts as "Spare parts - awaiting transfer", which is presented as a part of project costs (Note 7 to the carve-out financial statements).

9. Equipment

(Unit: Baht)

	Machinery and equipment	Fixtures and office equipment	Motor vehicles	Total
Cost				
1 April 2009	26,489,053	214,143,283	48,405,311	289,037,647
Additions	-	34,401,667	-	34,401,667
Disposals	-	(450,031)	-	(450,031)
31 March 2010	26,489,053	248,094,919	48,405,311	322,989,283
Additions	1,391,000	24,183,081	1,294,745	26,868,826
Disposals	-	(4,704,493)	-	(4,704,493)
Transfer in	41,720,005	-	-	41,720,005
31 March 2011	69,600,058	267,573,507	49,700,056	386,873,621
Additions	-	19,084,598	-	19,084,598
Disposals	-	(3,496,849)	(5,000,000)	(8,496,849)
31 March 2012	69,600,058	283,161,256	44,700,056	397,461,370
Accumulated depreciation				
1 April 2009	19,618,735	132,363,280	23,916,169	175,898,184
Depreciation for the year	3,729,298	30,081,605	8,325,138	42,136,041
Depreciation on disposals	-	(334,802)	-	(334,802)
31 March 2010	23,348,033	162,110,083	32,241,307	217,699,423
Depreciation for the year	14,043,202	33,191,586	8,001,560	55,236,348
Depreciation on disposals	-	(4,653,224)	-	(4,653,224)
31 March 2011	37,391,235	190,648,445	40,242,867	268,282,547
Depreciation for the year	9,029,928	32,460,330	7,120,678	48,610,936
Depreciation on disposals	-	(3,489,925)	(4,874,070)	(8,363,995)
31 March 2012	46,421,163	219,618,850	42,489,475	308,529,488
Net book value				
31 March 2010	3,141,020	85,984,836	16,164,004	105,289,860
31 March 2011	32,208,823	76,925,062	9,457,189	118,591,074
31 March 2012	23,178,895	63,542,406	2,210,581	88,931,882

Depreciation of equipment for the years ended 31 March 2012, 2011 and 2010 was presented as a part of costs and expenses in the carve-out statements of income as details below:

	(Unit: Million Baht)		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Costs of fare box	9	14	4
Administrative expenses	40	41	38
Total	<u>49</u>	<u>55</u>	<u>42</u>

As at 31 March 2012, equipment under finance lease agreements had net book value amounting to Baht 1 million (2011: Baht 2 million and 2010: Baht 6 million).

As at 31 March 2012, certain assets have been fully depreciated but are still in use. The original cost of those assets amounted to approximately Baht 223 million (2011: Baht 169 million and 2010: Baht 127 million).

10. Intangible assets

	(Unit: Baht)
Cost	
1 April 2009	49,713,820
Additions during the year	<u>3,137,413</u>
31 March 2010	52,851,233
Additions during the year	<u>1,629,771</u>
31 March 2011	54,481,004
Additions during the year	<u>5,751,918</u>
31 March 2012	<u>60,232,922</u>
Accumulated amortisation	
1 April 2009	36,554,736
Amortisation for the year	<u>6,133,918</u>
31 March 2010	42,688,654
Amortisation for the year	<u>4,546,599</u>
31 March 2011	47,235,253
Amortisation for the year	<u>4,025,741</u>
31 March 2012	<u>51,260,994</u>
Net book value	
31 March 2010	<u>10,162,579</u>
31 March 2011	<u>7,245,751</u>
31 March 2012	<u>8,971,928</u>

11. Trade and other payables

	(Unit: Baht)		
	31 March 2012	31 March 2011	31 March 2010
Trade accounts payable	49,628,950	102,180,786	114,156,061
Accrued interest expenses	84,798,412	82,315,069	72,123,287
Other payables	728,808	2,540,081	1,205,014
Total trade and other payables	<u>135,156,170</u>	<u>187,035,936</u>	<u>187,484,362</u>

12. Finance lease liabilities

	(Unit: Baht)		
	31 March 2012	31 March 2011	31 March 2010
Finance lease liabilities	330,377	627,873	3,914,150
Less: Deferred interest	(43,483)	(65,208)	(201,889)
Total	<u>286,894</u>	<u>562,665</u>	<u>3,712,261</u>
Less: Portion due within one year	(222,076)	(275,648)	(3,433,085)
Finance lease liabilities - net of current portion	<u>64,818</u>	<u>287,017</u>	<u>279,176</u>

As at 31 March 2012, future minimum lease payments required under the non-cancellable finance lease agreements were as follows:

	(Unit: Baht)		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	239,812	90,565	330,377
Deferred interest expenses	(17,736)	(25,747)	(43,483)
Present value of future minimum lease payments	<u>222,076</u>	<u>64,818</u>	<u>286,894</u>

13. Long-term debentures

On 21 August 2009, the Company issued and offered 12 million units of unsubordinated and unsecured debentures, with a par value of Baht 1,000 each and total value of Baht 12,000 million to the public (together "the long-term debentures").

For the issuance of the long-term debentures, the Company incurred the issuing costs approximately amounting to Baht 146 million deducting from the long-term debentures' value. The issuing costs will be amortised to increase the long-term debentures' valuation gradually throughout the period of the long-term debentures.

As at the dates of the statements of financial position, details of the long-term debentures were as follows:

(Unit: Baht)					
	Maturity date	Interest rate	31 March 2012	31 March 2011	31 March 2010
		p.a. %			
Debenture - Tranche 1	21 August 2012	4.75	2,500,000,000	2,500,000,000	2,500,000,000
Debenture - Tranche 2	21 August 2013	5.25	2,500,000,000	2,500,000,000	2,500,000,000
Debenture - Tranche 3	21 August 2014	5.75	4,000,000,000	4,000,000,000	4,000,000,000
Debenture - Tranche 4	21 August 2015	6.25	1,500,000,000	1,500,000,000	1,500,000,000
Debenture - Tranche 5	21 August 2016	6.75	1,500,000,000	1,500,000,000	1,500,000,000
Total			12,000,000,000	12,000,000,000	12,000,000,000
Less: The issuing costs			(60,421,539)	(93,442,872)	(126,365,715)
Total long-term debentures			11,939,578,461	11,906,557,128	11,873,634,285
Less: Current portion of long-term debentures*			(2,495,767,044)	-	-
Long-term debentures - net of current portion			9,443,811,417	11,906,557,128	11,873,634,285

* The Company has presented the value of current portion by netting of its issuing costs of that portion.

The debenture agreement includes certain restrictive covenants pertaining to, among other things, limitations on creation of indebtedness, compliance with the concession agreement, and the maintenance of financial ratios.

The Company has interest rate risk associated with the long-term debentures carrying fixed interest rate, therefore, the Company has used a financial instrument to manage this risk by entering into an interest rate swap agreement with a financial institution to swap fixed interest rate to floating interest rate only for the debenture - Tranche 3, amounting to Baht 3,000 million. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment at 8.85 percent per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013. As at 31 March 2012, the fair value of the long-term debentures contracted under the agreement was Baht 3,091 million.

14. Reserve for long-term employee benefits

Reserve for long-term employee benefits as at 31 March 2012, 2011 and 2010, which is compensations on employees' retirement, was as follows:

	(Unit: Baht)		
	31 March 2012	31 March 2011	31 March 2010
Balance at beginning of year	277,582,759	253,389,586	220,834,530
Current service cost	23,917,140	25,391,040	25,133,619
Interest cost	9,798,654	9,635,533	8,757,037
Benefits paid during the year	-	(10,833,400)	(1,335,600)
Balance at end of year	311,298,553	277,582,759	253,389,586

Long-term employee benefit expenses included in the profit for the year ended 31 March 2012 amounting to Baht 34 million (2011: Baht 35 million and 2010: Baht 34 million).

Principal actuarial assumptions at the valuation date were as follows:

	31 March 2012	31 March 2011	31 March 2010
	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.2	4.2	4.2
Future salary increase rate (depending on age)	5.0	5.0	5.0
Staff turnover rate	2.0 - 8.0	2.0 - 8.0	2.0 - 8.0

15. Expenses by nature

Significant expenses by nature for the years ended 31 March 2012, 2011 and 2010 were as follows:

	(Unit: Baht)		
	2012	2011	2010
Salaries and wages and other employee benefits	128,697,524	180,677,317	121,994,202
Depreciation	48,610,936	55,236,348	42,136,041
Amortisation	1,214,580,221	955,568,374	961,149,511
Rental expenses	4,911,057	5,888,230	5,112,312
Advisory and professional fees	54,684,118	75,284,738	102,258,641
Repair and maintenance expenses	3,831,311	25,059,152	24,422,002
Utility expenses	10,634,497	16,875,131	12,005,519
Advertising and promotional expenses	50,243,332	60,102,387	44,566,873

16. Gain on debt restructuring under rehabilitation plan

On 29 October 2008, the Central Bankruptcy Court ordered the termination of the Company's business rehabilitation because the Company had complied with most of the significant mandatory terms and conditions stipulated in the rehabilitation plan. The Company, therefore, reversed accrued interests approximately amounting to Baht 7,875 million as recorded at the rates claimed by each creditor on application for debt repayment as from the Central Bankruptcy Court ordering the Company to rehabilitate to 28 October 2008 as a part of gain on debt restructuring under rehabilitation plan, totally amounting to Baht 22,447 million in the year of 2009. However, as at 31 March 2009, the Company had liabilities under rehabilitation plan to the creditors - financial institution amounting to approximately Baht 15,000 million (undue interest inclusive). The creditors are to be repaid in 8 annual installments, commencing within 12 months after the date of the capital increase (2009 to 2016), as a condition of the rehabilitation plan. Subsequently, in September 2009, the Company repaid all liabilities under rehabilitation plan of Baht 10,016 million to the creditor in full and recorded gain from reversal of undue interest in accordance with the rehabilitation plan amounting to Baht 4,528 million as "Gain on debt restructuring under rehabilitation plan" and separately presented in the carve-out statement of income for the year ended 31 March 2010.

17. Agreement to change the conversion right of unsubordinated convertible bonds

On 17 April 2009, the Company had 5,821,500 units of zero-coupon, unsecured and unsubordinated convertible bonds ("the bonds") with net book value of Baht 4,981.9 million. The Company and the bondholders entered into an agreement to change the conversion right of the bonds on that day by determining that all of the bonds have to be converted into the Company's ordinary shares on the maturity date mandatory. The Company, therefore, ceased calculating the adjustment for the difference between the liability component and the total face value of the bonds on that day and transferred all outstanding balance of liability component to be an equity component.

18. Financial instruments

18.1 Financial risk management

Financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, other receivables, advances for acquisition of assets, trade and other payables, retentions payable, and long-term debentures.

Credit risk

Credit risk is exposed primarily with respect to other receivables and advances for acquisition of assets. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of other receivables and advances for acquisition of assets as stated in the carve-out statements of financial position.

Interest rate risk

Interest rate risk relates primarily to cash at banks and long-term debentures. However, since most of Core line of skytrain business's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal, except the interest rate risk associated with the long-term debentures carrying fixed interest rates. The Company has policy to use a financial instrument to manage this risk by entering into the IRS agreement to swap fixed interest rates for floating interest rates as stipulated in the agreement on debentures totaling Baht 3,000 million, out of the tranche of 4 million units with a par value of Baht 1,000 or total value of Baht 4,000 million, a five-year term, and a coupon rate of 5.75 percent per annum that mature on 21 August 2014 as discussed in Note 13 to the carve-out financial statements.

Significant financial assets and liabilities as at 31 March 2012 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date or the re-priced date if this occurs before the maturity date.

(Unit: Million Baht)

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	30	38	68	0.75 to 2.25
Other receivables	-	-	-	-	1	1	-
Advances for acquisition of assets	-	-	-	-	26	26	-
Total	-	-	-	30	65	95	
Financial liabilities							
Trade and other payables	-	-	-	-	135	135	-
Long-term debentures	2,496	9,444	-	-	-	11,940	4.75 to 6.75
Total	2,496	9,444	-	-	135	12,075	

18.2 Fair values of financial instruments

Since the majority of financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the carve-out statements of financial position.

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

19. Commitments and contingent liabilities

As at the dates of the statements of financial position, outstanding commitments were as follows:

	(Unit: Million)								
	31 March 2012			31 March 2011			31 March 2010		
	Baht	EUR	AUD	Baht	EUR	USD	Baht	EUR	
Improvement of signaling system	43	-	-	256	1	-	267	2	
Radio upgrade project for the signaling system	3	1	-	3	1	-	4	1	
Acquisition of equipment for fare box system	-	-	1	-	-	-	-	-	
Maintenance contract	553	6	-	754	8	-	955	10	
Other long-term commitments	43	-	-	65	-	1	15	-	
Total	642	7	1	1,078	10	1	1,241	13	

Contingencies

Litigation

On 11 February 2002, the Company was sued for damages as the second defendant in a tort case, whereby a company alleged that the Company's contractor caused damage to a section of underground fuel pipeline in the area of a train station and claimed compensation of approximately Baht 108 million. At present, the case is under consideration of the courts. However, the Company has not recorded any allowance for the damage in its accounts since the Company believes that, as employer, it is in any case not liable to third parties for damages caused by its contractor, and that the case will therefore have no significant impact on the Company.

Interest Rate Swap agreement

As at 31 March 2012, as discussed in Note 13 to the carve-out financial statements, the Company had the Interest Rate Swap agreement with a financial institution as detailed below. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment at 8.85 percent per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013.

Principal amount	Interest revenue rate in the agreement	Interest expense rate in the agreement	Fair value as at 31 March 2012
Baht 3,000 million	Fixed rate of 5.75 percent per annum	Floating rates of 0 to 8.85 percent per annum set with reference to DB Pulse Index plus strike rate stipulated in the agreement	Baht 3,091 million

20. Approval of financial statements

These carve-out financial statements were authorised for issue by the Company's Board of Directors on 16 November 2012.

**Independent Auditor's Report on Review of Carve-out Interim Financial Information
of Core line of skytrain business under concession agreement**

To the Board of Directors of Bangkok Mass Transit System Public Company Limited

I have reviewed the accompanying carve-out statement of financial position of Core line of skytrain business under concession agreement as at 31 December 2012, the related carve-out statements of comprehensive income, changes in net assets value, and cash flows of Core line of skytrain business under concession agreement for the nine-month periods ended 31 December 2012 and 2011, as well as the condensed notes to the carve-out financial statements (together "the carve-out interim financial information"). Core line of skytrain business under concession agreement has been operated under Bangkok Mass Transit System Public Company Limited ("the Company"). Management of the Company is responsible for the preparation of this carve-out interim financial information of Core line of skytrain business under concession agreement prepared using basis and assumptions as described in Note 2 to the carve-out interim financial statements.

Scope of review

I conducted my reviews 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 the carve-out 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 reviews, nothing has come to my attention that causes me to believe that the accompanying carve-out interim financial information is not prepared, in all material respects, in accordance with basis and assumptions as described in Note 2 to the carve-out interim financial statements.

Basis for the preparation of the carve-out interim financial statements and limit of distribution

Without changing in my conclusion above, I draw attention to Note 2 to the carve-out interim financial statements regarding to the basis and assumptions for the preparation of the carve-out interim financial statements. The management of the Company has prepared the carve-out interim financial statements of Core line of skytrain business under concession agreement based on accounting transactions recorded and maintained by the Company. Some transactions presented in the carve-out interim financial statements of Core line of skytrain business under concession agreement have been allocated from the Company in accordance with the basis and assumptions that the management of the Company considered as acceptable criteria in the current circumstance. The carve-out interim financial statements do not seek to represent any financial position or results of operations of Core line of skytrain business under concession agreement as a separate statutory entity. These carve-out interim financial statements should be read in conjunction with the carve-out financial statements of Core line of skytrain business under concession agreement for the years ended 31 March 2012, 2011 and 2010 under my report dated 16 November 2012.

The purpose of preparation of the carve-out interim financial statements is to support the submission of infrastructure fund establishment to Securities and Exchange Commission in Thailand; therefore, the carve-out interim financial statements are not suitable to distribute for other purposes.

Carve-out statement of financial position as at 31 March 2012 for comparative purposes

I have previously audited the carve-out financial statements of Core line of skytrain business under concession agreement of Bangkok Mass Transit System Public Company Limited for the years ended 31 March 2012, 2011 and 2010 (“the carve-out financial statements”) in accordance with Thai Standards on Auditing, and expressed an opinion on those statements under my report dated 16 November 2012 that the carve-out financial statements have been prepared, in all material respects, in accordance with the basis and assumptions which the management of the Company considered as acceptable criteria in the current circumstance as described in Note 2 to the carve-out interim financial statements. The carve-out statement of

financial position of Core line of skytrain business under concession agreement as at 31 March 2012, as presented herein for comparative purposes, formed an integral part of those financial statements.



Siraporn Ouannunkun

Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited

Bangkok: 1 February 2013

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of financial position**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 December 2012</u>	<u>31 March 2012</u>
Assets			
Current assets			
Cash and cash equivalents		475,182	67,760
Trade and other receivables	5	2,896	1,399
Consumable spare parts	6	79,965	78,908
Prepaid expenses		21,398	45,440
Other current assets		12,723	9,422
Total current assets		<u>592,164</u>	<u>202,929</u>
Non-current assets			
Long-term investment	7	100,000	-
Project costs	8	42,023,758	42,976,803
Reusable spare parts	6	82,210	81,231
Spare parts - maintenance contract		292,771	292,771
Equipment	9	77,100	88,932
Intangible assets	10	12,067	8,972
Advances for acquisition of assets		11,965	25,673
Other non-current assets		26,420	37,429
Total non-current assets		<u>42,626,291</u>	<u>43,511,811</u>
Total assets		<u><u>43,218,455</u></u>	<u><u>43,714,740</u></u>

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

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of financial position (continued)**

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 December 2012</u>	<u>31 March 2012</u>
Liabilities			
Current liabilities			
Trade and other payables	11	279,330	135,156
Unearned fare box revenues		103,656	144,822
Deposits on stored value tickets		11,223	18,558
Accrued expenses		30,755	218,655
Current portion of finance lease liabilities		108	222
Current portion of long-term debentures	12	2,494,921	2,495,767
Retentions payable		147,340	148,812
Other current liabilities		122,260	103,910
Total current liabilities		<u>3,189,593</u>	<u>3,265,902</u>
Non-current liabilities			
Finance lease liabilities - net of current portion		-	65
Long-term debentures - net of current portion	12	6,966,096	9,443,811
Reserve for long-term employee benefits		329,198	311,299
Total non-current liabilities		<u>7,295,294</u>	<u>9,755,175</u>
Total liabilities		<u>10,484,887</u>	<u>13,021,077</u>
Net assets value		<u>32,733,568</u>	<u>30,693,663</u>

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

Directors

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Carve-out statements of comprehensive income
For the nine-month periods ended 31 December 2012 and 2011**

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>2012</u>	<u>2011</u>
Revenues			
Fare box revenues		3,632,994	3,119,910
Other income		3,587	25
Total revenues		<u>3,636,581</u>	<u>3,119,935</u>
Expenses			
Costs of fare box		1,859,008	1,642,282
Selling expenses		55,068	48,233
Administrative expenses		317,502	263,952
Total expenses		<u>2,231,578</u>	<u>1,954,467</u>
Profit before finance cost and corporate income tax		1,405,003	1,165,468
Finance cost		(560,057)	(607,876)
Profit before corporate income tax		<u>844,946</u>	<u>557,592</u>
Corporate income tax	13	(17,304)	-
Profit for the period		<u>827,642</u>	<u>557,592</u>
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>827,642</u>	<u>557,592</u>

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

**Core line of skytrain business under concession agreement
 of Bangkok Mass Transit System Public Company Limited**
Carve-out statements of changes in net assets value
For the nine-month periods ended 31 December 2012 and 2011

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Balance at beginning of period	30,693,663	32,114,587
Total comprehensive income for the period	827,642	557,592
Net assets value received from (paid to) the Company	1,212,263	(1,491,074)
Balance at end of period	<u>32,733,568</u>	<u>31,181,105</u>

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

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited**

Carve-out statements of cash flows

For the nine-month periods ended 31 December 2012 and 2011

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Profit before tax	844,946	557,592
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	28,893	37,110
Amortisation	1,021,622	882,434
Gain on disposals / write-off of assets	(3,587)	(25)
Provision for long-term employee benefits	23,215	27,458
Interest expenses	535,391	578,664
Profit from operating activities before changes in operating assets and liabilities	2,450,480	2,083,233
Operating assets (increase) decrease		
Trade and other receivables	(1,497)	(133)
Spare parts	(4,065)	(78,531)
Other current assets	20,742	24,585
Other non-current assets	11,009	(14,843)
Operating liabilities increase (decrease)		
Trade and other payables	132,092	184,240
Unearned fare box revenues	(41,166)	12,761
Deposits on stored value tickets	(7,335)	666
Retentions payable	(1,472)	6,409
Others	(174,866)	(179,353)
Cash flows from operating activities	2,383,922	2,039,034
Cash paid for interest expenses	(523,281)	(550,978)
Cash paid for corporate income tax	(17,304)	-
Net cash flows from operating activities	<u>1,843,337</u>	<u>1,488,056</u>

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

Core line of skytrain business under concession agreement

of Bangkok Mass Transit System Public Company Limited

Carve-out statements of cash flows (continued)

For the nine-month periods ended 31 December 2012 and 2011

	(Unit: Thousand Baht)	
	<u>2012</u>	<u>2011</u>
Cash flows from investing activities		
Increase in long-term investment	(100,000)	-
Increase in advances for acquisition of assets	-	(1,082)
Increase in project costs	(30,900)	(72,091)
Cash paid for acquisition of intangible assets	(5,837)	(5,412)
Cash paid for acquisition of equipment	(14,850)	(11,893)
Proceeds from disposals of equipment	3,616	32
Net cash flows used in investing activities	<u>(147,971)</u>	<u>(90,446)</u>
Cash flows from financing activities		
Repayment of finance lease liabilities	(207)	(243)
Repayment of long-term debentures	(2,500,000)	-
Net assets value received from (paid to) the Company	1,212,263	(1,491,074)
Net cash flows used in financing activities	<u>(1,287,944)</u>	<u>(1,491,317)</u>
Net increase (decrease) in cash and cash equivalents	<u>407,422</u>	<u>(93,707)</u>
Cash and cash equivalents at beginning of period	67,760	360,238
Cash and cash equivalents at end of period	<u><u>475,182</u></u>	<u><u>266,531</u></u>

Supplemental disclosures of cash flow information

Non-cash transactions

Transfer advances for acquisition of		
assets to project costs	13,707	40,118
Transfer project costs - work under construction		
to equipment	2,240	-
Payable of acquisition of project costs	-	170,724

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

**Core line of skytrain business under concession agreement
of Bangkok Mass Transit System Public Company Limited
Notes to the carve-out interim financial statements
For the nine-month periods ended 31 December 2012 and 2011**

1. Purpose and background of the preparation of the carve-out interim financial statements

1.1 Purpose of the preparation of the carve-out interim financial statements

These carve-out interim financial statements of Core line of skytrain business under concession agreement (“the carve-out interim financial statements”) have been prepared to support the submission of an infrastructure fund establishment to the Securities and Exchange Commission in Thailand; therefore, the carve-out interim financial statements are not suitable to distribute for other purposes.

The carve-out interim financial statements in the English language have been translated from the carve-out interim financial statements in the Thai language. In case of any differences in the interpretation of the carve-out interim financial statements or independent auditor’s report, the carve-out interim financial statements in Thai language will prevail.

1.2 Background

Core line of skytrain business under concession agreement of Bangkok Mass Transit System Public Company Limited (“the Company”) (together “Core line of skytrain business”) is an elevated mass transit system operation over two main routes, Sukhumvit line and Silom line (part of the green skytrain line), under the concession agreement dated 9 April 1992 including all amendments made between Bangkok Metropolitan Administration (“BMA”) and the Company (“the concession agreement”). Under the concession agreement, the routes cover 23 skytrain stations, for a total distance of 23.5 kilometers for a period of 30 years after the first date of operation (The skytrain has commenced operations on 5 December 1999). Core line of skytrain business is not included under the long-term operation and maintenance contract for a mass transit system in Bangkok with The Krungthep Thanakom Company Limited (“KT”) for 7 extended stations constructed by BMA, with a total distance of 7.45 kilometers, and bus operations and provision service agreements relating to the Bus Rapid Transit project (BRT) with KT, and the other operations of the Company.

The carve-out interim financial statements have been prepared by the management of the Company in order to present the historical financial position and the results of operations of Core line of skytrain business as a separate business unit. However, the carve-out interim financial statements of Core line of skytrain business do not reflect the financial position, results of operations and cash flows of Core line of skytrain business in the future and financial position, results of operations and cash flows of Core line of skytrain business as a separate statutory entity.

On 18 December 2012, the Extraordinary General Meetings of Shareholders of the Company and of BTS Group Holdings Public Company Limited, the parent company of the Company, unanimously approved the Company to sell the net fare box revenues received from the operation of Core line of skytrain business from the completion date of the sale of the net fare box revenues until the expiry date of the concession agreement (4 December 2029) to the infrastructure fund which is in the submission process with the Securities and Exchange Commission.

2. Basis and assumptions for the preparation of the carve-out interim financial statements

These carve-out interim financial statements comprise carve-out statements of financial position, comprehensive income, changes in net assets value and cash flows and condensed notes to the carve-out interim financial statements which are intended to provide information additional to that included in the carve-out financial statements of Core line of skytrain business under concession agreement for the years ended 31 March 2012, 2011 and 2010. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These carve-out interim financial statements should therefore be read in conjunction with the carve-out financial statements of Core line of skytrain business under concession agreement for the years ended 31 March 2012, 2011 and 2010.

These carve-out interim financial statements have been prepared using information of the carve-out financial statements of Core line of skytrain business for the years ended 31 March 2012, 2011 and 2010 and the Company's separate interim financial statements for the nine-month periods ended 31 December 2012 and 2011 reviewed by the Company's auditor and using accounting transactions recorded and maintained by the Company.

The Company records and maintains its accounting transactions of all businesses in its separate annual and interim financial statements on a combined basis. The accounting transactions were not recorded and maintained separately in such financial statements for each business. Therefore, the management of the Company has to identify balances and transactions directly related to Core line of skytrain business and define some basis and assumptions for allocation of other transactions' amount as reported in the Company's separate annual and interim financial statements to Core line of skytrain business in the preparation of these carve-out interim financial statements.

These carve-out interim financial statements have been prepared using the same significant bases and assumptions as the carve-out financial statements of Core line of skytrain business under concession agreement for the years ended 31 March 2012, 2011 and 2010 for allocations of other transactions' amount as reported in the Company's separate interim financial statements to Core line of skytrain business.

The basis for allocations and estimates applied for the preparation of the carve-out interim financial statements of Core line of skytrain business were based on methodologies that the management believes to be reasonable, are the best estimate of the management of the Company and are acceptable under the current circumstances.

3. Summary of significant accounting policies

The carve-out interim financial statements are prepared using the same accounting policies as were disclosed in the carve-out financial statements of Core line of skytrain business under concession agreement for the years ended 31 March 2012, 2011 and 2010.

4. Related party transactions

During the periods, the Company 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 Company and those companies.

A summary of those transactions relating to Core line of skytrain business was detailed as follows.

	(Unit: Million Baht)	
	For the nine-month periods ended 31 December	Transfer pricing policy
	2012	2011
Transactions with related parties		
<u>Selling expenses</u>		
VGI Global Media Plc.	14	14
Bangkok Smartcard System Co., Ltd.	15	-
Carrot Rewards Co., Ltd.	5	-
Total	34	14
<u>Administrative expenses</u>		
BTS Assets Co., Ltd.	1	-
BTS Group Holdings Plc.	5	2
Total	6	2

As at the dates of the carve-out statements of financial position, the outstanding balances of the accounts were shown as follows.

	(Unit: Thousand Baht)	
	31 December 2012	31 March 2012
<u>Trade and other receivables - related parties</u>		
<u>(Note 5)</u>		
Bangkok Smartcard System Co., Ltd.	686	-
BTS Group Holdings Plc.	660	-
BTS Assets Co., Ltd.	400	-
Total	1,746	-
<u>Prepaid expenses - related party</u>		
BTS Group Holdings Plc.	4,850	8,929
<u>Trade and other payables - related parties</u>		
<u>(Note 11)</u>		
VGI Global Media Plc.	4,287	-
Bangkok Smartcard System Co., Ltd.	1,790	-
Carrot Rewards Co., Ltd.	2,673	-
BTS Assets Co., Ltd.	199	-
Total	8,949	-

	(Unit: Thousand Baht)	
	31 December 2012	31 March 2012
<u>Unearned fare box revenues - related parties</u>		
BTS Group Holdings Plc.	8,316	5,836
Nuvo Line Agency Co., Ltd.	-	11
Bangkok Smartcard System Co., Ltd.	-	1,301
Total	8,316	7,148

Directors and management's benefits

Employee benefit expenses of its directors and management for the nine-month periods ended 31 December 2012 and 2011 were shown as below.

	(Unit: Million Baht)	
	2012	2011
Short-term employee benefits	50	42
Post-employment benefits	8	8
Share-based payment	1	1
Total	59	51

5. Trade and other receivables

As at the dates of the carve-out statements of financial position, the balances of trade accounts receivable aged on the basis of due dates and the balances of other receivables account were summarised below.

	(Unit: Thousand Baht)	
	31 December 2012	31 March 2012
Trade accounts receivable - related parties		
<u>Age of receivables</u>		
Not yet due	1,746	-
Total trade accounts receivable - related parties	1,746	-
Other receivables		
Other receivables	-	546
Advances	1,150	853
Total other receivables	1,150	1,399
Total trade and other receivables	2,896	1,399

6. Spare parts

	(Unit: Thousand Baht)	
	31 December 2012	31 March 2012
Consumable spare parts	79,965	78,908
Reusable spare parts	94,563	91,999
Less: Accumulated amortisation on reusable spare parts	(12,353)	(10,768)
Reusable spare parts - net	82,210	81,231
Total spare parts	162,175	160,139

Of the expenses relating to consumable and reusable spare parts for the nine-month period ended 31 December 2012, totaling Baht 9 million (2011: Baht 7 million), an amount of Baht 8 million (2011: Baht 7 million) was allocated to Core line of skytrain business, presented under costs of fare box in the carve-out statements of comprehensive income and the remaining Baht 1 million was allocated to other businesses in accordance with bases and assumptions determined by the Company's management.

7. Long-term investment

As at 31 December 2012, the balance of long-term investment was an investment in 100,000 units of subordinated debentures of a local commercial bank with face value of Baht 1,000 each, totaling amounting to Baht 100 million. The debentures have a term of 10 years, maturing on 7 December 2022, and the issuer has an early redemption option. The coupon rate is 4.375% per annum, with interest settlement scheduled every six months.

8. Project costs

(Unit: Thousand Baht)

Cost

Balance as at 31 March 2012	53,459,672
Transfer in	27,580
Balance as at 31 December 2012	53,487,252

Accumulated amortisation

Balance as at 31 March 2012	(9,547,481)
Amortisation for the period	(995,412)
Balance as at 31 December 2012	(10,542,893)

Allowance for diminution in value of project costs

Balance as at 31 March 2012	(1,146,982)
Balance as at 31 December 2012	(1,146,982)

Work under construction

Balance as at 31 March 2012	211,594
Increase in work under construction during the period	44,607
Transfer out	(27,580)
Transfer out to equipment	(2,240)
Balance as at 31 December 2012	226,381

Net book value

31 March 2012	42,976,803
31 December 2012	42,023,758

Of the amortisation on project costs for the nine-month period ended 31 December 2012, totaling Baht 995 million (2011: Baht 852 million), an amount of Baht 980 million (2011: Baht 847 million) was allocated to Core line of skytrain business and the remaining Baht 15 million (2011: Baht 5 million) was allocated to other businesses in accordance with bases and assumptions determined by the Company's management.

Amortisation on project costs relating to Core line of skytrain business for the nine-month periods ended 31 December 2012 and 2011 was presented as a part of costs and expenses in the carve-out statements of comprehensive income as details below.

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Costs of fare box	976	845
Administrative expenses	4	2
Total	<u>980</u>	<u>847</u>

9. Equipment

	(Unit: Thousand Baht)
Cost	
Balance as at 31 March 2012	397,461
Additions during the period	14,850
Disposals during the period	(15,770)
Transfer in from project costs	2,240
Balance as at 31 December 2012	<u>398,781</u>
Accumulated depreciation	
Balance as at 31 March 2012	308,529
Depreciation for the period	28,893
Accumulated depreciation on disposals	(15,741)
Balance as at 31 December 2012	<u>321,681</u>
Net book value	
31 March 2012	<u>88,932</u>
31 December 2012	<u>77,100</u>

Of the depreciation of equipment for the nine-month period ended 31 December 2012, totaling Baht 29 million (2011: Baht 37 million), an amount of Baht 23 million (2011: Baht 30 million) was allocated to Core line of skytrain business and the remaining Baht 6 million (2011: Baht 7 million) was allocated to other businesses in accordance with bases and assumptions determined by the Company's management.

Depreciation of equipment relating to Core line of skytrain business for the nine-month periods ended 31 December 2012 and 2011 was presented as a part of costs and expenses in the carve-out statements of comprehensive income as details below.

	(Unit: Million Baht)	
	<u>2012</u>	<u>2011</u>
Costs of fare box	6	7
Administrative expenses	17	23
Total	<u>23</u>	<u>30</u>

10. Intangible assets

	(Unit: Thousand Baht)
Cost	
Balance as at 31 March 2012	60,233
Additions during the period	<u>5,837</u>
Balance as at 31 December 2012	<u>66,070</u>
Accumulated amortisation	
Balance as at 31 March 2012	51,261
Amortisation for the period	<u>2,742</u>
Balance as at 31 December 2012	<u>54,003</u>
Net book value	
31 March 2012	<u>8,972</u>
31 December 2012	<u>12,067</u>

Of the amortisation of intangible assets for the nine-month period ended 31 December 2012, totaling Baht 3 million (2011: Baht 3 million), an amount of Baht 2 million (2011: Baht 2 million) was allocated to Core line of skytrain business, presented as a part of administrative expenses in the carve-out statements of comprehensive income and the remaining Baht 1 million (2011: Baht 1 million) was allocated to other businesses in accordance with bases and assumptions determined by the Company's management.

11. Trade and other payables

	(Unit: Thousand Baht)	
	31 December 2012	31 March 2012
Trade accounts payable - related party	1,790	-
Trade accounts payable - unrelated parties	61,292	49,629
Accrued interest expenses	96,880	84,798
Other payables - related parties	7,159	-
Other payables - unrelated parties	112,209	729
Total trade and other payables	279,330	135,156

12. Long-term debentures

On 21 August 2009, the Company issued and offered 12 million units of unsubordinated and unsecured debentures, with a par value of Baht 1,000 each and total value of Baht 12,000 million to the public (together “the long-term debentures”).

For the issuance of the long-term debentures, the Company incurred the issuing costs approximately amounting to Baht 146 million deducting from the long-term debentures’ value. The issuing costs will be amortised to increase the long-term debentures’ valuation gradually throughout the period of the long-term debentures.

As at the dates of the carve-out statements of financial position, details of the debentures were as follows.

			(Unit: Thousand Baht)	
	Maturity date	Interest rate	31 December 2012	31 March 2012
		p.a. %		
Debenture - Tranche 1	21 August 2012	4.75	-	2,500,000
Debenture - Tranche 2	21 August 2013	5.25	2,500,000	2,500,000
Debenture - Tranche 3	21 August 2014	5.75	4,000,000	4,000,000
Debenture - Tranche 4	21 August 2015	6.25	1,500,000	1,500,000
Debenture - Tranche 5	21 August 2016	6.75	1,500,000	1,500,000
Total			9,500,000	12,000,000
Less: The issuing costs			(38,983)	(60,422)
Total long-term debentures			9,461,017	11,939,578
Less: Current portion of long-term debentures			(2,494,921)	(2,495,767)
Long-term debentures - net of current portion			6,966,096	9,443,811

* The Company has presented the value of current portion by netting of its issuing costs of that portion.

On 21 August 2012, the Company redeemed the 2.5 million units of long-term debenture - Tranche 1, with a par value of Baht 1,000 each or a total value of Baht 2,500 million.

The debenture agreement includes certain restrictive covenants pertaining to, among other things, limitations on creation of indebtedness, compliance with the concession agreement, and the maintenance of financial ratios.

The Company has interest rate risk associated with the long-term debentures carrying fixed interest rate, therefore, the Company has used a financial instrument to manage this risk by entering into an interest rate swap agreement with a financial institution to swap fixed interest rate to floating interest rate only for the debenture - Tranche 3, amounting to Baht 3,000 million. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment at 8.85 percent per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013. As at 31 December 2012, the fair value of the long-term debentures contracted under the agreement was Baht 3,047 million (31 March 2012: Baht 3,091 million).

On 18 December 2012, the Extraordinary General Meeting of Shareholders of the Company unanimously approved to propose to revise the debenture rights, whereby the debenture' holders will receive bank guarantees as collateral for the long-term debentures and a put option for the debentures is proposed for approval. Subsequently, on 27 December 2012, the meeting of the holders of the Company's long-term debentures No.1/2012 passed a resolution to revise the debenture rights that was proposed by the Company.

13. Corporate income tax

Corporate income tax of Core line of skytrain business for the nine-month period ended 31 December 2012 was calculated from profit before tax for the period, after adding back expenses which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

The Company had no corporate income tax payable for the nine-month period ended 31 December 2011, since the Company had tax loss brought forward over its profit for the period. Therefore, Core line of skytrain business has also no corporate income tax payable for the nine-month period then ended.

14. Commitments and contingent liabilities

As at the dates of the carve-out statements of financial position, outstanding commitments were as follows.

	(Unit: Million)					
	31 December 2012			31 March 2012		
	Baht	EUR	AUD	Baht	EUR	AUD
Improvement of signaling system	40	-	-	43	-	-
Radio upgrade project for the signaling system	3	1	-	3	1	-
Acquisition of equipment for fare box system	-	-	1	-	-	1
Maintenance contract	409	5	-	553	6	-
Other long-term commitments	125	-	-	43	-	-
Total	577	6	1	642	7	1

Contingencies

Legal Proceeding

On 11 February 2002, the Company was sued for damages as the second defendant in a tort case, whereby a company alleged that the Company's contractor caused damage to a section of underground fuel pipeline in the area of a train station and claimed compensation of approximately Baht 108 million. At present, the case is under consideration of the courts. However, the Company has not recorded any allowance for the damage in its accounts since the Company believes that, as employer, it is in any case not liable to third parties for damages caused by its contractor, and that the case will therefore have no significant impact on the Company.

Interest Rate Swap agreement

As at 31 December 2012, as discussed in Note 12 to the carve-out interim financial statements, the Company had an interest rate swap agreement with a financial institution as detailed below. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment at 8.85 percent per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013.

Principal amount	Interest revenue rate in the agreement	Interest expense rate in the agreement	Fair value as at 31 December 2012
Baht 3,000 million	Fixed rate of 5.75 percent per annum	Floating rates of 0 to 8.85 percent per annum set with reference to DB Pulse Index plus strike rate stipulated in the agreement	Baht 3,047 million

15. Events after the reporting period

On 29 January 2013, the Company issued a memorandum to a local commercial bank requesting a credit facility amounting to Baht 10,000 million in the form of promissory notes to be issued to the bank. The credit facility will be used to support the exercise of the put option on the long-term debentures, as discussed in Note 12 to the carve-out interim financial statements. The promissory notes are subject to interest at a rate tied to the Minimum Loan Rate (MLR) minus a certain spread stipulated in the agreement, and are secured by the pledge of the share certificates to 153 million shares of the subsidiary (VGI Global Media Public Company Limited) with the local commercial bank. Interest is to be paid monthly and principal is to be repaid within 3 months from the drawdown date. As at 31 January 2012, the Company had drawn down Baht 917 million from this facility.

16. Approval of financial statements

The carve-out interim financial statements were authorised for issue by the Company's Board of Directors on 1 February 2013.

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BTS Rail Mass Transit Growth Infrastructure Fund

5,788,000,000 Investment Units

Offering Memorandum

April 4, 2013
